



## TOWNSHIP OF EDWARDSBURGH CARDINAL ACTION ITEM

**Committee:** Administration and Finance

**Date:** June 14, 2021

**Department:** Finance

**Topic:** RBC Financing for Grader

**Purpose:** To seek Committee's recommendation that Council direct staff to enter into a credit facility agreement with RBC which includes a loan of \$300,192.00 for the 3 years with RBC at 1.73% to fund the purchase of the 2020 Grader.

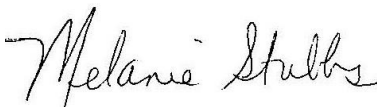
**Background:** In 2013, council entered into a credit facility agreement with RBC under Bylaw 2013-05. RBC has requested an updated credit facility agreement due to the age of the previous agreement.

At a special Council meeting held on May 10<sup>th</sup>, council authorized the purchase of a 2020 Case Grader in the amount of \$300,192.00 and directed staff to finance the purchase with a 3-year loan with RBC.

**Policy Implications:** Any agreement that goes beyond the term of council requires a bylaw. Bylaw 2013-05 will need to be repealed and replaced.

**Financial Considerations:** As per Schedule H, the monthly loan repayments will begin on July 14, 2021 in the amount of \$8,562.77. The finance payments due in 2021 in the amount of \$51,376.26 will be funded through the savings from the Hot Mix Resurfacing project budget. Future finance payments will be included in the annual budget until the end of the loan.

**Recommendation:** That Committee recommends that Council directs staff to draft a bylaw that repeals Bylaw 2013-05 and outlines the current credit facilities agreement which includes a 36-month loan agreement with the Royal Bank of Canada in the amount of \$300,192.00 at an interest rate of 1.73% to fund the purchase of the new grader.

  
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Treasurer

  
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CAO