

## REPORT TO COUNTY COUNCIL

# Oak Park Special Services – Internal Long-term Debt Issue - Tillsonburg

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

**From:** Director of Corporate Services

## RECOMMENDATION

---

1. That By-law No. 6677-2024, being a by-law to authorize the borrowing of funds from the Landfill and Waste Diversion Reserve Fund in the amount of \$959,729.26 for the purposes of financing property owners' charges for capital costs related to Oak Park Special Services in Tillsonburg, be presented to Council for enactment.

## REPORT HIGHLIGHTS

---

- Oak Park Special Services project serviced 16 properties in addition to lots directly owned by the developer.
  - \$137,104.18 of the assessed costs have been paid
  - \$959,729.26 to be financed over a ten-year term

## IMPLEMENTATION POINTS

---

Upon approval of By-law No. 6677-2024, the County will forward \$959,729.26 to the Town of Tillsonburg. The Town of Tillsonburg 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 contained 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**

In accordance with the Town of Tillsonburg’s Public Engagement Policy a Notice of the Special Services Levy By-law to the individual lot owners was issued on October 30, 2018 for a 30 day comment period with one phone call response received regarding clarification of repayment options.

Tillsonburg staff held a Public Information Centre on October 11, 2023 to provide the 16 remaining lot owners with an update on the status of the development and to answer questions relating to the Special Services Levy. Ownership interests from 10 lots attended the meeting and CJDJL attended on behalf of the developer to answer questions.

Direct mail communication was sent to property owners at the end of August 2024 informing them of the final fee per lot and providing repayment options. As the charge per lot is significant, County staff reached out to property owners where a response had not been received to confirm their desired repayment option.

Upon enactment of By-law No. 6677-2024, a letter will be sent to the impacted properties detailing the annual debenture payments. A letter will also be sent to the Town of Tillsonburg indicating the amount to be added to the respective property tax rolls.

**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
		
<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

---

### Background

The Oak Park Estates plan of subdivision was approved and registered in 1994. The original developer was unable to complete development of the subdivision and a number of lots were transferred to individuals pursuant to tax sales under the Municipal Act. Subsequently, the Town of Tillsonburg entered into a subdivision agreement with a new developer to service all remaining lots, including lots owned by other individuals. On December 10, 2018, the Town of Tillsonburg’s Council adopted By-Law 4220, being a by-law to authorize a Special Services Levy, which stipulates the recovery of the proportionate share of costs to install municipal infrastructure/services against the 22 individually owned lots within the Oak Park Estates Subdivision.

Infrastructure, including the construction of streets, sewers, water, and more, was completed in a phased manner. The initial phases were completed in 2020 and 2022, impacting 5 of the 22 individually owned lots subject to the Special Services Levy. Those lot owners elected to repay the proportionate costs directly to the Town of Tillsonburg through the lump sum payment option. The developer subsequently purchased 1 of the remaining lots from a private ownership in 2023 and the last phase of this development impacted 16 individually owned lots.

The proportionate final costs for servicing the 16 individually owned lots is \$1,096,833.44, which the Town of Tillsonburg has paid to the new developer. Each of the 16 individually owned lots contribute equally for a total of \$68,552.09 per lot.

Table 1 provides a summary of the debenture requirements for the approved servicing costs related to the benefitting properties.

**Table 1 – Debenture Financing by Project**

<b>Project Name</b>	<b>Tillsonburg By-law</b>	<b>Date By-law Approved</b>	<b>Amount to be Debentured</b>
Oak Park Special Services	4220	December 10, 2018	\$959,729.26
<b>Total</b>			<b>\$959,729.26</b>

### Comments

Financing options were offered in addition to a full payment option to each of the impacted property owners. 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 \$1.46 million in idle funds and a 2024 forecasted closing balance of

approximately \$19.3 million, it is recommended that the total amount of \$959,729.26 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**

<b>Term of Financing</b>	<b>Annual Interest Rate</b>
10 Years	5.06%

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

**Table 3 – Oak Park Special Services Repayment Schedule – 10 year debenture \$68,552.09**

Loan Amount	\$68,552.09			
Annual Interest Rate	5.06%			
Length of Loan (Years)	10			
<b>Year</b>	<b>Payment</b>	<b>Interest</b>	<b>Principal</b>	<b>Balance</b>
2025	\$8,903.70	\$3,468.74	\$5,434.96	\$63,117.13
2026	8,903.70	3,193.73	5,709.97	57,407.16
2027	8,903.70	2,904.80	5,998.90	51,408.26
2028	8,903.70	2,601.26	6,302.44	45,105.82
2029	8,903.70	2,282.35	6,621.35	38,484.47
2030	8,903.70	1,947.31	6,956.39	31,528.08
2031	8,903.70	1,595.32	7,308.38	24,219.70
2032	8,903.70	1,225.52	7,678.18	16,541.52
2033	8,903.70	837.00	8,066.70	8,474.82
2034	8,903.70	428.88	8,474.82	0.00
<b>Total</b>	<b>\$89,037.00</b>	<b>\$20,484.91</b>	<b>\$68,552.09</b>	

## **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

---

Jennifer Lavalley, CPA, CGA  
Manager of Capital Planning

### 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