

REPORT TO COUNTY COUNCIL

Internal Long-term Debt Issue – Renewable Energy Project

To: Warden and Members of County Council

From: Director of Corporate Services

RECOMMENDATION

1. That By-law No. 6587-2023, being a by-law to authorize the borrowing of funds from the Landfill and Waste Diversion Reserve Fund in the amount of \$459,764.88 to be used for the purposes of financing capital costs incurred related to County of Oxford renewable energy projects, be presented to Council for enactment.

REPORT HIGHLIGHTS

- Net Metering Solar Projects:
 - 816 Alice Street – \$152,059.28
 - 178 Earl Street – \$135,630.51
 - 21 Reeve Street - \$172,075.09
- Total renewable energy projects - \$459,764.88 to be financed over a twenty-year term

IMPLEMENTATION POINTS

Upon enactment of an authorizing by-law, the necessary funds will be transferred from the Landfill and Waste Diversion Reserve Fund to the General account to finance the capital costs related to this project. Semi-annual payments of blended principal and interest will be repaid to the Landfill and Waste Diversion Reserve Fund over a 20-year period.

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.

The estimated annual debt repayment obligation is reflected in the County’s Draft 2024 Business Plan and Budget and will be included in future years’ budgets until the debt is retired.

Communications

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

2023-2026 STRATEGIC PLAN

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 goals.

Strategic Plan Pillars and Goals

PILLAR 1	PILLAR 2	PILLAR 3
		
Promoting community vitality	Enhancing environmental sustainability	Fostering progressive government
	Goal 2.1 – Climate change mitigation and adaptation	Goal 3.4 – Financial sustainability

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

DISCUSSION

Background

In accordance with Section 418 of the Municipal Act, 2001, as amended, and Ontario Regulation 438/97, the County's Investment Policy provides for short, mid and long-term investments of idle funds, allowing opportunities to borrow from within.

At its June 24, 2015 regular meeting, County Council adopted a resolution for the County to be a 100% renewable energy municipality by 2050.

Through the 2021 Business Plan and Budget process, County Council approved net metering projects at 816 Alice Street (operational June 2023), 178 Earl Street (operational September 2023) and 21 Reeve Street (operational June 2023).

Ongoing energy generation metrics and cost savings as a result of these projects will form part of the Annual Energy Report to Council. It is anticipated that these three systems will add 129,600kWh of annual generation to the County's growing renewable energy portfolio.

Comments

Considering the County's Landfill and Waste Diversion Reserve Fund balance has approximately \$1.75 million in idle funds and a 2023 forecasted closing balance of approximately \$19.8 million, it is recommended that the total amount of \$459,764.88 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 debenture as set out in Table 1.

Table 1 – Annual Fixed Interest Rate

Term of Financing	Annual Interest Rate
20 Years	5.79%

CONCLUSIONS

A By-law is required to authorize internal financing costs related to the County capital projects described within this report.

SIGNATURES

Report author:

Original signed by

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Departmental approval:

Original signed by

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