

## REPORT TO COUNTY COUNCIL

### OILC Financing Application – Tillsonburg

**To:** Warden and Members of County Council

**From:** Director of Corporate Services

#### RECOMMENDATION

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1. That By-law No. 6574-2023, being a by-law to authorize the submission of an application to the Ontario Infrastructure Lands Corporation for temporary and long-term borrowing through the issue of debentures for the purposes of the Town of Tillsonburg, be presented to Council for enactment.

#### REPORT HIGHLIGHTS

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- Town of Tillsonburg requires financing for the following capital projects
  - Lake Lisgar Water Park Building Reno
  - Beech Blvd/Stoney Creek Retaining Walls

#### IMPLEMENTATION POINTS

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

The debenture by-laws are anticipated to be brought forward to Council in December, 2023 for the Lake Lisgar Water Park Building Reno, and December, 2024 for the Beech Blvd/Stoney Creek Retaining Walls project.

#### Financial Impact

Town Council has authorized the purchase and financing for these projects through Town By-law 2023-052, dated June 14, 2023; and By-law 2022-039, dated May 24, 2022.

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

The recommendations contained in this report will have no financial impact beyond what has been approved in the current year’s budget.

## Communications

County staff will continue to work with the Town’s Treasurer to facilitate the debenture process with OILC through to final debentures upon completion of the capital works.

## 2023-2026 STRATEGIC PLAN

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Oxford County Council approved the **2023-2026 Strategic Plan** on September 13, 2023. The Plan outlines 39 goals across three strategic pillars that advance Council’s vision of “Working together for a healthy, vibrant, and sustainable future.” These pillars are: (1) *Promoting community vitality*, (2) *Enhancing environmental sustainability*, and (3) *Fostering progressive government*.

The recommendation in this report supports the following strategic goal.

### Strategic Plan Pillars and Goals

PILLAR 1	PILLAR 2	PILLAR 3
		
<b>Promoting community vitality</b>	<b>Enhancing environmental sustainability</b>	<b>Fostering progressive government</b>
		Goal 3.4 – Financial sustainability

See: [Oxford County 2023-2026 Strategic Plan](#)

## DISCUSSION

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### 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 will enter into a financing agreement jointly with the Town and the County subject to technical and credit reviews, for a loan up to the maximum amount of the loan request.

OILC provides indicative lending rates upon request, tracking the capital markets. Rates on debentures are fixed for the entire life of the loan once the debenture is issued. Rates on construction loans float throughout the term of the loan until they are replaced by a debenture.

Although there is no direct impact on the County’s annual budgets as a result of adopting the recommendation contained this report, the County is direct, joint and severally liable for default of the terms and conditions of the resulting financing agreements pertaining to area municipalities.

**Comments**

The capital projects included in this OILC financing application as set out in Table 1 have been approved by Town Council for debenture financing, duly authorized by by-law.

Table 1 – Town of Tillsonburg Capital Projects

By-law No.	Description of Capital Work	Estimated Costs	Loan Amount
2023-052	Lake Lisgar Water Park Building Reno	\$1,200,000	\$250,000
2022-039	Beech Blvd/Stoney Creek Retaining Walls	1,176,000	882,000
	<b>Totals</b>	<b>\$2,376,000</b>	<b>\$1,132,000</b>

Note: differences between the estimated costs and loan amounts are funded by the Canada Community Revitalization Fund, Canada Community Building Fund and taxation.

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

**CONCLUSIONS**

The OILC 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

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### Departmental approval:

Original signed by

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

### Approved for submission:

Original signed by

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Benjamin R. Addley  
Chief Administrative Officer