



Subject: 2023 BIA Debenture Issuance

Report Number: FIN 23-09

Department: Finance Department

Submitted by: Sheena Pawliwec, CPA, CGA, Director of Finance/Treasurer

Meeting Type: Council Meeting

Meeting Date: Wednesday, June 14, 2023

RECOMMENDATION

- A. THAT report titled 2023 BIA Debenture Issuance be received as information; and
- B. THAT Council receives the updated annual repayment limit calculation; and
- C. THAT By-Law 2023-051 for the issuance of debentures for 2023 BIA approved budgeted purposes be presented to Council for consideration.

BACKGROUND

The purpose of this report is to obtain Council approval via By-Law (Appendix A) for the issuance of debentures for the BIA to fund capital expenditures. The BIA's 2023 budget was presented by the Executive Director on January 16, 2023 and approved by Council per resolution #2023-027.

Resolution # 2023-027

Moved By: Deputy Mayor Beres

Seconded By: Councillor Rosehart

THAT the Tillsonburg Downtown BIA 2023 Budget and Business Plan presentation be received;

AND THAT an amount of \$166,940.00 that represents the proposed BIA Gross Budget to be levied in 2023 be paid in four (4) equal installments to the BIA.

Per the Municipal Act, Sec. 205, a board of management (e.g. BIA) is not permitted to borrow money. Any debentures provided on the behalf of the BIA must be issued through its municipality. As per Ont. Reg. 403/02 Sec. 2, an updated Annual Repayment Limit (ARL) calculation has been provided (Appendix B) which includes adjustment for the proposed debenture principal and interest payments.

DISCUSSION

Council approved the BIA's 2023 \$30,000 capital expenditure requirement as budgeted and presented. The Board of Management of the BIA at their meeting dated November 23, 2022 passed a motion outlining the capital debenture requirement.



MOTION

Moved by: M. Tedesco

Seconded by: W. Cameron

"And resolved that the DTBIA membership hereby approves the 2023 budget with a net levy requirement of \$166,940 which represents a year-over-year increase of \$9,193. This translates into a per-unit--member increase of +1.3% or \$7.67. This budget also includes the issuance of new debt in the amount of \$30,000 to be financed + approved by the Town of Tillsonburg via placement with the County of Oxford. The budget contains one final + non-recurring installment of tax adjustment recovery in the amount of \$13,607".

"CARRIED"

A financing term of 3.25 years spanning from July 2023 through September 2026 has been determined aligning with the current term of Council and the Board of Management. Financing rates were provided by both the Town's financial institution, and the County of Oxford, with the County's internal rate offering the most competitive value. Additionally, there are no incremental expenditures associated with the issuance of a debenture of this nature.

CONSULTATION

The BIA's Executive Director, Mark Renaud, has confirmed agreement to the term and rate for the issuance of the debenture as funded through the County of Oxford.

FINANCIAL IMPACT/FUNDING SOURCE

None

CORPORATE GOALS

How does this report support the corporate goals identified in the Community Strategic Plan?

- ☐ Lifestyle and amenities
- ☒ Customer service, communication and engagement
- ☐ Business attraction, retention and expansion
- ☐ Community growth
- ☐ Connectivity and transportation
- ☐ Not Applicable

Does this report relate to a specific strategic direction or project identified in the Community Strategic Plan? Please indicate section number and/or any priority projects identified in the plan.

Goal – N/A

Strategic Direction – N/A

Priority Project – N/A

ATTACHMENTS

Appendix A – 2023 BIA Debenture Issuance By-Law

Appendix B – Updated Annual Repayment Limit