



MEETING DATE: APRIL 8, 2025

REQUEST FOR DECISION - TO COUNCIL

SUBJECT

MARWAYNE AG SOCIETY FUNDING OPTIONS

RECOMMENDATION

THAT the County of Vermilion River approve the withdrawal of \$_____ from the Contingency Reserve for the Marwayne Ag Society Capital request of \$740,000.00.

THAT the County of Vermilion River approve the withdrawal of \$240,000.00 from the Recreation Reserve for the Marwayne Ag Society Capital request of \$740,000.00.

THAT the County of Vermilion River approve the internal financing of \$_____ for _____ years at an interest rate of four (4) per cent per annum from the Recreation Reserve to the Contingency Reserve.

DETAILS

Background: As per direction given at the 25 March 2025 Regular Council meeting, Administration was asked to bring back option on funding the Marwayne Ag Society request of \$740,000.00.

Discussion Points:

- Financing from Third Party (Loans to Local Authorities) for property that County does not hold ownership will cost:
 - 5 year 3.97%
 - 10 year 4.35%
 - 15 year 4.72%
 - 20 years 4.94%
- The County is now in a financial position to finance internally. The interest earned will be coming back into the County as general revenue.
- To support future capital request and fund internally, a healthy Reserve balance should be maintained. As purposed in the revised Reserve Policy FI 004, a minimum amount



for the Community Services Reserve of \$500,000.00 to \$700,000.00, is this still a good amount?

- The Park Trust Municipal Reserve should not be considered for funding. The Park Trust Municipal Reserve is to benefit the County owned Parks and Recreation areas that are going to be an increasing need soon with the many Hamlets and Residential Subdivisions. The Park Trust Municipal Reserve can help alleviate or reduce the County's budget impact on the rate payer.

Relevant Policy/Legislation Practices:

- Per the MGA section 671(2)
- PD 021 Community Enhancement Funding Policy
- Updated FI 004 Reserve Policy

Desired Outcome (s): THAT the County of Vermilion River approve the withdrawal of \$500,000.00 from the Contingency Reserve for the Marwayne AG Society Capital request of \$740,000.00.

THAT the County of Vermilion River approve the withdrawal of \$240,000.00 from the Recreation Reserve for the Marwayne Ag Society Capital request of \$740,000.00.

THAT the County of Vermilion River approve the internal financing of \$500,000.00 for five (5) years at an interest rate of four (4) per cent per annum from the Recreation Reserve to the Contingency Reserve.

Response Options: THAT the County of Vermilion River approve the withdrawal of \$500,000.00 from the Contingency Reserve for the Marwayne AG Society Capital request of \$740,000.00..

THAT the County of Vermilion River approve the withdrawal of \$240,000.00 from the Recreation Reserve for the Marwayne Ag Society Capital request of \$740,000.00.

THAT the County of Vermilion River approve the internal financing of \$500,000.00 for five (5) years at an interest rate of four (4) per cent per annum from the Recreation Reserve to the Contingency Reserve.



IMPLICATIONS OF RECOMMENDATION

Organizational: None

Financial: Internal financing of loan

Communication Required: None

Implementation: Setting up loan repayment

ATTACHMENTS

Scenario: CVR Loan \$500K with Cash \$240K Reserve forecast

Internal Financing Calculation \$500,000.00 for five (5) years

Scenario: CVR Loan \$250K (5yr) with Cash \$490K Reserve forecast

Internal Financing Calculation \$250,000.00 for five (5) years

Scenario: CVR Loan \$250K (3yr) with Cash \$490K Reserve forecast

Internal Financing Calculation \$250,000.00 for three (3) years

Contingency Reserve Balance Forecast

Loans to Local Authorities – \$500,000.00 for 5-year term

Loans to Local Authorities – \$500,000.00 for 10-year term

Loans to Local Authorities – \$500,000.00 for 15-year term

Loans to Local Authorities – \$500,000.00 for 20-year term

PREPARED BY: Natasha Wobeser

DATE: 1 April 2025