

# City Staff Report

---

Original signed by: City Manager Johnson

**Report Date:** Oct 31, 2023

**Meeting Date:** Nov 21, 2023

**To:** City Manager

**From:** Director of Corporate & Financial Services

**Subject:** MFA Equipment Financing for 2023 Equipment.

---

## Purpose

The purpose of this report is to request a resolution from Council to approve the equipment financing through the Municipal Finance Authority (MFA) for the equipment in the 2023 Capital Plan that were to be financed.

## Summary

As part of the 2023 Capital Plan, Council approved the purchase of \$860,000 of mobile equipment as required by the City's Fleet Replacement Plan. As per the Capital Plan, \$630,000 of the mobile equipment was to be funded using the MFA Equipment Financing Program.

The current interest rate for MFA equipment financing is 5.62% (up from 3.34% last year).

## Recommendation

THAT the Council of the City of Quesnel authorizes up to \$630,000 be borrowed, under Section 175 of the Community Charter, from the Municipal Finance Authority, for the purpose of purchasing mobile equipment in 2023;

AND THAT the loan be repaid within 5 years, with no rights of renewal.

## Statutory Requirements

Community Charter Section 175 – Liabilities under Agreements

## Council Policy

Vehicle Replacement Policy – CF12

## Financial Implications

These loans will be paid back over 5 years from the equipment reserve fund. This was built into the City's five year financial plan and approved by Council in the 10 year funding model for fleet replacement.

## Background

Here is the list of equipment will be purchased in 2023.

1 plow truck - \$350,000

1 Pickup - \$50,000

2 Heavy Duty Pickup - \$150,000

1 Vac Truck - \$260,000

1 Bylaw Vehicle - \$50,000

**Total Budget \$860,000**