



Staff Report to Council - for Direction

Title: Kincardine Paramedic Station Internal Loan Repayment

From: Sam Dinsmore, Director of Corporate Services

Date: February 20, 2025

Report Number: CS-2025-006

Staff Recommendation:

That the internal loan of \$376,405 for the Kincardine Paramedic Station purchase be paid in full utilizing the paramedic services department's 2024 operating surplus; and

That the internal loan repayment of \$48,504 budgeted for 2025 be directed to the Paramedic Services Capital Reserve for the purpose of funding future Capital Facilities Repairs.

Report Summary:

In 2024 the County received notice that the landlord for the Kincardine Paramedic Station was looking to sell the property. In October, County Council provided approval to purchase the property and fund the costs 50% from Paramedic Services Capital Reserve and 50% utilizing an internal loan. Following the receipt of the annual Paramedic Services funding for 2024 and finalization of 2024 expenditures, the Paramedic Services department is currently projecting an annual surplus and staff are recommending that these funds should be utilized to repay the internal loan in full.

Background/Analysis:

In 2024 the County made the decision to purchase the Kincardine Paramedic Station and funded the purchase 50% through Capital Reserves and 50% through an internal loan. The Capital Reserve was sufficiently funded to cover half the purchase and still hold the recommended target balance. Staff investigated lending rates at the time and determined that an internal loan would be the most cost-efficient approach.

2024 Paramedic Services funding was \$370,482 more than budgeted, and actual spending at the end of the year is projected to be below budget. Historically staff have provided recommendations at year end to flow surplus funding to the Paramedic Services Reserves to fund future capital and initiatives. For 2024 staff are recommending that the surplus funds be utilized to immediately repay the internal loan in full. This approach accomplishes two things. First, it creates additional internal lending capacity for the County to utilize for other projects and mortgages. Current market review indicates that internal lending at a rate that matches our bank interest rate is still preferable to the rates being offered in the general market. Second, by repaying the internal loan in full, budgeted loan payments can

be redirected to the Paramedic Services Capital Reserve to accumulate additional funds to cover future repairs and replacements for the purchased building. This supports long-term financial and asset management planning.

The recommended use of surplus funding can be implemented without putting the department or the County in a year end deficit position.

Financial/Staffing/Legal/IT Considerations:

The financial implications have been identified in the background of the report.

There are no staffing, legal or IT considerations related to the report.

Interdepartmental Consultation:

The Paramedic Services Department was consulted in the preparation of this report.

Link to Strategic Goals and Objectives:

Growth and Innovation - Promote responsible growth

Link to Departmental Plan Goals and Objectives, if any:

The recommendation aligns with the departmental objectives of efficiently utilizing corporate resources and building reserves to properly fund the county's asset management needs.

Report Author:

Lynn Hatten, Deputy Treasurer

Departmental Approval:

Sam Dinsmore, Director of Corporate Services

Approved for Submission:

Sean Morphy, Deputy Chief Administrative Officer