

To: Warden and Members of County Council

From: Director of Corporate Services

OILC Financing Application - County

RECOMMENDATION

1. **That By-law No. 6564-2023, being a by-law to authorize the submission of an application to the Ontario Infrastructure Lands Corporation for long-term borrowing through the issue of debentures in the amount of \$4,142,000 for the purposes of the County of Oxford, be presented to Council for enactment.**

REPORT HIGHLIGHTS

- Oxford County requires long-term financing for the Woodstock County Road 4 and Lansdowne Watermain project in the amount of \$4,142,000

Implementation Points

An application, supported by the necessary documentation, will be submitted to OILC for consideration.

Upon approval of the application, a Rate Offer Letter agreement will be endorsed to allow for long-term financing. A debenture by-law is anticipated to be brought forward to Council by December 2023.

Financial Impact

The capital project has been approved for financing through County of Oxford Budget By-laws No. 6298-2021, 6402-2022 and 6502-2023.







The County Treasurer has updated the Annual Debt Repayment Limit to ensure the inclusion of this debt does not exceed the limit as prescribed by the Ministry of Municipal Affairs and Housing.

The annual debt repayment obligations have been included in the County's 2023 budget and projected in the long-term budget forecast.

Communications

There are no communications requirements associated with the recommendations contained in this report.

Strategic Plan (2020-2022)

					
<i>WORKS WELL TOGETHER</i>	<i>WELL CONNECTED</i>	<i>SHAPES THE FUTURE</i>	<i>INFORMS & ENGAGES</i>	<i>PERFORMS & DELIVERS</i>	<i>POSITIVE IMPACT</i>
		3.iii.			

DISCUSSION

Background

OILC’s infrastructure renewal loan program provides low-cost, longer term financing to meet critical municipal infrastructure priorities. OILC is based on a proven “pooled financing” concept that combines the infrastructure investment needs of many borrowers into one borrowing pool.

OILC provides access to infrastructure capital that would not otherwise be available to smaller borrowers. Larger borrowers receive a longer term on their loans than they could obtain in the financial markets, and can also benefit from significant savings on transaction costs such as legal costs and underwriting commissions. Under the OILC approach, all borrowers receive the same low interest rate.

OILC provides indicative lending rates tracking the capital markets. Rates on debentures are fixed for the life of the loan once the debenture is issued.

Comments

Table 1 provides a description of the capital project that County Council has approved for long-term financing and forms the subject of the application to be authorized by the by-laws referred to in the recommendation contained in this report.

Table 1 – County Capital Project

By-law No./ Project No.	Description of Capital Project	Estimated Costs	Loan Amount
6298-2021 6402-2022 6502-2023	Woodstock County Road 4 and Lansdowne Watermain	\$6,741,652	\$4,142,000

Once financing approval is granted by OILC, and if a project does not go forward or, if for any reason, the County desires to finance by other means, the County has the option to do so, and is not bound to borrow through OILC by approval of an application.

Conclusions

The OILC financing program is presented to Council as an alternative financing mechanism for future capital projects, however, at the time financing is required, alternative methods will be researched to ensure the most economical borrowing method is used.

SIGNATURES

Departmental Approval:

Original signed by

Lynn S. Buchner, CPA, CGA
Director of Corporate Services

Approved for submission:

Original signed by

Benjamin R. Addley
Chief Administrative Officer