



# Committee Report

<b>To:</b>	Warden and Members of Grey County Council
<b>Committee Date:</b>	June 9, 2022
<b>Subject / Report No:</b>	FR-CW-11-22
<b>Title:</b>	Lease Financing Report as of December 31, 2021
<b>Prepared by:</b>	Mary Lou Spicer
<b>Reviewed by:</b>	Kim Wingrove
<b>Lower Tier(s) Affected:</b>	none
<b>Status:</b>	

## Recommendation

1. That Report FR-CW-11-22 regarding the 2021 Lease Financing Report be received for information.

## Executive Summary

This report is provided in accordance with the *Municipal Act*, 2001. 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, 2021 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) totaled \$169,733 in 2021 an increase of \$18,561 over 2020. The chart attached to this report shows the changes in individual leases from year to year. The change for Paramedic Services totals \$13,546; \$12,664 of this amount is the result of renegotiated leases with Grey Bruce Health Services and South Bruce Health Centre where lease costs had not been adjusted since 2008 and 2009 respectively. The lease for the Social Services office space rental in Markdale had an end date of June 30, 2021 and the cost increased by \$7,928 after the lease was renegotiated. Provincial Offences and Housing had zero costs in 2021 as there was no court room rental at Walkerton and the parking area that was rented for Golden Town was sold by the owner. 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 a 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, O. Reg. 653/05.

## Financial and Resource Implications

The County's 2022 annual budget has been developed based upon the lease financing arrangements in the attached schedule.

## Relevant Consultation

- Internal – Departmental staff during the preparation of 2021 year-end working papers
- External (list)

## Appendices and Attachments

Lease and Rental Commitments as of December 31, 2021

County of Grey  
Lease and Rental Commitments as of December 31, 2021

County Department	Organization	Purpose	2021 Annual Net Expense	2020 Annual Net Expense	Increase/ (Decrease)	Lease End Date	Notes
<b>Capital Leases</b>							
nil							
<b>Operating Leases</b>							
<b>Paramedic Services</b>	Township of Southgate	Paramedic Station Dundalk	\$ 25,050	\$ 24,680	\$ 370	December 31, 2023	Option to renew lease for 5 years; extended to December 31,
	Municipality of Grey Highlands	Paramedic Station Markdale	\$ 24,982	\$ 24,982	\$ 0	December 31, 2023	Option to renew lease for 5 years
	Town of Hanover	Paramedic Station Hanover	\$ 34,543	\$ 34,032	\$ 511	December 31, 2023	Option to renew lease for 5 years; extended to December 31,
	Grey Bruce Health Services	Paramedic Station Meaford	\$ 18,600	\$ 13,950	\$ 4,650	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 Station Durham	\$ 24,060	\$ 16,046	\$ 8,014	December 31, 2025	Option to occupy the premises with consent on a month- to-month basis afterward
<b>Social Services</b>	Donald & Bonnie Shewfelt	Hanover Ontario Works Satellite Office	\$ 10,165	\$ 10,027	\$ 138	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	\$ -	December 31, 2020	Automatic renewal on a month by month basis
		Markdale Ontario Works Satellite Office	\$ 19,027	\$ 11,099	\$ 7,928	June 30, 2021	Automatic renewal for successive renewal terms of 5 years
<b>Provincial Offences</b>	County of Bruce	Court room rental	\$ -	\$ 1,800	\$ (1,800)	May 31, 2021	Automatic successive 5 year renewals; \$150 per court day - no court days in 2021
		(unless notice given)					
<b>General Government</b>	Pitney Bowes	Postage Machine (66 month lease)	\$ 6,106	\$ 6,106	\$ (0)	October 28, 2022	\$1,526.42 quarterly
<b>Housing</b>	Crown Storage	Parking rental for Golden Town (Meaford)	\$ -	\$ 1,250	\$ (1,250)		Not paid in 2021, rented property was sold per Housing
<b>Total Net Annual Lease Cost - 2021</b>			<b>\$ 169,733</b>	<b>\$ 151,172</b>	<b>\$ 18,561</b>		
<b>Total Amount of Capital Lease Principal Outstanding</b>			<b>\$ -</b>	<b>\$ -</b>			
<b>Long-Term Debt</b>							
<b>Georgian College Grant</b>			<b>\$ 600,000</b>	<b>\$ 800,000</b>			By-Law 4865-14: Grants Totalling \$2,000,000 to Georgian College (\$200,000 per year 2015-2024)
<b>Golden Town Mortgages</b>			<b>\$ -</b>	<b>\$ 2,424,611</b>			Assumption of Golden Town mortgages (paid in full in 2021) See LTD for mortgage statements
<b>Total Long-Term Debt of Grey County</b>			<b>\$ 600,000</b>	<b>\$ 3,224,611</b>			
<b>Proportion of Long-Term Debt Outstanding belonging to Capital Leases:</b>			<b>0.00%</b>	<b>0.00%</b>			
<b>Other Lease Agreements - no ongoing costs</b>							
	The Blue Mountains (land)	Paramedic Station Craigeleith (99 years )	0.00	0.00		January 31, 2111	