

REPORT TO COUNTY COUNCIL

OILC Financing Application – Tillsonburg

To: Warden and Members of County Council

From: Director of Corporate Services

RECOMMENDATION

1. That By-law No. 6667-2024, 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

- Town of Tillsonburg has submitted an application for financing through the issue of debentures for capital projects completed, to be completed by year end, or the first quarter of 2025.

IMPLEMENTATION POINTS

Subject to Council's approval of the recommendation contained in this report, an OILC financing application and borrowing by-law, 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 2, 2024, or in the case of one project by the end of 2025.

Financial Impact

Town Council has authorized the purchase and financing for these projects through Town By-laws numbered 2020-058, 2021-062, 2022-039, 2023-052, 2023-087 and 2024-069.

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

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 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 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 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-laws.

Table 1 – Town of Tillsonburg Capital Projects

By-law No.	Description of Capital Work	Estimated Costs	Loan Amount
2024-069	Skid Steer and Attachments	\$205,000	\$128,400
2024-069	MT6 Sidewalk Machine	193,866	193,866
2024-069	Devonshire Ave Culvert	838,000	838,000
2023-053 2023-087	Sicard Snowblower	182,000	182,000
2022-039 2022-322	Snowblower/Sander	377,321	377,321
2021-062	Fire Unit 37	84,778	84,778
2020-058	Snowplow Truck	295,000	90,000
2020-058	TCC Indoor Pool Reno	1,500,000	828,800
	Total	\$3,675,965	\$2,723,165

Once approval of the application is 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 an application.

CONCLUSIONS

In order for OILC to consider the Town's application for financing, County Council is required to pass a prescribed borrowing by-law followed by a prescribed borrowing by-law passed by Town Council. Tillsonburg Town Council will consider a borrowing by-law at their October 21, 2024 meeting.

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