



TOWNSHIP OF EDWARDSBURGH CARDINAL ACTION ITEM

Committee: Administration and Finance

Date: July 11, 2022

Department: Finance

Topic: Borrowing Bylaw

Purpose: The purpose of this report is to provide Committee with the submission requirements on a new application to Ontario Infrastructure and Lands Corporation ("OILC") for construction loan financing for the 2022 storm water management projects.

Background: At the May 24th council meeting, Council directed the Treasurer to submit an application to Infrastructure Ontario for a construction loan to fund the unfunded portion of the 2022 storm water management projects in Spencerville and Johnstown. The financing requested in this application in the amount of \$1,895,000 will provide for both temporary and long-term borrowing options in order to finance these capital projects for up to five years.

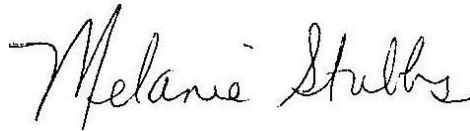
The funds will be made available to the Township as costs are incurred and only interest payments are made up until the construction is completed. At that time the Township has 120 days to convert to a fixed rate term loan or pay back the amount borrowed.

As part of this application, the municipality is to pass a borrowing bylaw (OILC provides template), submit a copy of both the 2019 and 2020 Consolidated Financial Statements; a copy of the 2022 approved budget; loan application signature page and a Treasurer's Certificate outlining any potential litigation.

Policy Implications: Section 401-1 of the *Municipal Act, 2001* states that "Subject to this or any other Act, a municipality may incur a debt for municipal purposes, whether by borrowing money or in any other way".

Financial Considerations: The application, if approved, will enable the Township to access temporary construction financing and take advantage of preferred interest rate opportunities offered by the OILC program. The application is requesting funding up to \$1,895,000.00 and the anticipated start date for withdrawals is later in 2022 due to the fact that there is \$1,641,751.00 in budgeted revenues allocated to these two projects in 2022.

Recommendation: That Committee recommends Council directs staff to draft a borrowing bylaw for a construction loan from OILC to fund the 2022 storm water management projects.

Handwritten signature of Melanie Stubbs in cursive script.

Treasurer

Handwritten signature of D. S. C. S. C. in cursive script.

CAO