

To:	Warden Milne and Members of Grey County Council
Committee Date:	June 8, 2023
Subject / Report No:	FR-CW-13-23
Title:	Lease Financing Report as of December 31, 2022
Prepared by:	Sue Murray, Deputy Treasurer
Reviewed by:	Mary Lou Spicer, Director of Finance
Lower Tier(s) Affected:	none
Status:	Recommendation adopted by Committee as presented per Resolution CW83-23; Endorsed by County Council July 22, 2023, per Resolution CC42-23.

Recommendation

1. That report FR-CW-13-23 regarding the 2022 Lease Financing Report be received for information.

Executive Summary

This report is provided in accordance with the *Municipal Act, 2001*, and O. Reg 653/05 (as amended by O. Reg. 604/06 and O. Reg 291/09). The intent of the Act and regulation is to impose a level of due diligence on financing leases for municipal capital facilities.

A list of the County's lease arrangements as of December 31, 2022, is provided at the end of the report. The net annual lease cost for the various operational leases (space for paramedic bases, service delivery, parking, and postage machine) totalled \$173,522 in 2022, an increase of \$3,789 over 2021. The chart attached to this report shows the changes in individual leases from year to year. There were no significant changes in the County's operating leases in 2022 for Paramedic Services or Social Services. There are no capital leases for the reporting period.

Background and Discussion

This report provides a list of the total financing arrangements of the County that have been undertaken through lease financing arrangements.

These lease arrangements are considered operational in nature and low-risk to the County's long-term financial health.

Legal and Legislated Requirements

This report is submitted in accordance with the *Municipal Act, 2001*, and O. Reg. 653/05.

Financial and Resource Implications

The County's 2023 annual budget has been developed based upon the lease financing arrangements in the attached schedule.

Relevant Consultation

- Internal – Departmental staff during the preparation of 2022 year-end working papers
- External (list)

Appendices and Attachments

Lease and Rental Commitments as of December 31, 2022

County of Grey
Lease and Rental Commitments as of December 31, 2022

County Department	Organization	Purpose	2022 Annual Net Expense	2021 Annual Net Expense	Increase / (Decrease)	Lease End Date	Notes
Capital Leases							
nil							
Operating Leases							
Paramedic Services	Township of Southgate	Paramedic Services Station Dundalk	\$25,426	\$25,050	\$376	December 31, 2018	Option to renew lease for 5 years; extended to December 31, 2023
	Municipality of Grey Highlands	Paramedic Services Station Markdale	\$24,982	\$24,982	\$0	December 31, 2023	Option to renew lease for 5 years
	Town of Hanover	Paramedic Services Station Hanover	\$35,055	\$34,543	\$511	December 31, 2018	Option to renew lease for 5 years; extended to December 31, 2023
	Grey Bruce Health Services	Paramedic Services Station Meaford	\$18,613	\$18,600	\$13	December 31, 2008	Option to renew lease for 5 years, rent re-negotiated and new agreement made in 2022
	South Bruce Grey Health Centre	Paramedic Services Station Durham	\$24,060	\$24,060	\$0	December 31, 2025	Option to occupy the premises with consent on a month- to-month basis afterward
Social Services	Donald & Bonnie Shewfelt	Hanover Ontario Works Satellite Office	\$10,274	\$10,165	\$109	March 31, 2022	Option to renew for one year periods with rent to be negotiated
	Township of Southgate	Dundalk HUB Meeting Space	\$7,200	\$7,200	\$0	December 31, 2020	Automatic renewal on a month by month basis
		Markdale Ontario Works Satellite Office	\$19,027	\$19,027	\$0	June 30, 2021	Automatic renewal for successive renewal terms of 5 years
Provincial Offences	County of Bruce	Court room rental (unless notice given)	\$4,200	\$0	\$4,200	May 31, 2021	Automatic successive 5 year renewals; \$150 per court day (28 court days)
					\$0		
General Government	Pitney Bowes	Postage Machine (66 month lease)	\$4,685	\$6,106	-\$1,420	October 28, 2022	\$1,171.36 quarterly
	Sharedon Farms Ltd.	Grey Roots Billboard Lease	\$0		\$0	December 31, 2026	Paid for 2021 and 2022 in Dec 2021
	Brent and Tracey Kuhl	Billboard Lease	\$2,547	\$0	\$2,547	December 31, 2022	
	Nelson Frey	Billboard Lease	\$1,405		\$1,405	December 31, 2023	
Total Net Annual Lease Cost - 2022			\$173,522	\$169,733	\$3,789		
Total Amount of Capital Lease Principal Outstanding			\$0	\$0			
Long-Term Debt							
Georgian College Grant			\$400,000	\$600,000			By-Law 4865-14: Grants Totalling \$2,000,000 to Georgian College (\$200,000 per year 2015-2024)
				\$0			
Total Long-Term Debt of Grey County			\$400,000	\$600,000			See LTD for mortgage statements
Proportion of Long-Term Debt Outstanding belonging to Capital Leases:			0.00%	0.00%			
Other Lease Agreements - no ongoing costs							
	The Blue Mountains (land)	Paramedic Services Station Craigleith (99 years)	0.00	0.00		January 31, 2111	