

REPORT TO COUNTY COUNCIL

County Road 4 Water Services Extension Project – Internal Long-term Debt Issue

To: Warden and Members of County Council

From: Director of Corporate Services

RECOMMENDATION

1. That By-law No. 6654-2024, being a by-law to authorize the borrowing of funds from the Landfill and Waste Diversion Reserve Fund in the amount of \$7,038 for the purposes of financing property owners' charges for capital costs related to the County Road 4 Water Services Extension Project, be presented to Council for enactment.

REPORT HIGHLIGHTS

- County Road 4 water services extension project serviced 3 properties
 - \$7,038 of the assessed costs have been paid
 - \$7,038 to be financed over a ten-year term
 - \$9,242 of the assessed costs have been banked for future development

IMPLEMENTATION POINTS

The City of Woodstock will add the annual debenture payment obligations to the respective property tax rolls in 2025 and forward funds to the County on the annual debenture payment date.

Financial Impact

The recommendation in this report will not have a financial impact on the County's approved budget.

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. 6654-2024, a letter will be sent to the impacted property detailing the annual debenture payments. A letter will also be sent to the City of Woodstock indicating the amount to be added to the respective property tax roll.

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
<p>Goal 1.2 – Sustainable infrastructure and development</p> <p>Goal 1.3 – Community health, safety and well-being</p>		<p>Goal 3.4 – Financial sustainability</p>

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

DISCUSSION

Background

On July 10, 2024, County Council approved the funding sources for the Oxford County Road 4 Water Services Extension Project under By-law No. 6643-2024 which also authorizes a charge to be billed to serviced properties. The total cost of the watermain portion of the project was

\$4,391,314. The costs are funded by \$4,408 from the Community Servicing Assistance Program (CSAP) Reserve, \$456,593 from the Water – Woodstock Reserve, \$3,908,270 from Woodstock Water Development Charges, \$8,817 from future development and \$13,226 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 2022 CSAP maximum charge for a new watermain connection is \$12,275. Fees attributed to individual developed benefitting property owners for the Oxford County Road 4 Water Services Extension Project are below the CSAP maximum threshold, being charged \$6,613 per property.

In addition to the total cost of the project, the following costs are added in accordance with the 2024 Fees and Charges By-law No. 4889-2007:

- \$350 billed to each of the existing and development properties for a water meter;
- \$75 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 requirements for the approved servicing costs related to one of the benefitting properties.

Table 1 – Debenture Financing by Project

Project Name	By-law to Approve Funding Sources	Date By-law Approved	Amount to be Debentured
Oxford County Road 4 Water Services Extension Project	6643-2024	July 10, 2024	\$7,038
Total			\$7,038

Comments

In accordance with the County’s Water and Sewer Services Financing Policy 6.05, financing options were offered in addition to a full payment option to each of the property owners billed under By-law No. 6643-2024. 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 \$1.9 million in idle funds and a 2024 budgeted closing balance of approximately \$19.6 million, it is recommended that the total amount of \$7,038 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	5.03%

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

Table 3 – Oxford Road 4 Water Services Extension Project Repayment Schedule – 10 year debenture \$7,038

Loan Amount				\$7,038.00
Annual Interest Rate				5.03%
Length of Loan (Years)				10
Year	Payment	Interest	Principal	Balance
2025	\$912.78	\$354.01	\$558.77	\$6,479.23
2026	912.78	325.91	586.87	5,892.36
2027	912.78	296.39	616.39	5,275.97
2028	912.78	265.38	647.40	4,628.57
2029	912.78	232.82	679.96	3,948.61
2030	912.78	198.62	714.16	3,234.45
2031	912.78	162.69	750.09	2,484.36
2032	912.78	124.96	787.82	1,696.54
2033	912.78	85.34	827.44	869.10
2034	912.78	43.68	869.10	0.00
Total	\$9,127.80	\$2,089.80	\$7,038.00	

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

Report author:

Original signed by _____

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Departmental approval:

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