



TOWNSHIP OF
**Elizabethtown-
Kitley**

STAFF REPORT
Department: Finance

Report Number: F-26-16
Date: 2026-04-27

To: Mayor Burrow and Members of Council

From: Charles Dowdall, Director of Finance

Subject: Consolidated Analysis – Township Office Building, Frankville Public School, New Dublin Garage

RECOMMENDATION:

THAT Council receive this Report F-26-16 – Consolidated Analysis – Township Office Building, Frankville Public School, New Dublin Garage; and

THAT Council provide direction to staff on which capital project(s) to proceed in undertaking.

SUMMARY:

Prior Reports

Council received the following staff reports on March 30, 2026:

1. Staff Report F-26-13 – Township Office Building – Capital Repairs
2. Staff Report F-26-14 – Frankville Public School – Building Assessment

Council received the following staff report on April 13, 2026:

1. Staff Report F-26-15 – New Dublin Garage – Financing Summary

Staff Direction

After review and discussion of each report by Council, staff were directed to report back to Council on April 27, 2026, with an integrated review of the Township Office Building, Frankville Public School, and New Dublin Garage detailing the financial implications of each proposed project individually, and on a consolidated basis.

BACKGROUND:

Township Municipal Office

a) Overview

As outlined in staff report F-26-13 – Township Office Building – Capital Repairs, the Township is required to be compliant with the standards established by the *Accessibility for Ontarians with Disabilities Act, 2005* (AODA). Specifically, the design of public spaces within all public buildings must be full accessible by December 31, 2030, to be compliant with the legislation. It is important to also point out that the compliance of public design is also required under the legislation for staff who have physical disabilities to be able to provide the necessary delivery of services.

The current Township Municipal Building has considerable challenges as it pertains to AODA compliance. The main section of the building was built in 1890 and is two stories. A further addition to the building was constructed in 1997 consisting of one storey above grade and one storey below grade. The various administration offices are spread between the first floor, second floor, and basement level. The only method of access to the second floor is by a two-level staircase and access to the basement level offices is by a single narrow staircase.

In its current format, any person with a physical disability, either the public or staff, would not be able to access anything beyond the main floor of the building. Further, there is insufficient space on the main level of the building to house the offices for the administration staff complement of 14.

In the 2026 Municipal Budget, Council approved capital expenditures of \$142,000 for capital repairs to the Township Municipal Building; however, these capital repairs do not address the design of public spaces for compliance with AODA.

Staff enlisted the services of Eastern Engineering Group to complete an assessment of the current building with respect to what is required for AODA compliance. Based on this assessment, the estimated cost for completion of the renovations required at a minimum for AODA compliance is \$1,500,000 - \$2,500,000 plus HST. The recommended work required would require a complete renovation of the building to include the installation of elevator(s) for multi-level access resulting in major structural changes to the building.

b) Funding of Capital Expenditure

To fund the cost of this capital expenditure, it will be necessary for the Township to secure long-term debt financing through Infrastructure Ontario for a preferential borrowing rate.

As reported in staff report F-26-13, the borrowing rate was 2.91%. Since the issuance of this report, the borrowing rate offered by Infrastructure Ontario has improved to 2.77%. Further, in the prior staff report an amortization period of 20 years for the long-term debt financing required was used for the analysis. However, for the purposes of this report the amortization period specific to this capital project has been adjusted to a period of 15 years because of Infrastructure Ontario's recent amendment to their amortization schedules due to an increase in defaults specific to the private commercial lending component of their portfolio.

Finally, a contingency of 15% has been included in the overall cost of the capital work which was absent in the prior staff report.

Considering the adjustments outlined, a revised financing impact for the long-term debt financing required for the capital work to be compliant with AODA is summarized as follows:

c) Project Cost:

Description	Scenario # 1	Scenario # 2
Capital Cost	\$1,500,000	\$2,500,000
Contingency @ 15%	\$225,000	\$375,000
HST	\$224,250	\$373,750
HST Rebate	(\$196,667)	(\$327,779)
Capital Cost (Net of HST Rebate)	\$1,752,583	\$2,920,971

d) Financing Cost:

Description	Scenario # 1	Scenario # 2
Total Amount Financed	\$1,752,583	\$2,920,971
Interest Rate	2.77%	2.77%
Amortization	15 years	15 years
Annual Debt Repayment	\$142,932	\$238,212

e) Annual Repayment Limit:

The Council has directed staff to ensure that the Annual Repayment Limit does not exceed 15%. Considering the long-term debt that has been previously secured and committed for 2026 based on the approval of the 2026 Municipal Budget, the impact on the ARL solely for the capital work required for the Township Municipal Building is summarized as follows:

Description	Scenario # 1	Scenario # 2
Current ARL including approval of 2026 Municipal Budget	8.96%	8.96%

ARL to include capital work to Township Municipal Building for AODA compliance	10.69%	11.84%
Remaining Long Term Debt Available to the Township	\$6,400,000	\$3,250,000

Frankville Public School

a) Overview

As outlined in staff report F-26-14 – Frankville Public School – Building Assessment, staff were directed by Council to proceed with a review of the building assessment report provided by the seller and completion of a cost analysis for any repair and/or renovations required to the building.

The assessment report reviewed found that there were 7 specific locations in the eastern portion of the building, specifically, the central corridor of the building where steel post supports have been temporarily installed. The report recommends that these 7 specific locations should be addressed as soon as possible.

In addition, the assessment report outlined that there were 30 other locations in the building where grouting repair is required; however, these locations are less urgent to repair in nature and can be addressed later.

Based on the staff review of the assessment report and further onsite inspection by staff, two options were identified to address this issue; namely, the full replacement of the roof or repair of the existing roof.

In addition, based on the staff inspection of the exterior structure, staff recommended that the exterior cladding be removed and the exterior walls be insulated followed by the cladding being replaced. At the same time, staff recommended that all windows in the building be replaced to provide improved energy efficient heat transfer and solar heat gain coefficient throughout the building.

As presented in the prior staff report, the estimated cost for a full replacement of the roof is \$1,616,474 not including HST. This cost estimate is based on an assessment from the Eastern Engineering Group who have a detailed knowledge of the building.

The estimated cost for the repair of the roof and the energy efficient components (insulation, windows, new cladding, etc.) is \$900,000 not including HST. This cost estimate is based on staff research and investigation with various contractors and material suppliers

Staff recommend that regardless of the intended future use of this building and if the building is retained by the Township, the repair of the existing roof and upgrade in the energy efficient components at a cost of \$900,000 plus HST is the preferred option. If Council decides that the intended future use of the building is to relocate the Township Municipal Office to this location, the total cost including the purchase price of the property is \$2,616,174.

- b) To fund the cost of this capital expenditure, as in the case of the Township Municipal Building, it will be necessary for the Township to secure long-term debt financing through Infrastructure Ontario for a preferential borrowing rate. As reported in staff report F-26-14, the long-term debt calculations were based on a borrowing rate of 2.91%. Since the issuance of this report, as in the case of the Township Municipal Building, the borrowing rate through Infrastructure Ontario has improved to 2.77%. However, unlike the financing for the Township Municipal Building, there has not been an adjustment required to the amortization period on which the calculations are based; that being a 15-year amortization.

Considering the adjustment in the financing rate as outlined, a revised financing impact for the long-term debt required for the capital work to be completed at the Frankville Public School is summarized as follows:

- c) Project Cost: (Assuming the Relocation of the Township Office)

Description	Cost
Purchase Price	\$325,000
Roof Repair and Exterior Repairs to include windows	\$900,000
Interior Renovations (including AODA compliance)	\$950,000
Computer transfer and server installation, office equipment installations, office equipment capital purchases	\$150,000
Contingency	\$250,000
HST	\$334,750
HST Rebate	(\$293,576)
Capital Cost (Net of HST Rebate)	\$2,616,174

- d) Financing Cost:

Description	Financing Summary
Total Amount Financed	\$2,616,174
Interest Rate	2.77%
Amortization	15 years
Annual Debt Repayment	\$213,348

Within the costing summary and for comparison purposes of the work required at the current Township Municipal Building for AODA compliance, the estimated cost of \$950,000 for interior renovations at the Frankville Public School includes \$200,000 in renovations identified by the Eastern Engineering Group related to AODA compliance to include ramps at all entrances, conversion of single purpose washrooms to universal washrooms, and new doors at all public entrances with handicap button access.

e) Annual Repayment Limit:

The Council has directed staff to ensure that the Annual Repayment Limit does not exceed 15%. Considering the long-term debt that has been previously secured and committed for 2026 based on the approval of the 2026 Municipal Budget, the impact on the ARL solely for the capital work required for the Frankville Public School is summarized as follows:

Description	Scenario # 1
Current ARL including approval of 2026 Municipal Budget	8.96%
ARL to include capital work to the Frankville Public School	10.84%
Remaining Long Term Debt Available to the Township	\$4,400,000

New Dublin Garage

a) Overview

At the April 13, 2026, Council meeting, Council received a presentation on the New Dublin Garage Feasibility Report from Pye & Richards – Temprano & Young Architects which outlined three conceptual designs to be considered:

1. Renovation of the existing facility.
2. Renovation of the existing facility and construction of an addition.
3. Demolition of the existing structure and construction of a new facility.

In addition, Council was provided with staff report F-26-15 – New Dublin Garage – Financing Summary, which summarized the financing options for consideration of each conceptual design. The financing summary was based on the costs provided with each option. Based on Council deliberations, a further option based on a maximum budgeted amount of \$5,000,000 was identified which did not form part of the financing summary in the prior staff report presented to Council.

Also, in the prior staff report F-26-15, the financing summary was based on a borrowing rate of 2.91%. Since the issuance of this report as previously mentioned, the borrowing rate through Infrastructure Ontario has improved to 2.77%. Further, in the prior staff report, an amortization period of 35 years was used for the option for construction of a new facility. This amortization period has now been adjusted by Infrastructure Ontario to

a maximum of 30 years. Again, as previously outlined, Infrastructure Ontario has amended some of its amortization schedules due to a recent increase in defaults specific to the private commercial lending component of their portfolio.

Considering the adjustments outlined above and also considering the inclusion of a fourth option where a capped budgeted amount is established, a revised financing impact for the long-term debt financing required for the capital work related to the repair or renovation or new construction for the New Dublin Garage is summarized as follows:

b) Project Cost

Description	Renovate	Renovate and Construction	New Construction	Maximum Budget
Capital Cost Including contingency	\$2,474,383	\$4,696,576	\$7,839,982	\$4,922,000
Contingency	25%	20%	15%	15%
HST	\$321,670	\$610,555	\$1,019,198	\$639,860
HST Rebate	(\$282,104)	(\$535,457)	(\$893,836)	(\$561,157)
Capital Cost (Net of HST Rebate)	\$2,513,949	\$4,771,674	\$7,965,344	\$5,000,703

The contingency as outlined in the project costing was provided to Council by Pye & Richards – Temprano & Young Architects as part of their presentation to Council on April 13, 2026 (Attachment # 1). The architects further outlined at that time that the contingency assigned reflects the level of risk with each option identified with the highest risk assigned to a renovation of the current building and the least risk assigned to the constructions of a new building.

Pye & Richards report also indicated that a phased approach could be taken to the New Dublin Garage project, in particular for the construction of a new garage. In this option the Township could design the full building but only construct what they could afford now. A future phase would see the construction of the remainder of the building when the Township was able to take on more debt. In their presentation they indicated that the \$5,000,000 budget established by Council could construct a new building with offices, changes rooms, washrooms, break room and an estimated 8 bays.

c) Financing Cost:

Description	Renovate	Renovate and Construction	New Construction	Maximum Budget
Total Amount Financed	\$2,513,949	\$4,771,674	\$7,965,344	\$5,000,703
Interest Rate	2.77%	2.77%	2.77%	2.77%
Amortization	15 years	25 years	30 years	30 years

Annual Debt Repayment	\$205,020	\$264,744	\$391,236	\$278,976
-----------------------	-----------	-----------	-----------	-----------

d) Annual Repayment Limit:

The Council has directed staff to ensure that the Annual Repayment Limit does not exceed 15%. Considering the long-term debt that has been previously secured and committed for 2026 based on the approval of the 2026 Municipal Budget, the impact on the ARL solely for the capital work required for the renovation and/or construction of a new Public Works Garage is summarized as follows:

Description	Renovate	Renovate and Construction	New Construction	Maximum Budget
Current ARL including approval of 2026 Municipal Budget	8.96%	8.96%	8.96%	8.96%
ARL to include capital work to the Public Works Garage	11.43%	12.16%	13.69%	12.33%
Remaining Long Term Debt Available to the Township	\$4,550,000	\$3,550,000	\$1,700,000	\$3,375,000

FINANCIAL ANALYSIS:

In each of the capital projects outlined in the preceding section of this report, the financial impact as it relates to the required long-term debt financing required and the subsequent impact on the Annual Repayment Limit is specific to each project under consideration on its own in isolation.

The financial information presented to this point does not consider what the financial impact would be to the Township if more than one of these projects was undertaken simultaneously. Therefore, the remainder of this report will focus on a consolidated financial impact to the Township if more than one capital project was undertaken.

Consolidated Financial Analysis

Within the three capital projects presented there are multiple secondary options within each capital project which need to be considered to provide a fulsome overview of the consolidated financial impact. There are 20 secondary options that staff have identified to be reviewed in determining the range of overall financial impacts to the Township. In completing the analysis in each of these options, a critical factor for review is the impact on the Annual Repayment Limit that Council have directed staff to ensure that this does not exceed 15%. This is a limit that has been imposed by Council, however, under the Municipal Act, 2001, all municipalities can incur long-term debt up to a maximum Annual

Repayment Limit of 25%. Staff are not suggesting that Council amend its directive for the ARL to exceed 15%; however, for the purposes of the analysis and for Council's information, the remaining borrowing capacity for each option when an ARL of 25% is considered have been included.

Options # 1,2,3,4

These four options represent the consolidated financial impact if the decision was to proceed with the capital work for the Public Works garage and undertake at the same time, the renovations required to the Municipal Township Office for compliance with the AODA.

The financial summary for each of these options for Council review is summarized as follows:

Option # 1 – Renovate New Dublin Garage and Renovate Municipal Township Building

This option satisfies the ARL directive of Council and provides additional long-term debt capacity if required of \$3,050,000 - \$4,000,000. Although this option does satisfy the required work for the Municipal Township Building, this option does not provide for any additional space at the Public Works garage and is considered the highest risk within the Feasibility Report specific to the Public Works garage.

	New Dublin Garage	Township Municipal Building	Consolidated Total
Capital Cost net of HST Rebate and Long-Term Debt Financing Required	\$2,513,949	\$1,752,583 - \$2,920,971	\$4,266,532 - \$5,434,920
Annual Debt Payment	\$205,020	\$142,932 - \$238,212	\$236,712 - \$301,536
ARL	11.43%	10.69% - 11.84%	11.84% - 12.61%
Remaining Long-Term Debt Available with 15% ARL	\$4,550,000	\$6,400,000 - \$3,250,000	\$4,000,000 - \$3,050,000
Remaining Long-Term Debt Available with 25% ARL Provincial Limit	\$17,200,000	\$18,000,000 - \$16,400,000	\$16,400,000 - \$15,600,000

Option # 2 – Renovate and Construct an Addition to New Dublin Garage and Renovate Municipal Township Building

This option satisfies the ARL directive of Council and provides additional long-term debt capacity if required at a lower level of \$1,900,000 - \$2,700,000. This option further satisfies the required work at the Municipal Township Building for AODA compliance and

does provide additional space at the Public Works garage, although not ideal, and is considered of medium risk within the Feasibility Report specific to the Public Works garage.

	New Dublin Garage	Township Municipal Building	Consolidated Total
Capital Cost net of HST Rebate and Long-Term Debt Financing Required	\$4,771,674	\$1,752,583 - \$2,920,971	\$6,524,257 - \$7,692,645
Annual Debt Payment	\$264,744	\$142,932 - \$238,212	\$320,448 - \$377,844
ARL	12.16%	10.69% - 11.84%	12.83% - 13.53%
Remaining Long-Term Debt Available	\$3,550,000	\$6,400,000 - \$3,250,000	\$2,700,000 - \$1,900,000
Remaining Long-Term Debt Available with 25% ARL Provincial Limit	\$16,100,000	\$18,400,000 - \$16,400,000	\$15,400,000 - \$14,500,000

Option # 3 – New Construction of New Dublin Garage and Renovate Municipal Township Building

This option is only a viable option if the required renovations to the Municipal Township Building comes in at the costs outlined in Scenario 1, the lower end of the cost estimate for this specific project. Although, the risk associated with the construction of a new Public Works garage is considered low in this case based on the Feasibility Report and provides the additional space required, the Township faces being overextended on its long-term debt and there would be no capacity available for additional long-term debt if required without the Council Directive of an ARL not exceeding 15% being relaxed.

	New Dublin Garage	Township Municipal Building	Consolidated Total
Capital Cost net of HST Rebate and Long-Term Debt Financing Required	\$7,965,344	\$1,752,583 - \$2,920,971	\$9,717,927 - \$10,886,315
Annual Debt Payment	\$391,236	\$142,932 - \$238,212	\$477,312 - \$534,696
ARL	13.69%	10.69% - 11.84%	14.73% - 15.43%
Remaining Long-Term Debt Available	\$1,700,000	\$6,400,000 - \$3,250,000	\$325,000 - \$0
Remaining Long-Term Debt Available with	\$15,800,000	\$18,400,000 - \$16,400,000	\$13,000,000 - \$12,100,000

25% ARL Provincial Limit			
-----------------------------	--	--	--

Option # 4 – New Construction of New Dublin Garage with a Maximum Budget of \$5,000,000 and Renovate Municipal Township Building

This option satisfies the ARL directive of Council and provides additional long-term debt capacity if required at a level of \$1,675,000 - \$2,550,000. This option addresses the required work at the Municipal Township Building for AODA compliance and does provide additional space at the Public Works garage, although not ideal, and is considered of medium risk within the Feasibility Report specific to the Public Works garage.

	New Dublin Garage	Township Municipal Building	Consolidated Total
Capital Cost net of HST Rebate and Long-Term Debt Financing Required	\$5,000,703	\$1,752,583 - \$2,920,971	\$6,753,286 - \$7,921,674
Annual Debt Payment	\$278,976	\$142,932 - \$238,212	\$331,704 - \$389,088
ARL	12.33%	10.69% - 11.84%	12.97% - 13.67%
Remaining Long-Term Debt Available	\$3,375,000	\$6,400,000 - \$3,250,000	\$2,550,000 - \$1,675,000
Remaining Long-Term Debt Available with 25% ARL Provincial Limit	\$16,100,000	\$18,400,000 - \$16,400,000	\$15,300,000 - \$14,300,000

Options 5,6,7,8

These four options represent the consolidated financial impact if the decision was to proceed with the capital work for the Public Works garage and undertake at the same time, the construction of a new Municipal Township Building on lands owned currently owned by the Township. The location of these lands for the purpose of this analysis has not been identified. The cost of a new Municipal Township Building in this analysis is based on a total size of 8,000 sq.ft at a construction cost of \$650.00 per sq.ft. to include servicing as per the RMA – Commercial Construction Cost industry guidelines for office and administration buildings.

This financial analysis also includes that with the construction of a new Municipal Township Building; the current Municipal Township Building would be sold with proceeds applied against the cost of a new construction. In the absence of a formal appraisal being completed for the Township Municipal Building, staff are assuming a sale price of \$750,000 which has been applied within each of these options.

The financial summary for each of these options is summarized as follows:

Option # 5 – Renovate New Dublin Garage and Construct a new Municipal Township Building

This option satisfies the ARL directive of Council and provides additional long-term debt capacity if required of \$1,750,000. This option makes the issue of AODA compliance for the Municipal Township Building a “moot” issue. This option does not provide for any additional space at the Public Works garage and is considered the highest risk within the Feasibility Report specific to the Public Works garage.

	New Dublin Garage	Township Municipal Building	Consolidated Total
Capital Cost net of HST Rebate and Long-Term Debt Financing Required	\$2,513,948	\$5,325,620	\$7,839,568
Annual Debt Payment	\$205,020	\$337,080	\$385,056
ARL	11.43%	13.04%	13.61%
Remaining Long-Term Debt Available	\$4,550,000	\$2,500,000	\$1,750,000
Remaining Long-Term Debt Available with 25% ARL Provincial Limit	\$17,200,000	\$15,150,000	\$14,500,000

Option # 6 - Renovate and Construct an Addition to New Dublin Garage and Construct a new Municipal Township Building

This option is a viable option. However, to undertake both capital projects under this option would result in the long-term debt capacity for the Township being reduced to a mere \$50,000 without the Council directive of an ARL not exceeding 15% being relaxed.

	New Dublin Garage	Township Municipal Building	Consolidated Total
Capital Cost net of HST Rebate and Long-Term Debt Financing Required	\$4,771,674	\$5,325,620	\$10,097,294
Annual Debt Payment	\$264,744	\$337,080	\$495,948
ARL	12.16%	13.04%	14.96%

Remaining Long-Term Debt Available	\$3,550,000	\$2,500,000	\$50,000
Remaining Long-Term Debt Available with 25% ARL Provincial Limit	\$16,100,000	\$15,100,000	\$12,700,000

Option # 7 – New Construction of New Dublin Garage and Construct a new Municipal Township Building

This option is not a viable option. To undertake both capital projects under this option would result in the Township being overextended on its long-term debt and there would be no capacity available for additional long-term debt if required. To proceed with this option would require the Council’s Directive regarding the ARL not exceeding 15% to be relaxed.

	New Dublin Garage	Township Municipal Building	Consolidated Total
Capital Cost net of HST Rebate and Long-Term Debt Financing Required	\$7,965,344	\$5,325,620	\$13,290,964
Annual Debt Payment	\$391,236	\$337,080	\$652,812
ARL	13.69%	13.04%	17.86%
Remaining Long-Term Debt Available	\$1,700,000	\$2,500,000	\$0
Remaining Long-Term Debt Available with 25% ARL Provincial Limit	\$15,800,000	\$15,100,000	\$10,400,000

Option # 8 – New Construction of New Dublin Garage with a Maximum Budget of \$5,000,000 and Construct a new Municipal Township Building

This option also is not a viable option. To undertake both capital projects under this option would again result in the Township being overextended on its long-term debt and there would be no capacity available for additional long-term debt if required. This option would only be viable if the current ARL directive of 15% was relaxed.

	New Dublin Garage	Township Municipal Building	Consolidated Total
Capital Cost net of HST Rebate and Long-Term	\$5,000,703	\$5,325,620	\$10,326,303

Debt Financing Required			
Annual Debt Payment	\$278,976	\$337,080	\$507,192
ARL	12.33%	13.04%	15.10%
Remaining Long-Term Debt Available	\$3,375,000	\$2,500,000	\$0
Remaining Long-Term Debt Available with 25% ARL Provincial Limit	\$16,100,000	\$15,100,000	\$12,500,000

Options 9,10,11,12

These four options represent the consolidated financial impact if the decision was to proceed with the capital work for the Public Works garage and undertake at the same time, the renovations and repairs to the Frankville Public School either for a new location for the Township Municipal Building or for another future use to be determined by Council. Specific to the Frankville Public School, the lower end of the range represents the repairs to the roof and exterior of \$900,000 being undertaken until a decision is made on the future use of the building. The higher end of the range represents the full renovations of the school if it was decided that the future use of the building would be the relocation of the Municipal Township Office. In the case of the latter, the sale of the current Municipal Township Building has been incorporated assuming the sale proceeds being \$750,000.

Option # 9 – Renovate New Dublin Garage and Renovate Frankville Public School

This option satisfies the ARL directive of Council and provides additional long-term debt capacity if required of \$3,900,000 to \$4,200,000. This option does not provide for any additional space at the Public Works garage and is considered the highest risk within the Feasibility Report specific to the Public Works garage.

	New Dublin Garage	Frankville Public School	Consolidated Total
Capital Cost net of HST Rebate and Long-Term Debt Financing Required	\$2,513,948	\$900,000 - \$1,866,174	\$3,412,948 - \$4,380,122
Annual Debt Payment	\$205,020	\$73,404 - \$155,220	\$222,456 - \$243,012
ARL	11.44%	9.85% - 10.84%	11.65% - 11.89%
Remaining Long-Term Debt Available	\$4,550,000	\$6,500,000 - \$5,275,000	\$4,200,000 - \$3,900,000
Remaining Long-Term Debt			

Available with 25% ARL Provincial Limit	\$17,200,000	\$18,700,000 - \$18,000,000	\$17,000,000 - \$16,700,000
---	---------------------	------------------------------------	------------------------------------

Option # 10 – Renovate and Construct an Addition to New Dublin Garage and Renovate Frankville Public School

This option satisfies the ARL directive of Council and provides additional long-term debt capacity if required of \$2,125,000. This option provides for additional space at the Public Works garage, although not ideal, and is considered medium risk within the Feasibility Report specific to the Public Works garage.

	New Dublin Garage	Frankville Public School	Consolidated Total
Capital Cost net of HST Rebate and Long-Term Debt Financing Required	\$4,771,674	\$900,000 - \$1,866,174	\$5,671,671 - \$6,637,848
Annual Debt Payment	\$264,144	\$73,404 - \$155,220	\$314,676 - \$368,280
ARL	12.16%	9.85% - 10.84%	12.76% - 13.41%
Remaining Long-Term Debt Available	\$3,550,000	\$6,500,000 - \$5,275,000	\$2,800,000 - \$2,000,000
Remaining Long-Term Debt Available with 25% ARL Provincial Limit	\$16,100,000	\$18,000,000	\$15,600,000 - \$14,800,000

Option # 11 – New Construction of New Dublin Garage and Renovate Frankville Public School

This option satisfies the ARL directive of Council and provides additional long-term debt capacity if required of \$250,000 to \$900,000. This option provides for the additional space that is required at the Public Works garage, and is considered low risk within the Feasibility Report specific to the Public Works garage.

	New Dublin Garage	Frankville Public School	Consolidated Total
Capital Cost net of HST Rebate and Long-Term Debt Financing Required	\$7,965,344	\$900,000 - \$1,866,174	\$8,865,344 - \$9,831,518
Annual Debt Payment	\$391,236	\$73,404 - \$155,220	\$435,432 - \$482,892
ARL	13.69%	9.85% - 10.84%	14.22% - 14.80%
Remaining Long-Term Debt Available	\$1,700,000	\$6,500,000 - \$5,275,000	\$900,000 - \$250,000

Remaining Long-Term Debt Available with 25% ARL Provincial Limit	\$15,800,000	\$18,700,000 - \$18,000,000	\$13,700,000 - \$12,800,000
--	---------------------	------------------------------------	------------------------------------

Option # 12 – New Construction of New Dublin Garage with a Maximum Budget of \$5,000,000 and Renovate Frankville Public School

This option satisfies the ARL directive of Council and provides additional long-term debt capacity if required at a \$1,825,000 to \$2,700,000. This option satisfies provides additional space at the Public Works garage, although not ideal, and is considered of low risk within the Feasibility Report specific to the Public Works garage.

	New Dublin Garage	Frankville Public School	Consolidated Total
Capital Cost net of HST Rebate and Long-Term Debt Financing Required	\$5,000,703	\$900,000 - \$1,866,174	\$5,900,703 - \$6,866,877
Annual Debt Payment	\$278,976	\$73,404 - \$155,220	\$327,384 - \$380,976
ARL	12.33%	9.85% - 10.84%	12.92% - 13.57%
Remaining Long-Term Debt Available	\$3,375,000	\$6,500,000 - \$5,275,000	\$2,700,000 - \$1,825,000
Remaining Long-Term Debt Available with 25% ARL Provincial Limit	\$16,100,000	\$18,000,000	\$15,300,000 - \$14,500,000

Option 13,14,15,16

These four options represent the consolidated financial impact if the decision was to proceed with the capital work for the Public Works garage and undertake at the same time, the renovations and repairs to the Frankville Public School for a future use to be determined by Council. In addition, these four options include the repairs required to the Municipal Township Building for AODA compliance assuming that the future use of the Frankville Public School will not be the site of the Township Municipal Building.

Option # 13 – Renovate New Dublin Garage and Renovate Township Municipal Building and Renovate Frankville Public School

This option satisfies the ARL directive of Council and provides additional long-term debt capacity if required of \$2,200,000 - \$3,200,000. This option satisfies the required work at the Municipal Township Building. However, this option does not provide the additional space required at the Public Works garage and is considered of high risk within the

Feasibility Report specific to the Public Works garage. Further, this option provides for the required repairs to the Frankville Public School regardless of its future use.

	New Dublin Garage	Frankville Public School	Township Municipal Building	Consolidated Total
Capital Cost net of HST Rebate and Long-Term Debt Financing Required	\$2,513,948	\$900,000	\$1,752,583 - \$2,920,971	\$5,166,531 – \$6,334,919
Annual Debt Payment	\$205,020	\$73,404	\$142,932 - \$238,212	\$286,644 - \$351,468
ARL	11.44%	9.85%	10.69% - 11.84%	12.42% - 13.21%
Remaining Long-Term Debt Available	\$4,550,000	\$6,100,000	\$6,400,000 - \$3,250,000	\$3,300,000 - \$2,200,000
Remaining Long-Term Debt Available with 25% ARL Provincial Limit	\$17,200,000	\$18,800,000	\$18,400,000 - \$16,400,000	\$15,900,000 - \$14,900,000

Option # 14 – Renovate and Construct an Addition to New Dublin Garage and Renovate Township Municipal Building and Renovate Frankville Public School

This option satisfies the ARL directive of Council and provides additional long-term debt capacity if required of \$350,000 - \$1,700,000; however as in the prior case any unplanned or unexpected capital expenditures would require a relaxing of the ARL Directive of 15%. This option provides for additional space at the Public Works garage, although not ideal, and is considered medium risk within the Feasibility Report specific to the Public Works garage. Further, this option satisfies the required work at both the Municipal Township Building and the Frankville Public School.

	New Dublin Garage	Frankville Public School	Township Municipal Building	Consolidated Total
Capital Cost net of HST Rebate and Long-Term Debt	\$4,771,674	\$900,000	\$1,752,583 - \$2,920,971	\$7,424,257 - \$8,592,645

Financing Required				
Annual Debt Payment	\$264,744	\$73,404	\$142,932 - \$238,212	\$387,900 - \$476,724
ARL	12.16%	9.85%	10.69% - 11.84%	13.65% - 14.73%
Remaining Long-Term Debt Available	\$3,550,000	\$6,100,000	\$3,250,000 - \$6,400,000	\$1,700,000 - \$350,000
Remaining Long-Term Debt Available with 25% ARL Provincial Limit	\$16,100,000	\$18,800,000	\$18,400,000 - \$16,400,000	\$14,400,000 - \$13,000,000

Option # 15 – New Construction of New Dublin Garage and Renovate Township Municipal Building and Renovate Frankville Public School

This option is not a viable option. To undertake all three capital projects under this option would result in the Township being overextended on its long-term debt and there would be no capacity available for additional long-term debt. The only way this option could be undertaken is if the ARL Directive not exceeding 15% was relaxed.

	New Dublin Garage	Frankville Public School	Township Municipal Building	Consolidated Total
Capital Cost net of HST Rebate and Long-Term Debt Financing Required	\$7,965,344	\$900,000	\$1,752,583 - \$2,920,971	\$10,617,927 - \$11,786,615
Annual Debt Payment	\$391,236	\$73,404	\$142,932 - \$238,212	\$521,520 - \$578,916
ARL	13.69%	9.85%	10.69% - 11.84%	15.27% - 15.96%
Remaining Long-Term Debt Available	\$1,700,000	\$6,100,000	\$3,250,000 - \$6,400,000	\$0
Remaining Long-Term Debt Available with 25%	\$15,800,000	\$18,800,000	\$18,400,000 - \$16,400,000	\$12,400,000 - \$11,500,000

ARL Provincial Limit				
----------------------------	--	--	--	--

Option # 16 – New Construction of New Dublin Garage with a \$5,000,000 Maximum Budget and Renovate Township Municipal Building and Renovate Frankville Public School

This option satisfies the ARL directive of Council and provides additional long-term debt capacity if required at a lower level of \$1,000,000 - \$1,800,000. This option provides additional space at the Public Works garage, although not ideal, and is considered of low risk within the Feasibility Report specific to the Public Works garage. Further, this option satisfied the capital work required at both the Municipal Township Building and the Frankville Public School regardless of its future use.

	New Dublin Garage	Frankville Public School	Township Municipal Building	Consolidated Total
Capital Cost net of HST Rebate and Long-Term Debt Financing Required	\$5,000,703	\$900,000	\$1,752,583 - \$2,920,971	\$7,653,286 - \$8,821,674
Annual Debt Payment	\$278,976	\$73,404	\$142,932 - \$238,212	\$375,900 - \$433,296
ARL	12.33%	9.85%	10.69% - 11.84%	13.51% - 14.21%
Remaining Long-Term Debt Available	\$3,375,000	\$6,100,000	\$3,250,000 - \$6,400,000	\$1,800,000 - \$1,000,000
Remaining Long-Term Debt Available with 25% ARL Provincial Limit	\$16,100,000	\$18,800,000	\$18,400,000 - \$16,400,000	\$14,500,000 - \$13,700,000

Options 17, 18,19,20

These four options represent the consolidated financial impact if the decision was to proceed with the capital work for the Public Works garage and undertake at the same time, the renovations and repairs to the Frankville Public School for a future use to be determined by Council. In addition, these four options include the construction of a new

Municipal Township Building on lands currently owned by the Township. This analysis also considers that with the construction of a new Township Municipal Building that the current location would be sold and the projected sale price of \$750,000 has been incorporated into the net costs of a new construction for the Township Municipal Building.

As outlined in the summary below, only one of these options is viable, that being the renovation of the existing garage along with the renovations to the Frankville Public School and construction of a new Municipal Township Building.

To undertake all three capital projects in each of the remaining options would result in the Township being overextended on its long-term debt capacity reaching a peak of 17.39%. If Council was to decide to undertake anything but the first option in this case, the ARL Directive would need to be relaxed not only for the debt servicing required but also to accommodate any additional capital projects that may be required but not identified at this point.

Option # 17 – Renovate New Dublin Garage and Construct a New Township Municipal Building and Renovate Frankville Public School

	New Dublin Garage	Frankville Public School	New Township Municipal Building	Consolidated Total
Capital Cost net of HST Rebate and Long-Term Debt Financing Required	\$2,513,948	\$900,000	\$5,325,620	\$8,739,568
Annual Debt Payment	\$205,020	\$73,404	\$337,080	\$429,264
ARL	12.33%	9.85%	13.04%	14.16%
Remaining Long-Term Debt Available	\$4,550,000	\$6,100,000	\$2,500,000	\$1,200,000
Remaining Long-Term Debt Available with 25% ARL Provincial Limit	\$17,200,000	\$18,800,000	\$15,100,000	\$13,800,000

Option # 18 – Renovate and Construct an Addition to New Dublin Garage and Construct a New Township Municipal Building and Renovate Frankville Public School

	New Dublin Garage	Frankville Public School	New Township Municipal Building	Consolidated Total
Capital Cost net of HST Rebate and Long-Term Debt Financing Required	\$4,771,674	\$900,000	\$5,325,620	\$10,977,294
Annual Debt Payment	\$264,744	\$73,404	\$337,080	\$539,172
ARL	12.16%	9.85%	13.04%	15.48%
Remaining Long-Term Debt Available	\$3,550,000	\$6,100,000	\$2,500,000	\$0
Remaining Long-Term Debt Available with 25% ARL Provincial Limit	\$16,100,000	\$18,800,000	\$15,100,000	\$12,200,000

Option # 19 – New Construction of New Dublin Garage and Construct a New Township Municipal Building and Renovate Frankville Public School

	New Dublin Garage	Frankville Public School	Township Municipal Building	Consolidated Total
Capital Cost net of HST Rebate and Long-Term Debt Financing Required	\$7,965,344	\$900,000	\$5,325,620	\$14,190,964
Annual Debt Payment	\$391,236	\$73,404	\$337,080	\$697,008
ARL	13.69%	9.85%	13.04%	17.39%
Remaining Long-Term Debt Available	\$1,700,000	\$6,100,000	\$2,500,000	\$0
Remaining Long-Term Debt Available with	\$15,800,000	\$18,800,000	\$15,100,000	\$9,700,000

25% ARL Provincial Limit				
--------------------------------	--	--	--	--

Option # 20 – New Construction of New Dublin Garage with a \$5,000,000 Maximum Budget and Construct a New Township Municipal Building and Renovate Frankville Public School

	New Dublin Garage	Frankville Public School	Township Municipal Building	Consolidated Total
Capital Cost net of HST Rebate and Long-Term Debt Financing Required	\$5,000,703	\$900,000	\$5,325,620	\$11,226,323
Annual Debt Payment	\$278,976	\$73,404	\$337,080	\$551,400
ARL	12.33%	9.85%	13.04%	15.63%
Remaining Long-Term Debt Available	\$3,375,000	\$6,100,000	\$2,500,000	\$0
Remaining Long-Term Debt Available with 25% ARL Provincial Limit	\$16,100,000	\$18,800,000	\$15,100,000	\$10,200,000

FINANCIAL IMPLICATIONS:

Regardless of which option Council decides to support, the fact remains that to facilitate any of the options contained in this analysis will require the Township to secure long-term debt to fund the project(s). The overall financial impact of the long-term debt required is dependent on the option that Council approves to proceed with.

Specific to the ARL (Annual Repayment Limit), again, the impact on the ARL will be dependent on which of the options presented in this analysis Council approves to proceed with. As outlined in the report, those options identified where the ARL exceeds the Council Directive of 15%, if it is Council’s decision to undertake any of these options, there would be a requirement of Council to revise their Directive thereby allowing the ARL position for the Township to exceed 15% but remain under the maximum of 25% as required by the Municipal Act, 2001.

Further, with respect to the ARL, it is important to point out that as current long-term debt of the Township retires, resulting either from prior commitments and carry overs, or long-term debt commitments approved in the 2026 Municipal Budget, the ARL position

improves through maturity of existing debt meaning that the long-term debt capacity of the Township also continues to improve.

As reference, Council was provided with a Debt Structure – Gant Chart (Attachment # 2) as part of their 2026 budget package. As outlined on this chart, there is long-term debt committed in prior years and committed in the 2026 Municipal Budget which matures in 2030 and 2031. What this means is that with the retirement of this long-term debt, the annual debt payments will decrease \$208,672 by 2031 meaning that the long-term borrowing capacity for the Township will increase \$3,300,000 independent of any decision of Council as it relates to the capital projects outlined in this report.

LINK TO STRATEGIC PLAN

We will strive to be fiscally sustainable through prudent and future focused financial management to ensure that cost savings and financial efficiencies are identified to support the effective delivery of services.

OTHERS CONSULTED

- Rob Nolan, CAO
- Alberto Temprano, Pye & Richard – Temprano & Young Architects
- Gordon Krieg, Pye & Richards – Temprano & Young Architects
- Brandon Campbell, Eastern Engineering Group
- Tracy Gallipeau-Nolan, Chief Building Official
- Jason Myre, Building Facilities Manager
- Rabi Chowdhury, Infrastructure Ontario