



Municipality of the District of Argyle

Item: Request for loan forgiveness

Date: March 27, 2025

Vision statement

Argyle is the community of choice to invest, live and play.

Mission statement

Argyle invests time & talent in growth opportunities in fishing, tourism, and renewable energy sectors.

Argyle provides affordable taxation while providing safe and healthy communities and strives to engage and inform our residents on decisions that affect them most.

Argyle provides high class, accessible recreational and cultural facilities and helps celebrate its unique heritage and culture and welcomes new residents to our region.

CAO's Recommendation:

Recommend that the Council forgive the loan outstanding to Islands and District Fire Department, as part of an overall strategy to revamp the fire services capital grants as part of our long term fire service improvement strategy.

Funds for their truck (see attached prior requests for decision) have already been disbursed to Islands. This decision is a paper decision to write off the balance all in 2025, instead of over the remainder of the loan.

Initial motion:

It is moved by Councillor Surette and seconded by Councillor Donaldson to provide Islands and District Fire Department a \$40,000 loan to purchase a new fire truck. The loan shall be without interest and forgivable over 3 years beginning in fiscal year 2024 2025, ending in fiscal year 2026-2027.

Motion Carried
(9 in favour, 0 against)

Suggested motion:

Move to forgive the remaining loan receivable from Islands and District Fire Department in fiscal 2024-2025

Should Council not wish to do so, no motion is required.

Background:

See previous decisions on the loan request and council decision. We have also attached the existing grants policy. We are anticipating a surplus in this fiscal, and **significant** fiscal pressures in 2026 and beyond. Argyle has already disbursed funds to Islands. There is no cash flow impact in this consideration. Staff is motivated to bring the fire grants (see grant policy) to an end, in favor of a broader plan for all fire departments, and this policy, in our view, is too narrow to achieve that goal.

There is one other commitment within that policy, specifically Lake Vaughn Fire Department. The amount committed was \$10,000 per year for 5 years. Since there remains amounts outstanding, we did not recommend full payment at this time.

MGA considerations:

Contributions to fire service are eligible under section 65. Fire service is a core municipal service, and the amount has been budgeted.

Financial considerations:

No cash flow impact. The amount of Paper receivable is \$26,667. If Council does not agree with this approach, \$13,333 will show as an expense for the 2025-26 and 26-27. If Council agrees with this approach, the entire \$26,666 will be expensed this year.

History has shown that these forgivable loans are always forgiven over time. The Islands continues to be a registered fire department, under the MGA.