



GRAND VALLEY

## STAFF REPORT

**To:** Mayor and Members of Council  
**From:** Meghan Townsend, CAO/Clerk  
**Meeting Date:** March 24, 2026  
**Report Number:** 2026-065  
**Subject:** Debenture By-law for Community Centre Expansion Financing

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### Recommendation

**THAT** Council receive the report Debenture By-Law for Community Centre Expansion Financing;

**AND FURTHER THAT** Council authorizes the issuance of a Debenture, carrying an interest rate of 4.53% p.a. (compounded semi-annually), principal amount of \$3,113,500.00, term of 20 years and with a closing date of April 15, 2026, to Ontario Infrastructure and Lands Corporation ("OILC");

**AND FURTHER THAT** the Mayor and the Treasurer are hereby authorized to cause the Debentures to be issued, one or more of the Clerk and Treasurer are hereby authorized to generally do all things and to execute all other documents and other papers in the name of the Municipality in order to carry out the issue of the Debentures and the Treasurer is authorized to affix the Municipality's municipal seal to any of such documents and papers;

**AND FURTHER THAT** Council directs staff to prepare and present the necessary By-Law for passing.

## **Executive Summary**

### **Purpose**

To present the Debenture By-law for the borrowing of funds to pay for the expansion of the Grand Valley and District Community Centre.

### **Key Findings**

The Town will borrow \$3,113,500.00, to be repaid over a 20-year period. Negotiations continue with the Townships of Amaranth and East Garafraxa over the terms of repayment.

### **Financial Implications**

Grand Valley shall make the payments twice per year and recover some of the costs under the negotiated agreement with the two townships.

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## **Report**

### **Background**

Through By-law 2025-47, Council approved the application to Infrastructure Ontario (I.O.) for long-term financing to cover the costs of the Community Centre Expansion project that were not already covered under the Investing in Canada Infrastructure Program grant and the first intermunicipal agreement with Amaranth and East Garafraxa townships.

### **Discussion**

The I.O. application has been approved by their underwriting team, and they require us to complete the following steps in order to receive the funds and close the debenture on April 15, 2026 (similar to the steps for the Bridge 10 debenture):

1. Debenture By-law to be passed by Council
2. Signed Debenture Certificate and By-law to be sent to Grand Valley's solicitor, who must then provide a Solicitor's Undertaking and send the by-law, certificate and undertaking to I.O. by courier.
3. The Treasurer and Clerk must sign Certificates and email those to I.O.
4. All must be completed by April 9, 2026.

The By-law and all certificates are attached as Attachment 1 to this report.

Note: The Town was advised that once the rate offer was signed and accepted, if the debenture By-Law does not get passed at the March 24, 2026 council meeting or if the municipality elects not to take the debenture, the municipality will be required to pay a penalty as a result of not closing the debenture on the scheduled date

The Town will make payments on the debenture twice per year. The amount paid will change each time, as the loan was set up as a Debenture Serial Loan, meaning that the Principal payment remains the same each time, but the Interest decreases with each Total Payment. The first and only payment for 2026 will be \$148,551.48, due in October.

The CAOs of the Townships of Amaranth and East Garafraxa have both been apprised of the situation and provided with the Repayment Schedule, along with the current apportionments proposed, which are the same apportionments used to divide the Community Centre's operating levy, as shown in Table 1:

Table 1 – Municipal Apportionments for Community Centre Levy, based on total assessments within the catchment area

Municipality	Assessment	Percentage
Amaranth	\$ 313,193,800.00	24.859
East Garafraxa	\$ 173,343,500.00	13.759
Grand Valley	\$ 773,350,718.00	61.382
<b>Total Assessment</b>	<b>\$ 1,259,888,018.00</b>	<b>100.000</b>

If the municipalities come to an agreement, Grand Valley will be responsible for 61% of the October payment, putting \$90,616.40 on the tax levy. The townships' CAOs have advised that they are taking this updated information back to their Council and their solicitor and will notify the Town when they have a response to the proposed agreement.

It should also be noted that the original application put the value of the debenture at \$3,323,000. Upon review of the project's actual costs, including all invoices and the Town's carrying costs, the actual debenture needed will be \$3,113,500, a reduction of \$209,500.

### Financial Impact

- A total payment of \$148,551.48 is included in the 2026 budget, with the Town's levy budgeted to contribute \$91,616.40.
- Each budget for the next 20 years will include a decreasing loan payment, as the amount of interest to be paid will decrease with each payment.

**Consultations**

Steven Freitas, Director of Finance/Treasurer

**Attachments**

Attachment 1 – By-law Package – Grand Valley

**This report was submitted by**

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**This report was approved by**

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