

## REPORT TO COUNTY COUNCIL

### OILC Financing Application – County

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

**From:** Director of Corporate Services

#### RECOMMENDATION

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1. That By-law No. 6723-2025, 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

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- The County has submitted an application for OILC financing through the issue of debentures for the Drumbo Wastewater Treatment Plant Upgrade project that was completed in 2024.

#### IMPLEMENTATION POINTS

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Upon Council's approval of the recommendation contained in this report, the OILC financing application and borrowing by-law, supported by the necessary documentation, will be submitted to OILC for consideration.

The debenture by-law is anticipated to be brought forward to Council for passing in June or July, 2025.

#### Financial Impact

County Council has authorized the purchase and financing for the Drumbo Wastewater Treatment Plant Upgrades project through By-laws numbered 6298-2021, 6359-2021, 6402-2022, 6602-2024 and 6697-2025.

The Treasurer has updated the 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 recommendation contained in this report will have no financial impact beyond what has been approved in the current year's budget.

## Communications

County staff will respond to any additional information required by OILC to approve the debenture application.

## 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, long- and short-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, they will be required to pay an annual standby fee of 0.25% on the committed amount.

## Comments

The capital project included in the OILC financing application is set out in Table 1 and has been approved by County Council for debenture financing, duly authorized by by-laws.

Table 3 – County Capital Project

By-law No.	Description of Capital Work	Estimated Costs	Loan Amount
6298-2021 6359-2021 6402-2022 6602-2024 6697-2025	Drumbo Wastewater Treatment Plant Upgrades	\$10,537,092	\$2,468,014
<b>Total</b>		<b>\$10,537,092</b>	<b>\$2,468,014</b>

Once approval of the application is granted by OILC and the municipality prefers to finance by other means, the municipality has the option to do so and is not bound to borrow through OILC by approval of this application.

## CONCLUSIONS

The OILC lending 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

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### Departmental approval:

Original signed by

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Lynn S. Buchner, CPA, CGA  
Director of Corporate Services

### Approved for submission:

Original signed by

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Benjamin R. Addley  
Chief Administrative Officer