

# FORMAL REPORT

<b>To:</b>	Mayor Stratthdee and Members of Council
<b>Prepared by:</b>	Jim Brown, Director of Finance
<b>Date of Meeting:</b>	26 September 2017
<b>Subject:</b>	<b>FIN 19-2017 Borrowing for Landfill Compactor Purchase</b>

## PURPOSE

To seek approval from Council to borrow funds from the Town's PUC Reserve Fund to finance the purchase of the landfill compactor.

## RECOMMENDATION

THAT FIN 19-2017 Borrowing for Landfill Compactor Purchase report be received; and,  
THAT by-Law 81-2017, Borrowing for Landfill Compactor in the amount of \$307,767 from the PUC Reserve Fund at an interest rate of 2.89% with a term of 10 years, be approved.

## BACKGROUND

The purchase of a used landfill compactor to replace the existing unit was approved in report PW 26-2016 with financing to be provided through internal borrowing. The compactor was delivered to the Town in the last week of December 2016 and was carried as unfinanced capital at year end. With the landfill reserve currently, and in the foreseeable future, being insufficient to finance the purchase of \$307,767, the original plan to finance through the PUC reserve fund will be put in place.

## REPORT

Internal borrowing from the PUC Reserve Fund earns the fund a higher rate of interest than what otherwise is available in the market and at no risk. The interest rate of 2.89% for a 10 year term is the rate that would be paid to Infrastructure Ontario who are the leading lender for Ontario municipalities. It is recommended that this rate of interest be applied to the internal borrowing.

## FINANCIAL IMPLICATIONS

The annual repayments of \$35,877 will be paid from the landfill revenues and will not impact the tax levy.

## STRATEGIC PLAN

☒ Not applicable to this report.

## OTHERS CONSULTED

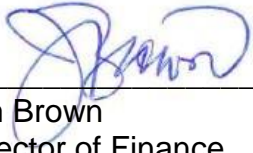
Jed Kelly, Director of Public Works

## ATTACHMENTS

None

## **REVIEWED BY**

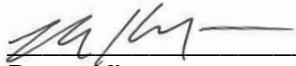
### **Recommended by the Department**



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Jim Brown  
Director of Finance

### **Recommended by the CAO**



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Brent Kittmer  
CAO / Clerk