



# County of San Mateo

## Inter-Departmental Correspondence

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**Department:** PUBLIC WORKS

**File #:** 20-434

Board Meeting Date: 6/23/2020

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**Special Notice / Hearing:** None  
**Vote Required:** Majority

**To:** Honorable Board of Supervisors  
**From:** James C. Porter, Department of Public Works  
**Subject:** Road Fund Equipment Loan Agreement

### **RECOMMENDATION:**

Adopt a resolution authorizing:

- A) The County Manager or Designee to execute a General Fund loan with the County Road Fund, in the amount of \$400,000 to finance a one-time equipment purchase, to be repaid over a period of ten years, and
- B) The County Manager or Designee to execute subsequent change orders to grant non-substantive additions, clarifications, or changes as necessary or advisable so long as the modified terms are within the fiscal provisions.

### **BACKGROUND:**

On September 25, 2018, as part of the FY 2018-19 Adopted Budget, your Board approved an appropriation of \$400,000 for an internal lease request to purchase a piece of equipment known as a Ditch Master to assist road crews in addressing drainage problems, mitigating costly road repair and replacement costs resulting from water damage. Subsequently on October 1, 2018, the County Budget Director authorized the transfer of funds from the General Fund in an amount up to \$400,000 to the Road Fund to purchase the Ditch Master through the internal lease program.

### **DISCUSSION:**

The Ditch Master equipment was received and paid for by the Road Fund in the Spring of 2020 and the Road Fund is now seeking an advance of funds from the Internal Lease Program. It has been determined that from an accounting perspective it is necessary to execute a loan agreement to record the advance of funds from non-departmental services to the Road Fund. The loan agreement conforms with the internal lease fund authorization executed by the County Budget Director on October 1, 2018.

County Counsel has reviewed and approved the loan agreement and resolution as to form.

**FISCAL IMPACT:**

The transfer of funds from the internal lease program to the Road Fund and subsequent loan repayment are included in the Non-departmental and Road Fund Adopted FY 2019-20 budgets respectively.