



STAFF REPORT TO COUNCIL

Report No: TR2022-21

October 26, 2022

From: Kimberley Goyette – Director of Finance/Treasurer

RE: Loan Payout

Recommended Motion:

THAT Council of the Township of North Glengarry approve the payout of loan 06972-37249042-073 for bridge repairs in the upset amount of \$49,000.

Background / Analysis:

A loan was taken out in 2013 for bridge repairs in the amount of \$123,553. The loan was amortized over a period of 15 years at a rate of 3.52%. Although amortized for 15 years, the term of the loan is only for ten (10) years and is up for renewal December 28, 2022. The new loan would be for the remaining five (5) year period.

With current interest rates of almost 6% and a total balance owing of approximately \$49,000, it is recommended that the Township payout the small amount of this loan and avoid paying interest on it for the next five (5) years.

Alternatives:

1. Council approves the payout of this loan.
2. Council denies the payout of this loan and renews the loan for a term of five (5) years.

Financial Implications:

The loan has an impact on the operating budget of just over \$11,000 per year, with total interest over the five (5) year period equating to about \$5,500. Although minimal, this payout would free up \$11,000 annually in the operating budget for other uses.

There is adequate funds in the bank to cover the payout of this loan.

Attachments & Relevant Legislation:

N/A

Others Consulted:

Reviewed and approved by:
Sarah Huskinson, CAO/Clerk