



INTERFUND LOAN TO SOLID WASTE FUND AND PURCHASE OF SEVEN CNG AUTOMATED SIDE-LOADING TRASH TRUCKS

Public Works Department

CITY COUNCIL
September 17, 2024

RiversideCA.gov

1

SOLID WASTE FLEET

- Solid Waste operates a fleet of 43 automated side-loading refuse trucks to pickup residential trash, recycling, and organics waste
- Replacement of trucks has been inconsistent
- Recommended service life is 8-10 years
- 23 trucks have been in service for 10+ years
- 9 trucks are currently awaiting surplus due to age or damage
 - 10 new ASLs were ordered in July 2023 and will be arriving in coming months



2

RiversideCA.gov

2

OPPORTUNITY FOR 5 ADDITIONAL TRUCKS

- Solid Waste staff learned in August that Peterbilt can manufacture and deliver 5 additional new CNG trucks around the end of 2024 if the City expedites an order, plus 2 additional trucks later in the fiscal year
- Solid Waste Fund will operate in a deficit through FY2025/26 and does not have sufficient fund balance available today
 - FY2024/25 budget provides \$1.1 million to purchase new trash trucks



3

RiversideCA.gov

3

PROPOSED TRANSACTION

- Interfund Loan from the General Fund to the Solid Waste Fund to procure 5 trucks
- Principal not to exceed \$2,870,000
- 3-year maturity, with annual payments
- Annual principal payments will be \$700,000 – \$1,100,000
- Without early paydown, total interest will equal \$251,884.17, with a total fiscal impact of \$3,121,884.17
- Solid Waste budget will provide funding to procure 2 trucks
- Should an 8th truck become available, the remaining funds from these two sources will be used to procure the truck



4

RiversideCA.gov

4

CITY HISTORY OF USING INTERFUND LOANS

- City uses interfund loans to assist with projects where other means to pay for or finance was not available or cost effective
- Interfund loans require City Council approval
- Typical repayment terms are 3-5 years
- Most recent interfund loan is the Airport Fund loan for \$2M with a final maturity date of 2037
- City has approved over 82 interfund loans over a 37-year period, totaling more than \$164M



5

5

STRATEGIC PLAN ALIGNMENT

Strategic Priority 5 – High Performing Government

Goal 5.4: Achieve and maintain financial health by addressing gaps between revenues and expenditures and aligning resources with strategic priorities to yield the greatest impact.

Cross-Cutting Threads



6

6

RECOMMENDATIONS

That the City Council:

1. Authorize a loan of \$2,870,000 from General Fund Infrastructure Reserves to the Solid Waste Fund for purchase of new solid waste collection vehicles;
2. With at least five affirmative votes, authorize the Chief Financial Officer, or designee, to record a supplemental appropriation and interfund transfer from the General Fund to the Solid Waste Fund in the amount of \$2,870,000;
3. With at least five affirmative votes, authorize the Chief Financial Officer, or designee, to record a supplemental appropriation in the amount of \$2,870,000 in the Solid Waste Fund, Capital Purchases account;
4. Authorize the City Manager, or designee, to execute the necessary interfund loan documents; and
5. Approve the purchase of five compressed natural gas automated side-loading refuse trucks from Peterbilt Motors Company of Pico Rivera, California in the amount of \$3,355,924.67.

