



**The Corporation of the Municipality
Staff Report**

**Office of the Treasurer
Manuela Batovanja**

Prepared For: Mayor and Council	Report No.: MB 2023-25
Date: November 7, 2023	File No.: C11

Purpose of Report

The purpose of this report is to provide Council with information regarding options to assist the OPP in securing a new detachment building in Wawa.

Analysis

Three options are being considered in this report:

- 1- Land Contribution
- 2- Base Building
- 3- Turnkey Building

All three options require the site to be prepared by the municipality.

Site preparation is estimated at \$350,000 and would include but not be limited to:

- 1- The clearing of the land
- 2- Building a road
- 3- Obtaining entrance permits from the MTO
- 4- Providing water and wastewater services

Information which was provided to and formed part of the calculations include:

Square footage	OPP Facilities	22,874
Construction Costs	Infrastructure Ontario	\$850.11
Lease hold improvements	Infrastructure Ontario	\$158.13
Provincial portions	Infrastructure Ontario	85.28%
Municipal portions	Infrastructure Ontario	14.72%
Lease Structure	Infrastructure Ontario	
Northern Contingency	Infrastructure Ontario	5%
Borrowing Rates	Infrastructure Ontario	5.12% & 5.36%
Annual Repayment Limit	Ministry of Municipal Affairs & Housing	\$2,601,115

**Respectfully Prepared and Submitted By:
Manuela Batovanja, Treasurer
Director of Finance**

In preparing calculations the following assumptions were made:

- 1- Insurance, water and sewer, and hydro expenses estimated at the same rate as the townhall building.
- 2- Assessment was calculated at 5% of the cost of the base building which is at a similar rate of assessment as like local projects which have occurred in the last 5 years.
- 3- Wages based on full time labourer position including employee health and dental benefits, WSIB, pension, employer portion of source deductions and any other employment related expenses.
- 4- Facility maintenance contracts would include items such as HVAC contracts, fire safety inspections, etc.
- 5- The FMV (Fair Market Value) of the lease was estimated at \$14.17 per square foot based on the average of six Sault Ste Marie commercial properties. $((\$16+\$12+\$14+\$9+\$10+\$24)/6)$
- 6- Operating Expenses consists of:

Wages	\$105,678
Insurance	\$31,873
Hydro	\$42,993
Heat	\$10,000
Water and Sewer	\$6,500
Facility Maintenance Contracts	\$10,000
Repairs and Maintenance	\$5,000
Property Tax	\$33,825
Total	\$245,869
Provincial Portion 85.28%	\$209,677

Considerations

	Option 1 Donate Land	Option 2 Base Building	Option 3 Build Turnkey
Bring Services to property	YES	YES	YES
Building Costs	NO	YES	YES
Maintain Borrowing Power	YES	YES – Reduced 46%	NO – Will likely exceed
Impact to AMP obligations	YES - Minimal	YES - Major	YES - Severe
Impact on Staffing	Minor	Major	Severe
Responsibility			
Facility Maintenance	PROVINCE	WAWA	WAWA
Operating Costs	PROVINCE	WAWA	WAWA
Financing Costs	PROVINCE	WAWA	WAWA
Building Upgrade/Replacement	PROVINCE	WAWA	WAWA
Revenue			
Property Taxes	YES	YES	YES
Lease	NO	YES	YES
Water & Sewer	YES	YES	YES
Expenses			
Operating Costs	NO	YES	YES
Insurance	NO	YES	YES
Financing Costs	NO	YES	YES
Facility Maintenance	NO	YES	YES

Financial Considerations

	Option 1 Donate Land	Option 2 Base Building	Option 3 Build Turnkey
Based on a cost of		\$9,374,137	\$20,785,187
Revenue			
FMV Lease	\$0	\$276,413	\$276,413
LHI's (Leasehold Improvements Years 1-10)	\$0	\$0	\$434,322
Operating – Provincial Portion	\$0	\$209,677	\$209,677
Property Tax	\$33,825	\$33,825	\$33,825
Water & Sewer	\$6,500	\$6,500	\$6,500
Total Revenue	\$40,325	\$526,416	\$960,738
Scenario 1 – Expense (5.12% over 10 Years)			
Operating Expenses	\$0	\$245,869	\$245,869
Financing	\$0	\$1,199,736	** \$2,660,164
Total Expense	\$0	\$1,445,605	\$2,906,033
Net Income / Loss	\$40,325	\$919,189	\$1,945,295
Scenario 2 – Expense (5.36% over 20 Years)			
Operating Expenses	\$0	\$245,869	\$245,869
Financing	\$0	\$764,934	\$1,696,082
Total Expense	\$40,325	\$1,010,803	\$1,941,951
Net Income / Loss	\$40,325	\$484,387	\$981,213

** Exceeds Annual Repayment Limit

Wawa’s Long-Term Financial Plan recommends a minimum 3% levy increase and an additional 1% capital levy increase. The chart below reflects the percentage of increased taxes in 2024 above the 2023 property tax levy under each scenario assuming a 0% levy increase for normal operations in order that the impact to property tax of the three scenarios can be shown independent of any other municipal needs.

0% levy increase for operations.
 0% levy increase for Municipal Capital Projects.
 0% levy increase for Long Term Planning.

	Option 1 Donate Land	Option 2 Base Building	Option 3 Build Turnkey
Scenario 1 – Expense (5.12% over 10 Years)	0 %	17.33 %	36.91 %
Scenario 2 – Expense (5.36% over 20 Years)	0 %	9.04 %	18.51 %

This chart expresses the increase from each scenario in monetary terms as the amount of levy required to achieve a balanced budget with the base amount being the 2023 levy of \$5,230,892.

	Option 1 Donate Land	Option 2 Base Building	Option 3 Build Turnkey
Scenario 1 – Expense (5.12% over 10 Years)	\$0	\$919,189	\$1,945,295
Scenario 2 – Expense (5.36% over 20 Years)	\$0	\$484,387	\$981,213

Options

Option 1 – Land Contribution - Municipality provides land to the province for the building to be constructed by the province. The land which the municipality is proposing is situated between the Tourist Information Centre and the MTO (see attached map). A survey would be required to sell the land. Annual tax revenues are estimated to be \$40,325. This option has the least impact to taxpayers.

Consideration can be given to transferring the land through donation or selling at an amount which will, at a minimum, cover the costs to transfer such as surveying.

Option 2 – Construct a Base Building – The Municipality designates land and constructs a 22,874 square foot base building at an estimated cost of \$9,374,137. The province would then lease the building for an agreed upon term and rental rate.

Revenue consists of the Fair Market Value Lease plus the provincial portion of the operating costs.

A 10-year loan at the current rate of 5.12 % would result in an annual loss, to be recovered through property taxes, of \$919,189. This is an increase in the 2024 property taxes of 17.33 %.

For Example:

A residential home assessed at \$190,000:

2023 Property Tax (not including education tax) – approximately \$5,095.
2024 Property Tax (not including education tax) – approximately \$5,978.
2033 Property Tax (not including education tax) – approximately \$7,800.

A 20-year loan at the current rate of 5.36 % would result in an annual loss, to be recovered through property taxes, of \$484,387. This is an increase in the 2024 property taxes of 9.04 %.

For Example:

A residential home assessed at \$190,000:

2023 Property Tax (not including education tax) – approximately \$5,095.
2024 Property Tax (not including education tax) – approximately \$5,555.
2033 Property Tax (not including education tax) – approximately \$7,248.

Even though the construction costs of the base building are lower, municipal obligations for major building components remain the same as those for a turnkey building. HVAC, roof repair or replacement, exterior shell, all major components of the building remain the responsibility of the municipality.

Option 3 – Construct a Turnkey Facility - the Municipality designates land and constructs a 22,874 square foot complete building and leasehold improvements at an estimated cost of \$20,785,187.

Revenue under this scenario consists of:

- 1- The province leasing the portion of the building equal to the provincial policing component for the fair market value lease rate.
- 2- Leasehold improvements can be amortized up to 10 years. Meaning, that the provincial portion of the leasehold improvements (LHI's) can be paid back to the municipality for up to a 10-year period. For our illustrations the provincial portion of LHI's was calculated as \$4,343,222, amortized over 10 years, and recognized as annual income of \$434,322 in years 1 through 10.
- 3- The provincial portion of the operating costs.

A 10-year loan at the current rate of 5.12 % would result in an annual loss, to be recovered through property taxes, of \$1,945,295. This is an increase in the 2024 property taxes of 36.91 %.

This is not an option as it exceeds our annual repayment limit.

For Example:

A residential home assessed at \$190,000:

2023 Property Tax (not including education tax) – approximately \$5,095.

2024 Property Tax (not including education tax) – approximately \$6,975.

2033 Property Tax (not including education tax) – approximately \$9,101.

A 20-year loan at the current rate of 5.36 % would result in an annual loss, to be recovered through property taxes, of \$981,213. This is an increase in the 2024 property taxes of 18.51 %.

For Example:

A residential home assessed at \$190,000:

2023 Property Tax (not including education tax) – approximately \$5,095.

2024 Property Tax (not including education tax) – approximately \$6,038.

2033 Property Tax (not including education tax) – approximately \$7,878.

Summary and Considerations

	Option 1 Donate Land	Option 2 Base Building	Option 3 Build Turnkey
Scenario 1 – Expense (5.12% over 10 Years)			
Revenue – 10 years	\$403,250	\$5,264,160	14,871,540
Expenses – 10 Years	\$0	\$10,108,034	\$19,419,510
Income/ Loss – 10 Years	\$403,250	\$4,843,874	\$9,812,130
Annual Income after year 10		\$280,546	\$280,546
# of years to recover the loss		17.26	34.97
Scenario 2 – (5.36% over 20 Years)			
Revenue – 20 years	\$806,500	\$10,528,320	\$14,871,540
Expenses – 20 Years	\$0	\$20,216,060	\$38,839,020
Income/ Loss – 20 Years	\$806,500	\$9,687,740	\$23,967,480
Annual Income after year 20		\$280,546	** \$280,546
# of years to recover the loss		34.53	85.43

** The payment for LHI's is completed in year 10 reducing annual revenue to \$526,416 for years 11 to 20.

In addition to the financial analysis, staff considered stakeholders, capacity impacts, population demographics and although not exhaustive below is a summary of the considerations:

- 1- If we don't build this detachment the province will build it and become responsible for all the costs related to it.
- 2- If we don't build this detachment, we will still have policing in our community.

- 3- Will residents/taxpayers on a fixed income have the capacity to pay the required increases in property taxes.
- 4- The impact that uncollectable taxes have on the levy.
- 5- Impact to our own operations, we currently do not have the capacity to assume responsibility for an additional facility of this size.
- 6- Willingness to reduce levels of service in the community.
- 7- Future costs to replace or rehabilitate major components of the building such as HVAC.
- 8- How much should the ability of future Councils be limited by the actions of a current Council. We should leave room for future ideas, wants and needs.
- 9- Reassessment will change how taxes are allocated; how will this affect taxpayers?
- 10-The annual repayment limit includes the Hydro Dam Grant as own source revenue, however, we have no guarantee that we will receive this grant.
- 11-A 20-year scenario is too big of a risk, we cannot fairly estimate long term future economic circumstances.
- 12-Turnkey after year 10 we lose \$434,322.18 of leasehold improvement revenue as it would be fully amortized, but we will not lose any of the operating expenses related to the facility.
- 13-Lease terms are typically 5 years with two, five-year renewal options this adds an additional risk to the 20-year loan scenarios.
- 14-How will the provincial portion impact our neighbouring communities.
- 15-If we choose to construct this building, we cannot meet any of our own infrastructure needs.
- 16-There are no comparable communities. Communities which have recently built detachments moved from a municipal policing model to provincial policing. There was already a substantial policing budget, savings achieved through conversion to OPP could be redirected to the downpayment of the loan without negatively impacting taxpayers. We do not have this same situation.

Recommendations

WHEREAS the Corporation of the Municipality of Wawa has received from Infrastructure Ontario a formal response letter outlining Municipal Partnership Options with Infrastructure Ontario and Ontario Provincial Police; and

WHEREAS the three options outlined are:

- 1- Land Contribution
- 2- Lease Base Building Only
- 3- Construct Turnkey Building

WHEREAS the Council for the Corporation of the Municipality of Wawa has been provided with an overview of the three available options; and

WHEREAS Land Contribution has been determined to be the most feasible option available to the municipality for the purpose of constructing an OPP detachment; and

WHEREAS the Municipality has identified land which is situated on Hwy 101 between the Tourist Information Centre and the Ministry of Transportation facility

THEREFORE BE IT RESOLVED that the Council of the Corporation of the Municipality of Wawa does direct the CAO/Clerk to develop and submit a formal proposal to Infrastructure Ontario for the Land Contribution option.

Attachments

- Financial Analysis
- 2023 Annual Repayment Limit letter
- Annual Repayment Limit Guide
- 2024 Annual Repayment Limit letter
- Infrastructure Ontario and OPP Municipal Partnership Letter
- Projected Property Tax Rates
- Map of proposed location

Loan Amortization Analysis
Assumptions

Square footage of Building 22874
Municipal (Wawa) Portion 14.72
Provincial Portion 85.28

Costs	Cost /sq foot	Turn Key	Amortize Provincial Portion	Base Building	Land Contribution
Site Development		\$350,000.00		\$350,000.00	\$10,000.00
Design	\$51.87	\$1,186,474.38			
Construction	\$347.88	\$7,957,407.12			
Leasehold Improvemrets	\$158.13	\$3,617,065.62	\$3,084,633.56		
Land Development	\$144.21	\$3,298,659.54			
Furniture, Fixtures & Equip.	\$64.52	\$1,475,830.48	\$1,258,588.23		
LEED Silver	\$18.98	\$434,148.52			
Permits	\$12.65	\$289,356.10			
Move and Relocation	\$12.65	\$289,356.10			
Project Manager Service	\$39.22	\$897,118.28			
Construct Base Building	\$375.00			\$8,577,750.00	
Sub-Total		\$19,795,416.14	\$4,343,221.79	\$8,927,750.00	\$10,000.00
Northern Contingency 5%		\$989,770.81		\$446,387.50	
		\$20,785,186.95	\$4,343,221.79	\$9,374,137.50	\$10,000.00

Lease Revenue - Years 1 to 10

base fmv lease per sq foot	\$14.17	\$276,413.44		\$276,413.44	\$0.00
** LHI over 10 yrs		\$434,322.18		\$0.00	\$0.00
** Operating		\$209,677.08		\$209,677.08	\$0.00

Total Lease Revenue \$920,412.70 \$486,090.53 \$0.00

Other Revenue

Property Tax Revenue		\$33,825.00		\$33,825.00	\$33,825.00
Water & Sewer Revenue		\$6,500.00		\$6,500.00	\$6,500.00

Total Other Revenue \$40,325.00 \$40,325.00 \$40,325.00

Total Revenue \$960,737.70 \$526,415.53 \$40,325.00

Operating Expenses (Annual)

Wages		\$105,678.00	\$90,122.20		
Insurance		\$31,873.00	\$27,181.29		
Hydro		\$42,993.00	\$36,664.43		
Heat		\$10,000.00	\$8,528.00		
Water and Sewer		\$6,500.00	\$5,543.20		
Facility Maintenance Contracts		\$10,000.00	\$8,528.00		
Repairs and Maintenance		\$5,000.00	\$4,264.00		
Property Tax		\$33,825.00	\$28,845.96		

Total Operating Expense \$245,869.00 \$209,677.08

property tax assessment 5% of base building \$468,706.88

Years 1 to 10	2023 Levy	Turn Key Building		Base Building		Land Contribution
		5.36 % Amort.	5.12 % Amort.	5.36 % Amort.	5.12 % Amort.	
		20 Years	10 Years	20 Years	10 Years	
Total Revenue		-\$960,737.70	-\$960,737.70	-\$526,415.53	-\$526,415.53	-\$40,325.00
Operating Expenses		\$245,869.00	\$245,869.00	\$245,869.00	\$245,869.00	
Finance Payments		\$1,696,081.68	\$2,660,163.96	\$764,934.36	\$1,199,736.24	
Total Expenses		\$1,941,950.68	\$2,906,032.96	\$1,010,803.36	\$1,445,605.24	\$0.00
Net (Income)/Loss (Before Amortization)		\$981,212.98	\$1,945,295.26	\$484,387.83	\$919,189.71	-\$40,325.00
Levy required	\$5,230,892.00	\$6,212,104.98	\$7,176,187.26	\$5,715,279.83	\$6,150,081.71	
Amortization over 20 years		\$1,039,259.35	\$1,039,259.35	\$468,706.88	\$468,706.88	\$0.00
Net (Income)/Loss (After Amortization)		\$2,020,472.32	\$2,984,554.60	\$953,094.71	\$1,387,896.59	-\$40,325.00

Years 11 to 20	2023 Levy	Turn Key Building		Base Building		Land Contribution
		5.36 % Amort.	5.12 % Amort.	5.36 % Amort.	5.12 % Amort.	
		Years 11 - 20	10 Years	Years 11 - 20	10 Years	
Total Revenue		-\$526,415.53		-\$526,415.53	-\$526,415.53	\$0.00
Operating Expenses		\$245,869.00		\$245,869.00	\$245,869.00	
Finance Payments		\$1,696,081.68		\$764,934.36	\$0.00	
Total Expenses		\$1,941,950.68		\$1,010,803.36	\$245,869.00	\$0.00
Net (Income)/Loss (Before Amortization)		\$1,415,535.15		\$484,387.83	-\$280,546.53	\$0.00
Levy required	\$5,230,892.00	\$6,646,427.15		\$5,715,279.83	\$4,950,345.47	
Amortization over 20 years		\$1,039,259.35		\$468,706.88	\$468,706.88	\$0.00
Net (Income)/Loss (After Amortization)		\$2,454,794.50		\$953,094.71	\$188,160.35	\$0.00
		\$434,322.18	\$434,322.18			
Net (Income)/Loss (After Amortization)		\$2,889,116.68	\$434,322.18			

After Year 10 revenues would reduce as LHI's are fully amortized and paid

Years 21+	2023 Levy	Turn Key Building		Base Building		Land Contribution
		5.36 % Amort.	5.12 % Amort.	5.36 % Amort.	5.12 % Amort.	
		Years 11 - 20	10 Years	Years 11 - 20	10 Years	
Total Revenue		-\$526,415.53		-\$526,415.53	-\$526,415.53	\$0.00
Operating Expenses		\$245,869.00		\$245,869.00	\$245,869.00	
Finance Payments						
Total Expenses		\$245,869.00		\$245,869.00	\$245,869.00	\$0.00
Net (Income)/Loss (Before Amortization)		-\$280,546.53		-\$280,546.53	-\$280,546.53	\$0.00
Levy required	\$5,230,892.00	\$4,950,345.47		\$4,950,345.47	\$4,950,345.47	
Amortization over 20 years		\$1,039,259.35		\$468,706.88	\$468,706.88	\$0.00
Net (Income)/Loss (After Amortization)		\$758,712.82		\$188,160.35	\$188,160.35	\$0.00
		\$0.00	\$0.00			
Net (Income)/Loss (After Amortization)		\$758,712.82	\$0.00			

After Year 10 revenues would reduce as LHI's are fully amortized and paid

2023 ANNUAL REPAYMENT LIMIT

(UNDER ONTARIO REGULATION 403 / 02)

MMAH CODE:	80608		
MUNID:	57076		
MUNICIPALITY:	Wawa M		
UPPER TIER:			
REPAYMENT LIMIT:		\$	2,344,110

The repayment limit has been calculated based on data contained in the 2021 Financial Information Return, as submitted to the Ministry. This limit represents the maximum amount which the municipality had available as of December 31, 2021 to commit to payments relating to debt and financial obligation. Prior to the authorization by Council of a long term debt or financial obligation, this limit must be adjusted by the Treasurer in the prescribed manner. The limit is effective January 01, 2023

FOR ILLUSTRATION PURPOSES ONLY,

The additional long-term borrowing which a municipality could undertake over a 5-year, a 10-year, a 15-year and a 20-year period is shown.

If the municipalities could borrow at 5% or 7% annually, the annual repayment limits shown above would allow it to undertake additional long-term borrowing as follows:

5% Interest Rate			
(a)	20 years @ 5% p.a.	\$	29,212,795
(a)	15 years @ 5% p.a.	\$	24,331,063
(a)	10 years @ 5% p.a.	\$	18,100,598
(a)	5 years @ 5% p.a.	\$	10,148,771
7% Interest Rate			
(a)	20 years @ 7% p.a.	\$	24,833,537
(a)	15 years @ 7% p.a.	\$	21,349,955
(a)	10 years @ 7% p.a.	\$	16,464,049
(a)	5 years @ 7% p.a.	\$	9,611,315

DETERMINATION OF ANNUAL DEBT REPAYMENT LIMIT

(UNDER ONTARIO REGULATION 403/02)

MUNICIPALITY:

Wawa M

MMAH CODE:

80608

		1
		\$
Debt Charges for the Current Year		
0210	Principal (SLC 74 3099 01)	97,650
0220	Interest (SLC 74 3099 02)	152,560
0299	Subtotal	250,210
0610	Payments for Long Term Commitments and Liabilities financed from the consolidated statement of operations (SLC 42 6010 01)	0
9910	Total Debt Charges	250,210
Amounts Recovered from Unconsolidated Entities		
1010	Electricity - Principal (SLC 74 3030 01)	0
1020	Electricity - Interest (SLC 74 3030 02)	0
1030	Gas - Principal (SLC 74 3040 01)	0
1040	Gas - Interest (SLC 74 3040 02)	0
1050	Telephone - Principal (SLC 74 3050 01)	0
1060	Telephone - Interest (SLC 74 3050 02)	0
1099	Subtotal	0
1410	Debt Charges for Tile Drainage/Shoreline Assistance (SLC 74 3015 01 + SLC 74 3015 02)	0
1411	Provincial Grant funding for repayment of long term debt (SLC 74 3120 01 + SLC 74 3120 02)	0
1412	Lump sum (balloon) repayments of long term debt (SLC 74 3110 01 + SLC 74 3110 02)	0
1420	Total Debt Charges to be Excluded	0
9920	Net Debt Charges	250,210
1610	Total Revenue (SLC 10 9910 01)	14,988,625
Excluded Revenue Amounts		
2010	Fees for Tile Drainage / Shoreline Assistance (SLC 12 1850 04)	0
2210	Ontario Grants, including Grants for Tangible Capital Assets (SLC 10 0699 01 + SLC 10 0810 01 + SLC 10 0815 01)	2,796,068
2220	Canada Grants, including Grants for Tangible Capital Assets (SLC 10 0820 01 + SLC 10 0825 01)	1,708,912
2225	Deferred revenue earned (Provincial Gas Tax) (SLC 10 830 01)	0
2226	Deferred revenue earned (Canada Gas Tax) (SLC 10 831 01)	37,721
2230	Revenue from other municipalities including revenue for Tangible Capital Assets (SLC 10 1098 01 + SLC 10 1099 01)	11,196
2240	Gain/Loss on sale of land & capital assets (SLC 10 1811 01)	-196,375
2250	Deferred revenue earned (Development Charges) (SLC 10 1812 01)	0
2251	Deferred revenue earned (Recreation Land (The Planning Act)) (SLC 10 1813 01)	0
2252	Donated Tangible Capital Assets (SLC 53 0610 01)	0
2253	Other Deferred revenue earned (SLC 10 1814 01)	0
2254	Increase / Decrease in Government Business Enterprise equity (SLC 10 1905 01)	0
2255	Other Revenue (SLC 10 1890 01 + SLC 10 1891 01 + SLC 10 1892 01 + SLC 10 1893 01 + SLC 10 1894 01 + SLC 10 1895 01 + SLC 10 1896 01 + SLC 10 1897 01 + SLC 10 1898 01)	253,822
2299	Subtotal	4,611,344
2410	Fees and Revenue for Joint Local Boards for Homes for the Aged	0
2610	Net Revenues	10,377,281
2620	25% of Net Revenues	2,594,320
9930	ESTIMATED ANNUAL REPAYMENT LIMIT	2,344,110
	(25% of Net Revenues less Net Debt Charges)	

* SLC denotes Schedule, Line Column.

Annual Repayment Limit

What is the Annual Repayment Limit?

The Annual Repayment Limit (ARL) may be generally summarized as the maximum amount that a municipality in Ontario can pay each year (without first going to the Local Planning Appeal Tribunal) in principal and interest payments for its long-term debt and other long-term financial commitments.

For most municipalities (not including Toronto) the ARL is set at 25 percent of their annual own-source revenues (such as property taxes, user fees and investment income), less their annual existing long-term debt service costs and payments for other long-term financial obligations. Municipalities may only exceed their ARL with the prior approval of the Local Planning Appeal Tribunal (LPAT).

For more information about the ARL, please see O. Reg. 403/02 (Debt and Financial Obligation Limits) on <https://www.ontario.ca/laws/regulation/020403>.

Role of the Ministry of Municipal Affairs and Housing

The Ministry of Municipal Affairs and Housing issues an updated ARL statement to municipalities once a year. The ARL statement is typically sent to each municipality at the beginning of the calendar year and reflects the most recent financial information submitted by the municipality in its Financial Information Return (FIR), available on <https://efis.fma.csc.gov.on.ca/fir/>

How Does the Ministry Calculate the ARL? *

The calculation of the ARL involves a number of steps. The ministry first determines the municipality's annual own-source revenue from sources such as property taxes, user fees and investment income. The ministry then calculates the amount that is 25 percent of the municipality's annual own-source revenue. Finally, the ministry subtracts the municipality's annual existing debt service costs and payments for other long-term financial obligations from the 25 percent figure to arrive at the ARL.

The ministry calculates 25 percent of the municipality's annual own-source revenue:



The ministry subtracts municipal debt and other financial obligations to determine the ARL:



For details on specific municipalities, please see

<https://efis.fma.csc.gov.on.ca/fir/index.php/reports-and-dashboards/annual-repayment-limits/>

**For illustrative purposes only*

Role of Municipalities

Municipalities in Ontario are responsible for ensuring that they do not exceed their ARL. When a municipality proposes long-term borrowing (or other long-term financial obligation), the municipal treasurer is responsible for updating the limit provided by the ministry. The treasurer must determine if there is capacity within the municipality's ARL to undertake the planned borrowing.

Local Planning Appeal Tribunal (LPAT)

Applications and appeals in relation to a range of matters are brought before the LPAT (formerly known as the Ontario Municipal Board). In cases where municipalities intend to borrow or commit to amounts above their updated ARL, they must first seek the approval of the LPAT. Learn more at <http://elto.gov.on.ca/tribunals/lpat>.

Plafond de remboursement annuel

Qu'est-ce que le plafond de remboursement annuel?

On définit généralement le plafond de remboursement annuel comme étant le montant maximal de capital et d'intérêts qu'une municipalité de l'Ontario peut payer (sans avoir d'abord à faire appel au Tribunal d'appel de l'aménagement local) pour ses dettes à long terme et autres obligations financières à long terme.

Pour la plupart des municipalités (mis à part Toronto), le plafond de remboursement annuel correspond à 25 pour cent de leurs revenus autonomes annuels (comme l'impôt foncier, les frais d'utilisation et le revenu de placement), moins leurs frais de service de la dette annuels à long terme actuels et leurs paiements d'obligations financières à long terme. Les municipalités peuvent dépasser le plafond de remboursement annuel seulement lorsqu'elles obtiennent une autorisation préalable du Tribunal d'appel de l'aménagement local (TAAL).

Pour obtenir de plus amples renseignements au sujet du plafond de remboursement annuel, veuillez consulter le Règlement de l'Ontario 403/02 sur la limite de la dette et des obligations financières (Debt and Financial Obligation Limits) sur le site <https://www.ontario.ca/laws/regulation/020403>.

Rôle du ministère des Affaires municipales et du Logement

Le ministère des Affaires municipales et du Logement transmet chaque année aux municipalités une version mise à jour de l'état du plafond de remboursement annuel. Habituellement, le ministère le transmet à chaque municipalité au début de l'année civile. Ce document reflète l'information financière la plus récente ayant été soumise par la municipalité dans son Rapport d'information financière (RIF), accessible sur le site <https://efis.fma.csc.gov.on.ca/fir/>

De quelle façon le ministère calcule-t-il le plafond de remboursement annuel? *

Le calcul du plafond de remboursement annuel comprend un certain nombre d'étapes. D'abord, le ministère détermine les revenus autonomes annuels de la municipalité obtenus par l'impôt foncier, les frais d'utilisation et le revenu de placement. Ensuite, le ministère calcule le montant correspondant à 25 pour cent des revenus autonomes annuels de la municipalité. Enfin, le ministère soustrait de ce montant correspondant à 25 pour cent des frais de service de la dette annuels à long terme existants et les paiements d'obligations financières à long terme de la municipalité pour obtenir le plafond de remboursement annuel.

Le ministère calcule le montant correspondant à 25 pour cent des revenus autonomes annuels de la municipalité :



Le ministère soustrait le montant correspondant à la dette municipale et aux autres obligations financières afin de déterminer le plafond de remboursement annuel :



Pour obtenir des renseignements sur des municipalités en particulier, veuillez consulter le site <https://efis.fma.csc.gov.on.ca/fir/index.php/reports-and-dashboards/annual-repayment-limits/>

** À titre indicatif seulement.*

Rôle des municipalités

Les municipalités de l'Ontario doivent s'assurer de ne pas dépasser le plafond de remboursement annuel. Lorsqu'une municipalité propose un emprunt à long terme (ou toute autre obligation financière à long terme), le trésorier municipal doit mettre à jour le plafond maximal fourni par le ministère. Le trésorier municipal doit déterminer si le plafond de remboursement annuel de la municipalité permet d'aller de l'avant avec l'emprunt prévu.

Tribunal d'appel de l'aménagement local (TAAL)

Les demandes et les appels concernant différentes affaires sont portés devant le TAAL (anciennement la Commission des affaires municipales de l'Ontario). Lorsque des municipalités ont l'intention d'emprunter ou d'engager des montants supérieurs à celui prévu par leur plafond de remboursement annuel, elles doivent d'abord demander l'approbation du TAAL. Apprenez-en davantage à l'adresse <http://elto.gov.on.ca/tribunals/lpat/about-lpat/?lang=fr>.

FIR2022: Wawa M **Schedule 81**
Asmt Code: 5776 **ANNUAL DEBT REPAYMENT LIMIT**
MAH Code: 80608 based on the information reported for the year ended December 31, 2022

NOTE: THE ESTIMATED ANNUAL REPAYMENT LIMIT IS EFFECTIVE JANUARY 01, 2024
Please note that fees and revenues for Homes for the Aged are not reflected in this estimate.

DETERMINATION OF ANNUAL DEBT REPAYMENT LIMIT		1
Debt Charges for the Current Year		\$
0210	Principal (SLC 74 3099 01)	64,460
0220	Interest (SLC 74 3099 02)	127,594
0299	Subtotal	192,054
0610	Payments for Long Term Commitments and Liabilities financed from the consolidated statement of operations (SLC 42 6010 01)	0
9910	Total Debt Charges	192,054

Excluded Debt Charges		1
		\$
1010	Electricity - Principal (SLC 74 3030 01)	0
1020	Electricity - Interest (SLC 74 3030 02)	0
1030	Gas - Principal (SLC 74 3040 01)	0
1040	Gas - Interest (SLC 74 3040 02)	0
1050	Telephone - Principal (SLC 74 3050 01)	0
1060	Telephone - Interest (SLC 74 3050 02)	0
1099	Subtotal	0
1410	Debt Charges for Tile Drainage/Shoreline Assistance (SLC 74 3015 01 + SLC 74 3015 02)	0
1411	Provincial Grant funding for repayment of long term debt (SLC 74 3120 01 + SLC 74 3120 02)	0
1412	Lump sum (balloon) repayments of long term debt (SLC 74 3110 01 + SLC 74 3110 02)	0
1420	Total Debt Charges to be Excluded	0
9920	Net Debt Charges	192,054

		1
		\$
1610	Total Revenues (SLC 10 9910 01)	15,579,075
Excluded Revenue Amounts		
2010	Fees for Tile Drainage / Shoreline Assistance (SLC 12 1850 04)	0
2210	Ontario Grants, including Grants for Tangible Capital Assets (SLC 10 0699 01 + SLC 10 0810 01 + SLC 10 0815 01)	2,650,125
2220	Canada Grants, including Grants for Tangible Capital Assets (SLC 10 0820 01 + SLC 10 0825 01)	1,273,078
2225	Deferred revenue earned (Provincial Gas Tax) (SLC 10 0830 01)	15,718
2226	Deferred revenue earned (Canada Gas Tax) (SLC 10 0831 01)	87,058
2230	Revenue from other municipalities, including Revenue for Tangible Capital Assets (SLC 10 1099 01 + SLC 10 1098 01)	10,000
2240	Gain/Loss on sale of land & capital assets (SLC 10 1811 01)	0
2250	Deferred revenue earned (Development Charges) (SLC 10 1812 01)	0
2251	Deferred revenue earned (Recreation Land (The Planning Act)) (SLC 10 1813 01)	0
2256	Deferred revenue earned (Community Benefits) (SLC 10 1815 01)	0
2252	Donated Tangible Capital Assets (SLC 53 0610 01)	0
2254	Increase / Decrease in Government Business Enterprise equity (SLC 10 1905 01)	0
2255	Other Revenue (SLC 10 1890 01 + SLC 10 1891 01 + SLC 10 1892 01 + SLC 10 1893 01 + SLC 10 1894 01 + SLC 10 1895 01 + SLC 10 1896 01 + SLC 10 1897 01 + SLC 10 1898 01)	370,420
2299	Subtotal	4,406,399
2410	Fees and Revenue for Joint Local Boards for Homes for the Aged	0
2610	Net Revenues	11,172,676
2620	25% of Net Revenues	2,793,169
9930	ESTIMATED ANNUAL REPAYMENT LIMIT	2,601,115

For Illustration Purposes Only

Annual Interest Rate	@	Term	years =



Hwy 17

Ferrovial Services

Mission Motors

Service Ontario

The Canada Goose

Wawa Creek