

REPORT TO COUNTY COUNCIL

OILC Financing Applications – Woodstock, Blandford-Blenheim, County

To: Warden and Members of County Council

From: Director of Corporate Services

RECOMMENDATIONS

1. That By-law No. 6647-2024, being a by-law to authorize the submission of an application to the Ontario Infrastructure Lands Corporation for financing certain capital works through the issue of debentures for the City of Woodstock, be presented to Council for enactment;
2. And further, that By-law No. 6648-2024, being a by-law to authorize the submission of an application to the Ontario Infrastructure Lands Corporation for financing certain capital works through the issue of debentures for the Township of Blandford-Blenheim, be presented to Council for enactment;
3. And further, that By-law No. 6649-2024, being a by-law to authorize the submission of an application to the Ontario Infrastructure Lands Corporation for financing certain capital works through the issue of debentures for the County of Oxford, be presented to Council for enactment.

REPORT HIGHLIGHTS

- Township of Blandford-Blenheim, City of Woodstock and the County have submitted applications for financing through the issue of debentures for capital projects completed, or to be completed, by the end of 2024

IMPLEMENTATION POINTS

Subject to Council's approval of the recommendations contained in this report, OILC financing applications and borrowing by-laws, supported by the necessary documentation, will be submitted to OILC for consideration.

Debenture by-laws are anticipated to be brought forward to Council for passing in November or early December for closings on December 16, 2024.

Financial Impact

City Council has authorized the purchase and financing for their projects through City By-laws numbered 9685-24, 9686-24 and 9687-24. Township Council passed By-law number 2313-2022 at the commencement of their drainage works project; and County Council authorized the construction and financing for a watermain extension project under By-laws numbered 6402-2022, 6502-2023 and 6602-2024.

The City, Township and County Treasurers have all 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 City and Township Treasurers to facilitate the debenture process with OILC through to final debentures upon completion of the capital works.

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 goal.

Strategic Plan Pillars and Goals

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

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

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 program, all borrowers receive the same low interest rate. OILC will enter into financing and/or rate offer agreements with the County subject to technical and credit reviews, for loans up to the maximum amount of the loan request.

OILC provides indicative lending rates upon request based on the capital market. Rates on debentures are fixed for the entire life of the loan once the debenture is issued. Rates on construction and short-term loans float throughout the term of the loan until they are replaced by a debenture. OILC reserves the right to withdraw applications if they become inactive for more than one year after the date of submission. If a municipality has signed a financing agreement but have not drawn on the loan for a period of 12 months will be required to pay an annual standby fee of 0.25% on the committed amount.

Although there is no direct impact on the County’s annual budgets as a result of adopting the recommendations contained in 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 applications as set out in Table 1 through 3 have been approved by each of the respective Councils for debenture financing, duly authorized by by-law.

Table 1 – Township of Blandford-Blenheim Capital Project

By-law No.	Description of Capital Work	Estimated Costs	Loan Amount
2313-2022	Princeton Drainage Works - Phase 3	\$4,403,092	\$1,500,000
	Total	\$4,403,092	\$1,500,000

Table 2 – City of Woodstock Capital Projects

By-law No.	Description of Capital Work	Estimated Costs	Loan Amount
9685-24	Rathbourne Ave Reconstruction	\$850,000	\$300,000
9685-24	Cambridge St Reconstruction	750,000	300,000
9685-24	Walter St Reconstruction	560,000	200,000
9686-24	Public Works Office Addition/Renovation	1,500,000	1,500,000
9687-24	Downtown Revitalization-Dundas St	2,700,000	2,700,000
	Total	\$6,360,000	\$5,000,000

Table 3 – County Capital Project

By-law No.	Description of Capital Work	Estimated Costs	Loan Amount
6402-2022 6502-2023 6602-2024	Woodstock County Road 17 Watermain	\$3,194,596	\$2,930,000
	Total	\$3,194,596	\$2,930,000

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

CONCLUSIONS

The OILC program is presented to Council as an alternative financing mechanism for capital projects, however, at the time financing is required, alternative options may be further 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