



MUNICIPALITY OF **West Elgin**

Staff Report

Report To: Council Meeting
From: Magda Badura, CAO/Treasurer
Date: 2023-05-25
Subject: Arvai Drain Debenture Report – 2023-25 Administration Finance

Recommendation:

That West Elgin Council hereby receives the report from M. Badura, CAO/Treasurer re: Arvai Drain Debenture and that West Elgin Council approves a loan in the amount of \$35,381.12 from Salus Mutual.

Background:

Over the years Municipality of West Elgin would borrow money on behalf of ratepayers in order to fund specific projects or initiatives that benefit the local community. These projects could include infrastructure improvements, such as constructing the water systems and drains.

To finance these projects, we would take out loans from financial institutions. The borrowed funds are then used to cover the upfront costs of the project. The repayment of these borrowed funds, including the principal amount and any accrued interest, is typically collected from ratepayers through a mechanism known as local improvements.

Local improvements refer to a method of cost recovery where the municipality assesses a portion of the project costs to the properties that directly benefit from the improvement. This assessment is added to the property tax bill of the affected ratepayers and collected over a specified period of time.

By borrowing money on behalf of ratepayers and collecting it through local improvements, municipalities can distribute the costs of the project more equitably among the property owners who will benefit from the improvements. This approach allows for the upfront funding of necessary community projects while spreading the financial burden over a longer period, making it more manageable for ratepayers.

Financial Implications:

The amount borrow meets the criteria of the borrowing by-law

Policies/Legislation:

By-law 2023-41

Respectfully submitted by,
Magda Badura, CAO/Treasurer

Report Approval Details

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|----------------------|---|
| Document Title: | Arvai Drain Debenute - 2023-25-Administration Finance.docx |
| Attachments: | <ul style="list-style-type: none">- 2023-01 Debenture - Salus Mutual-Sch A.pdf- 2023-01 Debenture - Salus Mutual-Sch B.pdf |
| Final Approval Date: | May 19, 2023 |

This report and all of its attachments were approved and signed as outlined below:

Heather Bouw