

Report to Council

Report Title: Digester Roof Replacement Loan Repayment

Prepared By: Trish Serratore, Chief Financial Officer

Department: Finance

Date: May 9, 2023

Report Number: FIN2023-13

File Number: C11FIN, F11DI

Attachments:

Recommendation:

That the Council of the Municipality of Brockton hereby receives Report Number FIN2023-13 – Digester Roof Replacement Loan Repayment, prepared by Trish Serratore, Chief Financial Officer, and in doing so approves repayment of loan Credit C (06652-9919554) in the amount of \$242,045.65 from the Utilities Reserve Fund.

Report:

Background:

The Digester Roof Replacement project was awarded to Price-Schonstrom in the amount of \$824,285.57 for the replacement of the Walkerton WWTP primary digester roof replacement in 2017.

The project was funded by long-term debt which was established in 2018, amortized over 10-years with a 5-year term at 3.04%. Annual repayment amount of approximately \$52,243, funded by the utilities budget.

Analysis:

Loan Credit C- 9919554 matures on May 1, 2023. The bank has agreed to bridge the loan for a few days while I seek Council's approval to payout the remaining balance of \$242,045.65.

Interest rates have increased significantly over the last two years. To renew this loan for the remaining 5-year term the interest rate would be 5.104%. Staff have reviewed their options and propose repayment of the loan in the amount of \$242,045.65 and to fund it from the Utilities Reserve Fund.

The current balance of the Utilities Reserve fund is:

Beginning balance at January 1, 2023	\$2,926,449.00
Less: 2023 Capital Projects funded by Reserve Fund	(\$1,547,062.00)
Less: Loan Repayment	(\$242,045.65)
Projected balance as of December 2023	\$1,137,341.35

Total savings from the long-term debt payments, which is approximately \$52,250 per year, will help replenish the Reserve Fund and saving the municipality increased interest payments.

Strategic Action Plan Checklist:

What aspect of the Brockton Strategic Action Plan does the content/recommendations in this report help advance?

- Recommendations help move the Municipality closer to its Vision Yes
- Recommendations contribute to achieving Heritage, Culture, and Community N/A
- Recommendations contribute to achieving Quality of Life N/A
- Recommendations contribute to achieving Land Use Planning and the Natural Environment N/A
- Recommendations contribute to achieving Economic Development N/A
- Recommendations contribute to achieving Municipal Governance Yes

Financial Impacts/Source of Funding:

- Do the recommendations represent a sound financial investment from a sustainability perspective? Yes

2023 Budget includes the long-term debt repayments, however with the repayment of the loan, these funds will be included in the year-end transfer to the Utilities Reserve Fund.

Respectfully Submitted by:



Trish Serratore, Chief Financial Officer

Reviewed By:



Sonya Watson, Chief Administrative Officer