



FORMAL REPORT

To:	Mayor Strathdee and Members of Council
Prepared by:	Jim Brown, Director of Finance
Date of Meeting:	10 October 2017
Subject:	FIN 20-2017 Wellington St. Bridge Infrastructure Ontario Borrowing Application

PURPOSE

To seek Council approval to initiate the process to obtain Infrastructure Ontario financing to fund the replacement of the Wellington Street Bridge.

RECOMMENDATION

THAT the Town of St. Marys makes an application to Infrastructure Ontario for an amount of \$1,080,500 to finance the replacement of the Wellington Street Bridge with a term of 15 years; and,

THAT By-Law 89-2017 authorizing the submission of an application to Ontario Infrastructure and Lands Corporation for financing be approved.

BACKGROUND

The Wellington Street Bridge replacement was approved in the 2017 budget with an estimated cost of \$2,238,000. The project cost was subsequently reduced when the tendered price came in well under budget. The project costs are now projected to be \$1,586,000 with funding to be as follows:

Federal Gas Tax	\$405,000
Water Reserve	31,155
Development Charges	69,345
Debenture	1,080,500
Total	<u>\$1,586,000</u>

REPORT

The 2017 budget identified that borrowing would be required for this bridge project as there were insufficient reserves available to cover the costs both currently and in the future. Infrastructure Ontario (I/O) which was established by the Province of Ontario, is the preferred lender due to their lower interest rates and approval process. The Town currently has existing debentures with I/O with the latest being issued in 2009.

The bridge will be completed and financing will be in place by year end.

FINANCIAL IMPLICATIONS

At the current interest rate of 3.28% with a term of 15 years the annual repayment would be \$92,353. The actual interest rate is set at the time of the debenture issue.

STRATEGIC PLAN

- ☐ Not applicable to this report.
- ☒ This initiative is supported by the following priorities, outcomes, and tactics in the Plan.
 - Pillar # 1 Infrastructure:
 - Priority: Wellington Street Bridge
 - Outcome: North-south access is currently limited, and so it is recommended that a modern bridge able to withstand a much higher load restriction be considered.
 - Tactic(s): Commence work on an updated bridge, which will allow for a more timely development of the northern part of the community.

OTHERS CONSULTED

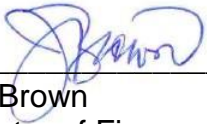
Jed Kelly, Director of Public Works

ATTACHMENTS

None

REVIEWED BY

Recommended by the Department



Jim Brown
Director of Finance

Recommended by the CAO



Brent Kittmer
CAO / Clerk