

**TOWN OF NORTH RUSTICO
SPECIAL COUNCIL MEETING AGENDA
THURSDAY AUGUST 22, 2024, AT 10:00 AM
TOWN OFFICE, 106 RIVERSIDE DRIVE**

- 1. Call to Order**
- 2. Approval of Agenda**
- 3. Declarations of Conflict of Interest**
- 4. New Business**
 - 4.1 Approval to apply for FPEI Funding**
- 5. Next Meeting Date – Tuesday, September 3rd,2024.**
- 6. Adjournment**

DRAFT

Town of North Rustico Council
REQUEST FOR DECISION
Topic: Approval to Apply to FPEI Loan

| | |
|--------------------------------------|------------------------------------------------------------|
| Date: Monday, Aug 19, 2024 | Request No: 2024-08-036 <i>(Office Use Only)</i> |
|--------------------------------------|------------------------------------------------------------|

| | |
|-----------------------------------|-----------------------------------------------|
| Person: Stephanie Moase | Representing: Town of North Rustico |
|-----------------------------------|-----------------------------------------------|

Background:
The Town currently has outstanding liens/creditors, additional capital work to be completed to the interior and exterior of the building, outstanding deficiencies, professional fees and legal issues surrounding deficiencies requiring further investigation requiring an estimated \$3,500,000 in funding. The Town’s total current outstanding long term debt is \$1,073,992 for Sewer Building loan, \$385,402 for Sewer and Water loan, \$100,231 for 32 Harbourview Dr mortgage, \$112,903 for a line of credit and \$3,400,000 construction loan for the Wellness Centre for a total of \$5,072,528. MGA Section164(3) allows the Town to borrow a maximum of 10% of the current assessed value of all property in the Town which is \$103,704,350. With this loan the Town would owe \$8,572,528, which keeps the Town within the maximum allowable of \$10,370,435.

Request:
Council to approve the Town to borrow up to \$3,500,000 from Finance PEI for capital improvements and resolution of liens for the Eliyahu Wellness for a five (5) year term amortized over 20 year with an interest rate of no more than 6.65%, payments deferred to Oct 1 2025.

| | |
|-------------------|----------------------|
| Advantages | Disadvantages |
|-------------------|----------------------|

| | |
|----------------------------|--|
| Required Resources: | |
|----------------------------|--|

| | |
|-----------------------|--|
| Staff Comments | |
|-----------------------|--|

| | |
|----------------------------------------|--|
| CAO's Review / Comments | |
|----------------------------------------|--|