

DATE OF MEETING | MAY 11, 2020 |

AUTHORED BY | DAN BAILEY, MANAGER, ACCOUNTING SERVICES |

SUBJECT AUTOMATED GARBAGE TRUCK – EQUIPMENT FINANCING

OVERVIEW

Purpose of Report

To introduce a resolution for Council's approval, which is required for staff to make borrowing arrangements with the Municipal Finance Authority (MFA) for an additional automated garbage truck. |

Recommendation

That Council approve the borrowing of up to \$406,585 through the Municipal Finance Authority's (MFA) Equipment Financing Program to purchase one (1) additional automated garbage truck in 2020.

BACKGROUND

The City completed the final implementation phase of automated solid waste collection in the summer of 2018. This service level change required a significant investment in new equipment including automated garbage trucks. The 2019-2023 Financial Plan included a business case for future expansion due to growth. A new route will be added in 2020 with a second route planned for 2022. |

DISCUSSION

The 2020 – 2024 Provisional Financial Plan approved by Council on 2020-JAN-13 includes the addition of a new automated garbage truck in 2020 to eliminate weekly overtime, and allow for future growth.

As there is a lack of funding available in the Equipment Replacement Reserve, short-term borrowing through the MFA is required to complete the purchase of the additional automated garbage truck.

The MFA Equipment Financing Program provides short term borrowing (one to five years) under section 175 of the *Community Charter* and requires a Council resolution for each borrowing. This program offers low interest rates and no fees. |

OPTIONS

1. That Council approve the borrowing of up to \$406,585 through the Municipal Finance Authority's (MFA) Equipment Financing Program to purchase one (1) additional automated garbage truck in 2020.
 - Financial Implications: Funding for the new garbage truck is included in the 2020 – 2024 Provisional Financial Plan.
2. Council could request further information pertaining to the borrowing. |

SUMMARY POINTS

- The 2020 – 2024 Provisional Financial Plan approved by Council on 2020-JAN-13 includes \$406,585 in borrowing for the addition of an automated garbage truck in 2020.
- Borrowing through MFA's Equipment Financing Program allows for short-term borrowing (1-5 years) with low interest rates and no fees.
- The MFA requires a certified Council resolution prior to fulfilling the borrowing.

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