



## Report to Council

Department: Corporate Services  
Division: Finance and Business Services  
Date: September 21, 2021  
Prepared by: Katelynn Giurissevich, Acting Director, Corporate Services/Treasurer  
Report Number: Finance and Business Services-2021-11  
Subject: 2021 Capital Financing  
Number of Pages: 9 (including attachments)

### Recommendation(s)

That "Finance and Business Services 2021-11" entitled "2021 Capital Financing" prepared by Katelynn Giurissevich dated September 21<sup>st</sup>, 2021 be received, and

That By-Law 2059 be adopted and enacted as presented.

### Purpose

A By-Law and revisions to a by-law, including any related schedules, must be adopted by Council.

### Background and Discussion

The 2019, 2020 and 2021 approved capital budget projected the following project would be financed by long-term debt as follows:

- Fire Station 2 Replacement (FD-19-0015) - \$3,282,031.00

Our review of financing options has revealed that the most lucrative debt facility for this project is with the **Ontario Infrastructure and Lands Corporation (“Infrastructure Ontario” or “IO”)** who, in the past has provided financing to the Town for many large scale capital projects.

The Town’s bank was consulted regarding financing options and rates but unlike IO they do not offer a 20 year term. Further, the rate on their maximum term amount was still in excess of the 20 year term offered through IO as per the below chart.

Financing Provider	Term	Posted Rate (subject to change at date of debenture)
Infrastructure Ontario	20 years	2.55%
Canadian Imperial Bank of Commerce	7 year	2.84%

By-Law Number 2059, as attached, is a by-law to provide the Mayor and the Treasurer with the authority required by Ontario Infrastructure and Lands Corporation to submit an application.

The 2021 Annual Repayment Limit as provided by the Ministry of Municipal Affairs and Housing was \$5,880,673.00 which is well in excess of the estimated annual debt charges associated with the new debt as presented below.

## Financial Impact

The annual debt charges related to this new debt based on **Infrastructure Ontario's current** rates is approximately \$211,528.51

## Consultations

Robert Auger, Clerk

Doug Sweet, CAO

Heather MacDonald, Assistant Manager, Finance

## Link to Strategic Priorities

- Manage, invest and plan for sustainable municipal infrastructure which meets current and future needs of the municipality and its citizens.
- Create a safe, friendly and inclusive community which encourages healthy, active living for people of all ages and abilities.
- Provide a fiscal stewardship and value for tax dollars to ensure long-term financial health to the municipality.
- Manage responsible and viable growth while preserving and enhancing the unique rural and small town character of the community.
- Improve the experiences of individuals, as both citizens and customers, in their interactions with the Town of Essex.
- Improve the Town's capacity to meet the ongoing and future service needs of its citizens** while ensuring the corporation is resilient in the face of unanticipated changes or disruptions.

## Report Approval Details

Document Title:	2021 Capital Financing - Finance and Business Services-2021-11.docx
Attachments:	- Long Term Borrowing Only - Single Tier - Borrowing By-law (3).docx
Final Approval Date:	Sep 13, 2021

This report and all of its attachments were approved and signed as outlined below:

A handwritten signature in black ink, appearing to read "Doug Sweet", with a long horizontal stroke extending to the right.

**Doug Sweet, Chief Administrative Officer - Sep 13, 2021 - 4:44 PM**