



CONFIRE

STAFF REPORT

DATE: December 11, 2023

**FROM: Nathan Cooke
Interim Director**

TO: Board of Directors

SUBJECT: CONFIRE EMS Division Loan

Recommendation

It is recommended that the CONFIRE Board of Directors (BOD) authorize the Chairperson to sign and execute a loan from the City of Ontario in the amount of \$20,000,000.

The loan will be used by the EMS Division to fund the startup cost related to hiring support staff and the respective personnel salaries, as well as the cost associated with the first 90-days of operations for the County of San Bernardino Ground Ambulance contract.

Background Information

The County of San Bernadino has awarded CONFIRE the Advanced Life Support and Basic Life Support Ground Ambulance Services, Interfacility and Critical Care Transport Services for Exclusive Operating Areas in San Bernardino County contract. In order to adhere to the provisions, set forth in the agreement and to fund the startup costs associated with providing such services, CONFIRE needs to secure a loan not to exceed \$20,000,000.

CONFIRE staff were directed by the CONFIRE Administrative Committee to research the different types of loans and payment structures that may be available. After an exhaustive search utilizing the California Special Districts Association and Oppenheimer and Co. Inc. services and expertise, it is recommended that CONFIRE accept the loan form the City of Ontario due to the rate structure, interest rate, payment structure, and loan terms.

The terms of the loan are as follows:

Maximum Loan Amount:	\$20,000,000.00
Minimum Amount Per Draw:	\$1,000,000.00
Draw Effective Date:	Minimum of 5 business days to process request once received.
Loan Agreement:	Agreement expires 2 years from the effective date of the loan agreement. Draws request must be completed within the two years.
Term of Each Draw:	2 years from each effective draw date (example, draw funds is received 7/1/23, term is 7/1/23 to 6/30/25)
Interest Rate:	Each draw term interest rate is tied to the LAIF daily rate, not to exceed 4.00%
Interest Calculation:	Interest is calculated monthly
Repayment:	Borrower will pay scheduled principal and interest on the first day of each calendar month or on the first day of each calendar quarter (Jan 1st, April 1st, July 1st, Oct 1st) The first payment is due the first month or the first calendar quarter after the draw funds are received.
Default Rate:	In the event of default, the interest rate will be 7.98%

Fiscal Impact

The loan funding would be deposited into the EMS Division Enterprise account (5020) and used by the EMS Division for EMS Division related expenses and payments. The term of the loan would be for 2 years from each effective draw date (example, draw funds is received 7/1/23, term is 7/1/23 to 6/30/25). The minimum amount or each draw is \$1,000,000. The interest rate is tied to the Local Agency Investment Fund (LAIF) daily rate, not to exceed 4.00%.