



## Staff Report

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**Report To:** South Huron Council  
**From:** **Dan Best, Chief Administrative Officer/Deputy Clerk**  
**Date:** October 16 2017  
**Report:** CAO 17.30  
**Subject:** Follow-up Resolution 391-2017

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### Recommendations:

**That** South Huron Council receives the report from D. Best, Chief Administrative Officer/Deputy Clerk re: a follow up on Resolution 391-2017 for information purposes.

### Purpose:

Information

### Background and Analysis:

At the Council meeting of October 2, 2017 the following resolution was passed.

**Motion:** 391-2017 **Moved:** C. Hebert **Seconded:** M. Vaughan

That South Huron Council direct staff to provide a written report outlining tax implications of an indoor pool in South Huron, based on an estimated cost of \$15 million dollars.

For the purposes of satisfying Resolution 391-2017, the tax implications of debt financing \$15 million would represent an annual debt payment of \$920,015 over a 25 year period at 3.6%

The levy implication based on per \$100,000 of assessment would be as follows:

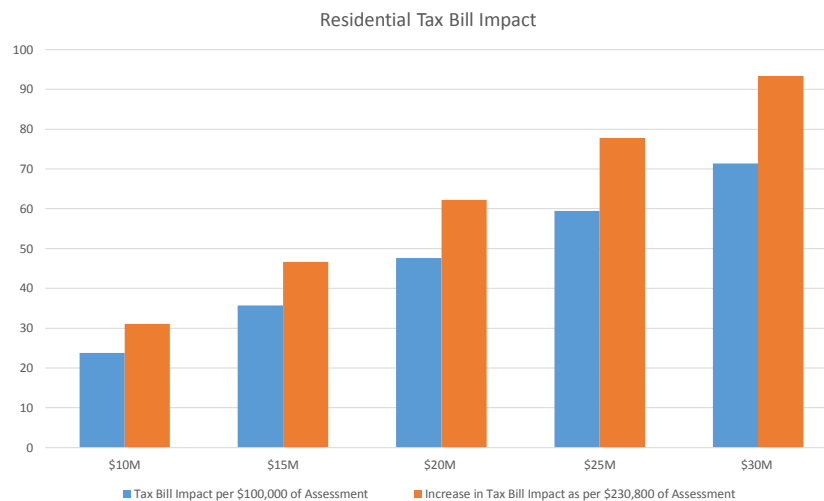
Tax Classification	Amount Per \$100K of Assessment
Residential	\$71.37
Farmland	\$17.84
Commercial	\$78.50

It should be noted that a project of this magnitude would not be fully financed on the tax levy. At a minimum, it would be anticipated that 50% of the total project cost would require revenue from other sources such as grants, fundraising and sponsorship in order to be viable.

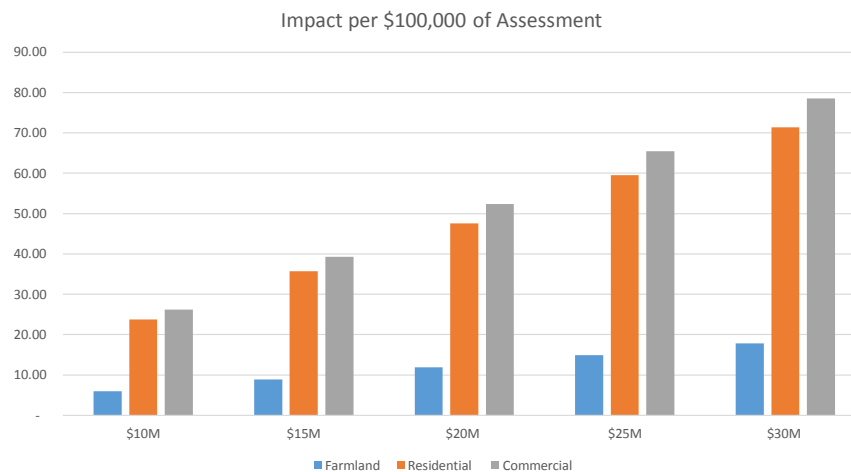
The following charts provide some modelling of projects between \$10 million and 30 million. As a caution, these are estimates only and are for illustration purposes only.

	Option A	Option B	Option C	Option D	Option E
Project Cost (estimates)	\$10M	\$15M	\$20M	\$25M	\$30M
Less: MIN 50% Fundraising	(\$5M)	(\$7.5M)	(\$10M)	(\$12.5M)	(\$15M)
Total Debt Financing	\$5M	\$7.5M	\$10M	\$12.5M	\$15M
Annual Debt Payments	\$306,672	\$460,008	\$613,344	\$766,680	\$920,015
Current Annual Debt Payment (2)	\$1,975,952				
% Increase in Annual Debt Payments	15.52%	22.28%	31.04%	38.80%	46.56%

	Option A	Option B	Option C	Option D	Option E
Project Cost (estimates)	\$10M	\$15M	\$20M	\$25M	\$30M
<b>Total Debt Financing</b>	<b>\$5M</b>	<b>\$7.5M</b>	<b>\$10M</b>	<b>\$12.5M</b>	<b>\$15M</b>
Annual Debt Payments	\$306,672	\$460,008	\$613,344	\$766,680	\$920,015
Tax Levy Increase	3.93%	5.89%	7.86%	9.82%	11.79%
\$ Impact per \$100,000 of <b>Residential</b> assessment	\$23.79	\$35.68	\$47.58	\$59.47	\$71.37
\$ Impact per \$100,000 of <b>Farmland</b> assessment	\$5.95	\$8.92	\$11.89	\$14.87	\$17.84
Impact per \$100,000 of <b>Commercial</b> assessment	\$26.17	\$39.25	\$52.33	\$65.42	\$78.50



Note: this is the residential tax bill impact based on \$100,000 of assessment and the average of \$230,800 of assessment. The impact is representative of the DEBT Payments only assuming 50% of the project cost is financed.



Note: this is the tax bill impact based on \$100,000 of assessment for the different property classes. The impact is representative of the DEBT Payments only assuming 50% of the project cost is financed.

### **Operational Considerations:**

There are no operational considerations considered for information and illustrative purposes

### **South Huron's Strategic Plan:**

The information in this report has no direct link to the Strategic Plan.

### **Financial Impact:**

There are no financial considerations as a result of the actions outlined in this report.

### **Legal Impact:**

There are no legal implications as a result of the actions outlined in this report

### **Staffing Impact:**

There are no staffing implications as a result of the actions outlined in this report.

**Policies/Legislation:**

None

**Consultation:**

Sandy Becker, Manager of Financial Services/Treasurer  
Angela Shipway, financial Coordinator

**Related Documents:**

None

Respectfully submitted,

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**Dan Best, Chief Administrative Officer/Deputy Clerk**