

To: Warden and Members of County Council

From: Director of Corporate Services

Lansdowne Ave Watermain Extension Project – Internal Long-term Debt Issue

RECOMMENDATION

1. That By-law No. 6568-2023, being a by-law to authorize the borrowing of funds from the Landfill and Waste Diversion Reserve Fund in the amount of \$15,960 to be used for the purposes of financing property owners' charges for capital costs related to the Lansdowne Ave Watermain Extension Project, be presented to Council for enactment.

REPORT HIGHLIGHTS

- Lansdowne Ave watermain extension project serviced 5 properties
 - \$3,990 of the assessed costs have been paid
 - \$15,960 to be financed over a ten-year term
 - \$62,448 of the assessed costs have been banked for future development or deferred

Implementation Points

The City of Woodstock will add the annual debenture payments to the respective property tax rolls in 2024 and forward the funds to the County on the annual debenture payment date.







Financial Impact

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

Communications

Upon enactment of By-law No. 6568-2023 a letter will be sent to each of the impacted properties detailing the annual debenture payments. A letter will also be sent to the City of Woodstock indicating the amounts to be added to the respective property tax rolls.

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

On June 28, 2023, County Council approved the funding sources for the Oxford County Lansdowne Ave Watermain Extension Project under By-law No. 6549-2023 which also authorizes a charge to be billed to serviced properties. The total cost of the project was \$2,545,239. The costs are funded by \$6,070 from the Community Servicing Assistance Program (CSAP) Reserve, \$202,549 from the Water - Woodstock Reserve, \$2,260,172 from Woodstock Water Development Charges, \$58,248 from future development and \$18,200 attributed to existing benefitting properties.

By-law No. 5345-2012 was set to establish program parameters and definitions for the Community Servicing Assistance Program (CSAP), including establishing the maximum charge for the County portion of the cost to owners for connection. The 2021 CSAP maximum charge for a new watermain connection is \$11,917. Fees attributed to individual developed benefitting property owners for the Lansdowne Ave watermain extension project are below the CSAP maximum threshold, being charged \$3,640 per property.

In addition to the total cost of the project, the following costs are added in accordance with the 2023 Fees and Charges By-law No. 4889-2007:

- \$300 billed to each of the existing and development properties for a water meter;
- \$50 billed to each of the existing and development properties for the water application to connect review fee.

Table 1 provides a summary of the debenture requirement for the approved servicing costs.

Table 1 – Debenture Financing by Project

Project Name	By-law to Approve Funding Sources	Date By-law Approved	Amount to be Debentured
Oxford County Lansdowne Ave Watermain Extension Project	6549-2023	June 28, 2023	\$15,960
Total			\$15,960

Comments

In accordance with the County’s Water and Sewer Services Financing Policy No. 6.05, financing options were offered in addition to a full payment option to each of the property owners billed under By-law No. 6549-2023. The financing options include:

1. debenture the full amount owing over ten years; or
2. pay 50% of the charge now and finance the remaining 50% over five years.

Considering the County’s Landfill and Waste Diversion Reserve Fund balance has approximately \$2.9 million in idle funds and a 2023 budgeted closing balance of approximately \$20.1 million, it is recommended that the total amount of \$15,960 required to be debentured, be financed internally.

In accordance with the Debt Management Policy, the following rate has been fixed for the term of the option as set out in Table 2.

Table 2 – Annual Fixed Interest Rate

Term of Financing	Annual Interest Rate
10 Years	5.72%

Tables 3 illustrated the annual payment required by the individual property owners, based on the amount charged to their property.

Table 3 – Lansdowne Ave Watermain Extension Project Repayment Schedule – 10 year debenture \$3,990

Loan Amount			\$3,990.00	
Annual Interest Rate			5.72%	
Length of Loan (Years)			10	
Year	Payment	Interest	Principal	Balance
2024	\$ 534.94	\$ 228.23	\$ 306.71	\$3,683.29
2025	534.94	210.68	324.26	3,359.03
2026	534.94	192.14	342.80	3,016.23
2027	534.94	172.53	362.41	2,653.82
2028	534.94	151.80	383.14	2,270.68
2029	534.94	129.88	405.06	1,865.62
2030	534.94	106.71	428.23	1,437.39
2031	534.94	82.22	452.72	984.67
2032	534.94	56.32	478.62	506.05
2033	534.94	28.89	506.05	0.00
Total	\$5,349.40	\$1,359.40	\$3,990.00	

CONCLUSIONS

A by-law is required to authorize the financing and collection of annual debt obligation payments from the respective property owners through their property tax bills.

SIGNATURES

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Original signed by

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