



## Staff Report

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**Report To:** Dan Best, Chief Administrative Officer

**From:** **Julia Roberts, Deputy Treasurer**  
**Sandy Becker, General Manager of Financial Services/Treasurer**

**Date:** February 7 2022

**Report:** FIN01-2022 Annual Report on Lease Financing Agreements

**Subject:** 2021 Annual Report on Lease Financing Agreements

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### Recommendations:

**That** South Huron Council receives the report from J. Roberts, Deputy Treasurer and S. Becker, General Manager of Financial Services/Treasurer, re: 2021 Annual Report on Lease Financing Agreements.

### Purpose:

For Information.

### Background and Analysis:

Lease financing agreements represent long-term commitments of the municipality beyond the term of Council. It is a requirement pursuant to Section 11 of the *Ontario Regulation 653/05* that, at least once a year, the Treasurer report to Council on lease financing agreements.

Further, Section 10 of the *Ontario Regulation 653/05* requires municipalities to undergo a detailed review of all lease financing agreements prior to any new agreements. The regulation is meant to deal with lease financing agreements that have a material impact for the municipality. Appendix "C" of South Huron's procurement policy has defined material as **"an individual financing lease with annual payments in excess of \$10,000.00"**.

As outlined below, the active lease financing agreements that the Municipality has at the end of 2021 are non-material in nature.

<b>Description of Lease</b>	<b>Units</b>	<b>Annual Lease Cost</b>	<b>Full Term Cost</b>	<b>Balance of Lease Remaining Cost</b>
Mailing/Postage Machine	1	\$3,315	\$18,234	\$13,537
<b>Total Lease Financing Agreements</b>	<b>1</b>	<b>\$3,315</b>	<b>\$18,234</b>	<b>\$13,537</b>

### **Operational Considerations:**

As this report is being presented for information purposes only, no alternatives are presented.

### **South Huron's Strategic Plan:**

Identifies key priorities and strategic directions. The following elements are supported by the actions outlined in this report:

- ✓ Administrative Efficiency and Fiscal Responsibility
- ✓ Transparent, Accountable, and Collaborative Governance

### **Financial Impact:**

The annual cost of lease financing agreements for the Municipality of South Huron is \$3,315. The lease agreement for the mailing/postage machine was renewed in 2020 and the expiry date for the current agreement is January 2026. The remaining balance of the payments is \$13,537.

The liability for all lease financing agreements is detailed in the table above. The remaining balance of the lease payments as a percentage of the Municipality's long-term debt including leases is .0697% at the end of 2021.

It is the opinion of the Treasurer that the lease financing agreement listed above is non-material to the Corporation and has been made in accordance with the Municipality's lease financing policy.

**Legal Impact:**

There are no legal implications for the Corporation resulting from the proposed recommendation.

**Staffing Impact:**

There are no staffing implications for the Corporation resulting from the proposed recommendation.

**Policies/Legislation:**

Ontario Regulation 653/05 of the Municipality Act, 2001  
South Huron Procurement of Goods and Services Policy (By-Law 09-2021)

**Consultation:****Related Documents:**

Pitney Bowes Lease Agreement

Respectfully submitted,

**Julia Roberts, Deputy Treasurer**

**Sandy Becker, General Manager of Financial Services/Treasurer**