	Report Title	Debenture Financed Facility Rehabilitation
	Report No.	FIN 19-04
	Author	Dave Rushton, Director of Finance
	Meeting Type	Council Budget Meeting
	Council Date	January 24, 2019
	Attachments	Debenture Financed Facility Rehabilitation Plan Amortization Schedule – Infrastructure Ontario

RECOMMENDATION

That Council receive report FIN 19 – 04 Debenture Financed Facility Rehabilitation for information.

EXECUTIVE SUMMARY

Many of the Town's facilities are in need of significant rehabilitation in the next five years. The current method of funding the repairs out of taxation is causing some of these facilities such as the Water Park, Summer Place and Station Park to close or to operate on a limited basis. An alternative method is to bring these facilities to their former level of service and pay for this rehabilitation over the next 25 years.

OBJECTIVE

Offer an alternative method of financing that would rehabilitate several facilities at one time within the funds available for asset management from taxation.

BACKGROUND

The needs for facility rehabilitation over the next few years total almost \$9 million. This would take an average of \$1.8 million per year all of the asset management funding available in 2019 from taxation. This of course would not leave any funds left for managing the capital needs for the Town like roads, bridges, fleet and a new town hall. The attached summary looks at the costs from the Facility Condition Assessments that have been prepared to date. There are still a few facilities that have not been done such as Fire Station, Elliot Fairburn, Gibson House, the Tillsonburg Community Centre and other structures such a picnic shelters.

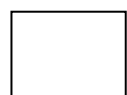
FINANCIAL IMPACT/FUNDING SOURCE

Borrowing for this rehabilitation at once would require about \$6 million less over the next five years to bring ten facilities back to their former state meeting the current building code. Staff would recommend that project management be secured to oversee this construction and ensure

that it is done on time and on budget. Long term capital borrowing is facilitated through Oxford County often through Infrastructure Ontario. The rates are locked in for the term of the debenture and are currently less than 4%. Over the term of the borrowing the interest would amount to over \$4 million. The attached spreadsheet also has the annual average repayment by asset if certain facilities can attract other forms of financing or Council chooses not to rehabilitate them.

COMMUNITY STRATEGIC PLAN (CSP) IMPACT

1. Excellence in Local Government
 - ☒ Demonstrate strong leadership in Town initiatives
 - ☒ Demonstrate accountability
2. Demographic Balance
 - ☒ Make Tillsonburg an attractive place to live for youth and young professionals
 - ☒ Provide opportunities for families to thrive
 - ☒ Support the aging population and an active senior citizenship
3. Culture and Community
 - ☒ Promote Tillsonburg as a unique and welcoming community
 - ☒ Provide a variety of leisure and cultural opportunities to suit all interests
 - ☒ Improve mobility and promote environmentally sustainable living



Report Approval Details

Document Title:	FIN 19 - 04 Debenture Financed Facility Rehabilitation.docx
Attachments:	- Debenture financed facility rehab.xlsx
Final Approval Date:	Jan 21, 2019

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



David Calder - Jan 21, 2019 - 1:37 PM

