

DEBT ANALYSIS FOR RECREATION CENTRE PROJECT

18-Mar-26

1% tax increase equals \$ 171,195

Each 1% tax rate increase will result in \$241.91 increase to a residential property assessed at \$300,000

TERMS	RECOMMENDATION	EACH \$1 Million	% Tax Rate Increase	\$ 21 Million	% Tax Rate Increase	\$ 25 Million	% Tax Rate Increase	\$ 35 Million	% Tax Rate Increase	\$ 72 Million	% Tax Rate Increase
20 years, annual payments	Best Option*	80,243	0.47	1,685,094	9.84	1,921,904	11.23	2,808,491	16.41	5,777,466	33.75
25 years, annual payments\	Fair Option	70,953	0.41	1,490,002	8.70	1,685,976	9.85	2,483,336	14.51	5,108,577	29.84
30 years, annual payments	Not Recommended	65,051	0.38	1,366,080	7.98	1,534,789	8.97	2,148,704	12.55	4,683,703	27.36

* Capital replacement costs will begin around 20 years. Therefore, staff recommend no more than a 25 year term.

DEVELOPMENT CHARGES FUNDING AVAILABLE

Current balance in fund for Rec and Culture is \$585,000

2026 budget spends \$1,385,000

There is currently no cash to offset payment requirements.

As development charges come in from developers, a portion of past loan payments may be funded. This retroactive funding could pay back other reserves.

OTHER FUNDING OPTIONS

TERM		USE HAF FUNDING		USE STRATEGIC RESERVE**				\$21 Million less: ALL REMAINING HAF GRANT AND STRATEGIC RESERVE FUNDS		
		ALL \$4 Million Used	Tax Rate Decrease	EACH \$1 Million Used	Tax Rate Decrease	ALL \$4.5 Million Used	Tax Rate Decrease	\$ 12.5 Million	% Tax Rate Increase	
20 years, annual payments	Best Option*	(320,970)	(1.87)	(80,243)	(0.47)	(561,701)	(3.28)	1,003,038	5.86	
25 years, annual payments\	Fair Option	(283,810)	(1.66)	(70,953)	(0.41)	(496,671)	(2.90)	886,913	5.18	
30 years, annual payments	Not Recommended	(360,206)	(2.10)	(65,051)	(0.38)	(455,357)	(2.66)	813,138	4.75	

**Strategic Reserve balance \$4,529,371

2025 Annual Repayment Limit (ARL)

7,038,593

Current MVCA debt 277,004 in current budget

Estimated UFCO* Loan (4.5%) 604,104 in current budget

Estimated WWTP/WTP payments (est 3%) 4,802,134 not in current budget

Remaining repayment limit 1,355,351

NOTE

None of the forecasted payment amounts in section one are permissible under our current ARL parameters. An appeal to the OLT to increase our limit and/or exclude loans paid by other parties will be required. By utilizing all remaining HAF grant funds and all remaining funds in the Strategic Reserve, the required debt would be permissible within our ARL.

ASSUMPTIONS

***Unfunded Capital Outlay LOAN REQUIREMENT**

BALANCE

Bank of Canada rate March 18th is 2.25%

Detachment land 4,210,089

Prime March 18th is 4.45%

Central 361,796

Estimate 4.5% for loans

Gillies 664,513

Bridge St 2,621,747

Current UFCO balance 7,858,145

Assuming no debt required for an OPP building

RESERVE BALANCES

	2025 ENDING BALANCE	2026 BUDGETED AMOUNTS	FORECASTED FUNDS REMAINING
Strategic---General Reserve-	7,030,625	2,501,254	4,529,371
Asset Management---General Reserve-	3,481,215	2,400,000	1,081,215
Land Transactions---General Reserve-	537,696	0	537,696
Contingency---Operating Reserve-	1,608,593	0	1,608,593
Recreation Fundraising---Restricted Reserve-	108,019	0	108,019