

Report to Council

Date: 7/14/2025
From: Kirsten Rahm, Manager of Finance - Treasurer
Re: Debt Financing for Capital Road Projects

RECOMMENDATION

THAT the Council of the Corporation of the Village of Merrickville-Wolford receive for information the finance report on the cost of borrowing \$10,000,000 for capital road construction projects.

BACKGROUND

At the Council meeting of June 23rd, 2025, Council directed staff to proceed with the development of a road construction and maintenance schedule with the intent to commence work on the chosen projects beginning in 2026.

To support this initiative, staff determined the impact to the ratepayer of borrowing \$10,000,000, using terms of 15, 20, 25 and 30 years.

The annual debt payments and corresponding tax impact are provided in Attachment A.

ANALYSIS

The summary chart identifies the residential tax increase that would be needed in 2026 to cover the annual debt payments. Staff looked at two different scenarios – one factoring in an annual contribution to the Capital Infrastructure Reserve of \$350,000; and the other an annual contribution to the Reserve of \$720,000 (which was the amount included in the 2025 budget).

ATTACHMENTS

Attachment A – Debt Financing for Capital Road Projects

Submitted by:

Kirsten Rahm, Manager of Finance/Treasurer

Approved by:

Darlene Plumley, CAO