



STAFF REPORT

CITY OF GREEN COVE SPRINGS, FLORIDA

TO: City Council **MEETING DATE:** June 17th, 2025

FROM: Greg Bauer, Assistant Public Works Director

SUBJECT: Approval to authorize a loan of \$48,674.39 at 0.68% interest from the Wastewater fund to the Solid Waste fund for FY 25, to be repaid in FY 26, to cover the first debt service payment on a new garbage truck; approval of resolution R-12-2025 authorizing the City Manager to enter into a 5-year lease purchase agreement with Leasing 2, Inc. to finance the purchase of a different truck than was approved on May 20, 2025 in the amount of \$263,611.00. *Greg Bauer*

BACKGROUND

The Solid Waste department's fleet includes two primary rear load garbage trucks and one backup. Recently, both a primary truck (#712) and the backup truck (#701) experienced major mechanical failures, forcing the City to rent a truck at a cost of over \$20,000 to maintain service. The situation highlighted the critical need for a reliable backup truck. Approval of a new truck purchase would allow one of the current primary trucks to become the backup, ensuring continuity of operations.

At the May 20, 2025 meeting, City Council approved purchase of a 25-yard King Cobra Rear-Loader that was in stock. However, the finance company would not approve the lease as presented and we lost access to that vehicle. Staff is now requesting approval to purchase a 25-yard King Cobra Magnum Rear-Loader for \$263,611, which is actually about \$2,100 less than what was previously approved. The new finance terms require an immediate initial payment of \$48,674.39 with five subsequent annual payments beginning in November 2025.

Due to fleet failures, the Solid Waste fund cannot support the first FY 25 debt service payment. Staff is requesting authorization for a \$48,674.39 loan from the Wastewater fund to the Solid Waste Fund in FY 25 to cover the initial payment. The City would then repay the loan from the Wastewater Fund in FY 26 at 0.68% interest. This interest rate matches the rate that wastewater funds are currently earning at the City's bank.

Solid waste would then pay the remaining five annual payments of \$48,674.39 at 5.36% interest to the finance company, Leasing 2, Inc., beginning in November 2025 (FY26).

FISCAL IMPACT

403-3035-5006500- \$48,674.36

Total for fiscal year 2025- \$48,674.36

RECOMMENDATION

Authorize a loan of \$48,674.39 at 0.68% interest from the Wastewater fund to the Solid Waste fund for FY 25, to be repaid in FY 26, to cover the first debt service payment on a new garbage truck; Approve resolution R-12-2025 authorizing the City Manager to enter into a 5-year lease purchase agreement with Leasing 2, Inc. to finance the purchase of a different truck than was approved on May 20, 2025 in the amount of \$263,611.00.