

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

**From:** Director of Corporate Services

## **Lowrie Crescent Tillsonburg Project and 11th Line Woodstock Sanitary Fees – Internal Long-term Debt Issue**

### **RECOMMENDATION**

---

1. That By-law No. 6434-2022, being a by-law to authorize the borrowing of funds in the amount of \$15,134 from the Landfill and Waste Diversion Reserve Fund to be used for the purposes of financing serviced property owners' charges for capital costs relating to sanitary services through the following projects, be presented to Council for enactment;
  - a. Oxford County Lowrie Crescent Tillsonburg Sanitary Sewer Extension Project; and
  - b. Oxford County 11<sup>th</sup> Line Woodstock Sanitary Fees.

### **REPORT HIGHLIGHTS**

---

- Lowrie Crescent Tillsonburg sanitary sewer extension project serviced 5 properties
  - \$9,134 of the assessed costs have been paid
  - \$9,134 to be financed over a ten-year term
  - \$4,567 of the assessed costs have been deferred
- Woodstock Sanitary connection fees of \$6,000 to be financed over a ten-year period

### **Implementation Points**

The Town of Tillsonburg and City of Woodstock will add the annual debenture payments to the respective property tax rolls in 2022 and forward the funds to the County on the annual debenture payment date.







### **Financial Impact**

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. 6434-2022 a letter will be sent to each of the impacted properties detailing the annual debenture payments. A letter will also be sent to the Town of Tillsonburg and City of Woodstock indicating the amounts to be added to the respective property tax rolls.

## Strategic Plan (2020-2022)

					
<b>WORKS WELL TOGETHER</b>	<b>WELL CONNECTED</b>	<b>SHAPES THE FUTURE</b>	<b>INFORMS &amp; ENGAGES</b>	<b>PERFORMS &amp; DELIVERS</b>	<b>POSITIVE IMPACT</b>
		3.iii.			

## DISCUSSION

### Background

On March 9, 2022, County Council approved the funding sources for the Oxford County Lowrie Crescent Sanitary Sewer Extension Project under By-law No. 6419-2022 which also authorizes a charge to be billed to serviced properties. The total cost of the project was \$30,450. The costs are funded by \$7,615 from the Community Servicing Assistance Program (CSAP) Reserve and \$22,835 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 2019 CSAP maximum charge for a new Sanitary Sewer service is \$14,779. Fees attributed to individual benefitting property owners for the Lowrie Crescent project are below the CSAP maximum threshold, being charged \$4,567 per property.

In April of 2020, an 11<sup>th</sup> Line property owner requested that the Sanitary fee of \$6,000 applicable to the property as per Fees and Charges By-Law no 4889-2007, Schedule "A", effective January 1, 2020 be applied to property taxes, at a later date, due to financial hardship being experienced as a result of the COVID pandemic. The homeowner signed a Landholder Acknowledgement form in 2020 acknowledging that the fees would be billed in the future.

Table 1 provides a summary of the debenture requirement for the approved servicing costs.

**Table 1 – Debenture Financing by Project**

<b>Project Name</b>	<b>By-law to Approve Funding Sources</b>	<b>Date By-law Approved</b>	<b>Amount to be Debentured</b>
Oxford County Lowrie Crescent Tillsonburg Sanitary Sewer Extension Project	6149-2022	March 9, 2022	\$9,134
Oxford County 11 <sup>th</sup> Line Woodstock Sanitary Fees	4889-2007	Rates effective January 1, 2020 approved September 11, 2019	6,000
<b>Total</b>			<b>\$15,134</b>

### **Comments**

In accordance with the County's Water and Sewer Services Financing Policy No. 6.05, financing options were offered in addition to a full payment option to each of the property owners billed under By-law No. 5509-2013. 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 currently has \$6.4 million in idle funds and a 2022 budgeted closing balance of \$21.7 million, it is recommended that the total amount of \$15,134 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	4.09%

Tables 3 and 4 illustrate annual payments required by the individual property owners, based on the amount charged to their property.

**Table 3 – Lowrie Crescent Sanitary Sewer Extension Project Repayment Schedule - \$4,567**

Loan Amount	\$4,567			
Annual Interest Rate	4.09%			
Length of Loan (Years)	10			
Year	Payment	Interest	Principal	Balance
2023	\$566.77	\$188.70	\$378.07	\$4,188.93
2024	566.77	173.08	393.69	3,795.24
2025	566.77	156.81	409.96	3,385.28
2026	566.77	139.87	426.90	2,958.38
2027	566.77	122.23	444.54	2,513.84
2028	566.77	103.87	462.90	2,050.94
2029	566.77	84.74	482.03	1,568.91
2030	566.77	64.82	501.95	1,066.96
2031	566.77	44.08	522.69	544.27
2032	566.77	22.50	544.27	0.00
<b>Total</b>	<b>\$5,667.70</b>	<b>\$1,100.70</b>	<b>\$4,567.00</b>	

**Table 4 – 11th Line Woodstock Sanitary Fees Repayment Schedule – \$6,000**

Loan Amount	\$6,000			
Annual Interest Rate	4.09%			
Length of Loan (Years)	10			
Year	Payment	Interest	Principal	Balance
2023	\$744.61	\$247.91	\$496.70	\$5,503.30
2024	744.61	227.39	517.22	4,986.08
2025	744.61	206.02	538.59	4,447.49
2026	744.61	183.76	560.85	3,886.64
2027	744.61	160.59	584.02	3,302.62
2028	744.61	136.46	608.15	2,694.47
2029	744.61	111.33	633.28	2,061.19
2030	744.61	85.16	659.45	1,401.74
2031	744.61	57.92	686.69	715.05
2032	744.61	29.56	715.05	0.00
<b>Total</b>	<b>\$7,446.10</b>	<b>\$1,446.10</b>	<b>\$6,000.00</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 Lavallee, 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

---

Michael Duben, B.A., LL.B.  
Chief Administrative Officer