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**To:** Council  
**From:** Cindy Delgreco, Director of Finance/Treasurer  
**Date of Meeting:** May 10, 2023  
**Subject:** By-law No. 2023-035 Authorize an Application to the Ontario Infrastructure and Lands Corporation

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**Recommendation:**

That By-law No. 2023-035, being a by-law to authorize the submission of an application to the Ontario Infrastructure and Lands Corporation (OILC) for;

- (1) Fire Pumper Tanker Truck; and
- (2) 2022 Capital Bridge Reconstruction Work

be read and passed in open Council this 10<sup>th</sup> day of May 2023.

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**Background:**

**(1) South Stormont Fire and Rescue Pumper Truck**

South Stormont Fire and Rescue had 3 pump trucks that were over 20 years old. The tanker shuttle accreditation required their replacements in 2020 and losing the shuttle accreditation would increase home insurance rates up to 20% for residents.

Staff recommended replacing one pump truck per year for 3 years to maintain the accreditation (2020, 2021, 2022). Due to Covid-19 this schedule was not able to be met. The first truck was proposed and approved in the 2020 budget and was received in 2021. This report explains the necessary by-law to implement the debenture process for the second pumper tanker for Station 4.

The 2022 budget for the second replacement truck was \$580,000. The price for the original truck build was estimated in October of 2021 at \$568 942.00 (net cost \$578,955.38). Change order as of October 2022 for \$28,447.10 brought the build price to \$597,389.10 (net cost \$607,903.15). This change order included changes to the original build and 50% of the changes in cost of materials since the original agreement was made. The proponent covered the remaining 50% increase in cost. The debenture options were reviewed for the truck and a loan through OILC is advised to be the best option as the loan term extends to 20 years and has a locked in interest rate.

The last confirmed current interest rate for a debenture of this term and amount through OILC was 4.26%; subject to current market conditions until final documents are authorized and signed. Based on these conditions, the estimated interest for this debenture, over a 20-year term paid monthly, is \$616,128 with blended payments of \$7,834 monthly.

## **(2) 2022 Capital Bridge Reconstruction Work**

The approved 2022 budget outlined capital projects for bridge reconstruction (\$750,000) that would be financed through a debenture. The capital projects were completed and now require financing of \$656,000 for the completed projects.

Infrastructure Ontario will require additional paperwork to complete the financing at which time the final debenture amount, debenture rate and payment schedule will be confirmed.

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### **Options:**

1. That Council authorizes the submission of the applications to the Ontario Infrastructure and Lands Corporation for the pumper tanker truck and the bridge reconstruction work.
2. Other.

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### **Financial Impact:**

This debenture will increase South Stormont debt by \$1,264,000 and the estimated interest of \$616,128 will be expensed for the next 20 years.

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### **Others Consulted:**

Director of Protection of Persons & Property/Fire Chief  
CAO  
Ontario Infrastructure and Lands Corporation