

Municipality of West Grey

Budget Request

Request: ADM-08-2022 – tax levy supported borrowing

Department: Administration

Year: 2022

Included in draft budget

Proposed addition to budget

Description				
Budget Request Form				
Nature of request:				
Review of tax levy supported borrowing scenario				
Justification:				
<p>The 2022 budget includes the annual payments in the amount of \$70,992 for the bank loan for the land purchased for the future police station. The 2022 budget also includes \$150,000 for estimated construction loan costs for the new police station. Below is a summary of estimated future annual loan payments:</p>				
	Amortization	2022 Payments	2023 Payments	2024 Payments
Police Station land	20 years	\$70,992	\$70,992	\$70,992
Construction loan	temporary	\$150,000	\$150,00	
Police Station	30 years		\$200,000*	\$400,000
Annual Total		\$220,992	\$420,992	\$470,992
*estimated partial year construction completed				
The only other borrowing currently supported by the tax levy for fire as shown below:				
	Expires	Annual payments		
Normanby fire truck	2026	\$32,000		
Neustadt fire truck	2024	\$35,000		
Annual Total		\$67,000		
Consequences of not funding:				

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Borrowing costs for the police station are estimated and will depend on timing when construction begins, final completed construction costs and lending rates effective at the time final borrowing is secured.

Alignment with council priority of strategic plan

Pillar: Build a better future

Goal: Vibrant community

Strategy: Maintain and invest in our infrastructure

	2022 Mandatory	2022 One-time	2022 Growth	2022 Service level	2023 One- time	2023 Service level
Capital Expenditure						
Operating Expenditure						
Funding Source						
Tax Levy	\$137,992	\$150,000				
Reserves						
Grant						
Fees						
Other						