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Report To: General Government Committee

Date of Meeting: September 8, 2025 **Report Number:** PUB-011-25

Authored By: Julie Mitchell, Director, Community Services

Submitted By: Lee-Ann Reck, Deputy CAO, Public Services

Reviewed By: Mary-Anne Dempster, CAO

By-law Number: **Resolution Number:**

File Number:

Report Subject: Orono Town Hall Loan Repayment

Recommendations:

1. That Report PUB-011-25, and any related delegations or communication items, be received;
2. That the Deputy CAO/Treasurer, Finance and Technology, be delegated authority to amend the repayment terms on the balance (\$52,500) of the loan up to a maximum of 15 years; and
3. That all interested parties listed in Report PUB-011-25, be advised of Council's decision.

Report Overview

This report responds to Council's direction regarding the Orono Town Hall Board's (OTHB) request for relief from the outstanding balance of the interest-free loan issued for accessibility improvements at the Hall. The project, initiated in 2018, was funded through a combination of municipal capital reserves, a federal grant, and a \$75,000 loan agreement with the OTHB. To date, the Board has repaid \$22,500, leaving a balance of \$52,500.

Staff have reviewed the request and considered options, including maintaining the current repayment schedule or amending the terms to extend the repayment period at a reduced annual rate. Extending the loan would have minimal impact on municipal reserves, and staff will continue to support the OTHB in seeking alternative funding opportunities.

The recommendation is to delegate authority to the Deputy CAO/Treasurer to amend repayment terms as appropriate, up to a maximum of 15 years.

1. Background

- 1.1 On June 2, 2025, representatives from the Orono Town Hall Board (OTHB) presented at GGC requesting consideration for a reduction of the outstanding debt from \$75,000 to \$35,000. Council passed Resolution #[GG-111-25](#):
 - 1.1.1. That the Delegation of Brad Smith and Deb Patrick, Orono Town Hall Board, Regarding a Request to Reduce Elevator Loan Repayment, be referred to Staff; and
 - 1.1.2. That the payment for the interest-free elevator installation loan be postponed, pending the outcome of the report back from Staff.
- 1.2 The accessibility improvements project at Orono Town Hall was initiated in 2018 at the request of OTHB. Capital funding in the amount of \$295,007 was approved in the 2019 municipal budget for this project. The municipality was successful in an Enabling Accessibility Fund (EAF) application in 2019, securing \$88,007 in federal funding for the project. The total municipal capital reserve funding, less the EAF grant was \$207,000.
- 1.3 Due to higher than anticipated estimates, an additional \$152,000 was approved as part of the 2020 capital budget program with agreement from the OTHB they would support the project through an interest-free loan in the amount of \$75,000 over 10 years.
- 1.4 Tender CL2020-2 was awarded in the amount of \$447,462 in April 2020.
- 1.5 Due to several unknown conditions, an additional \$50,000 was requested and approved in November 2020 fully funded through municipal capital budget.

- 1.6 OTHB submitted installment payments of \$7,500 in 2022, 2023 and 2024 totalling \$22,500. The current balance of the \$75,000 initial loan is \$52,500.
- 1.7 As part of the Hall Board Sustainability initiative, staff are working with all Community Hall Boards on updated Municipal Capital Facility Agreements. This includes free use of the halls by the municipality to provide community programs at underutilized times. Booking times will be negotiated with the individual community hall to ensure there is no impact to the board in terms of loss of revenue. If suitable times are not available, staff will look for alternative spaces to expand programming into rural areas.
- 1.8 As part of the Community Grant program, Community Hall Board receive an annual operating grant to help off-set operational costs. OTH receives \$4,800 annually.

2. Consideration/Comments

- 2.1 In discussions with the OTHB, concerns were raised about making the annual loan repayments due to the added costs associated with becoming incorporated, as well as the municipal rental fees being removed.
- 2.2 Staff considered several options including reducing the remaining balance of the loan as requested. The municipality has several capital contribution agreements with similar organizations for interest-free loans. These funding agreements often contribute to the decision to proceed with the project and/or scope of the project.
 - 2.2.1. Option 1 – continue with the current loan repayment terms of \$7,500 per year (7x\$7,500 = \$52,500)
 - 2.2.2. Option 2 – amend the current terms of the loan repayment to a lower annual amount, that is to the satisfaction of the both the Treasurer and the OTHB, resulting in an extending the term of the loan. For example, reducing the annual amount to \$5,000 would result in 11 payments or reducing by 50% to \$3,750, would result in 14 payments.
- 2.3 Option 2 is the recommendation of staff to alleviate some of the financial pressures raised by OTHB.
- 2.4 Staff will also work with the OTHB to identify alternative funding options and support the OTHB with external funding applications.

3. Financial Considerations

- 3.1 OTHB submitted installment payments of \$7,500 in 2022, 2023 and 2024 totalling \$22,500. The current balance of the \$75,000 initial loan \$52,500.

- 3.2 Amending the loan repayment terms to a longer repayment schedule will have minimal impact on the capital reserve forecast.
- 3.3 The history of the funding for the capital project is included in this chart for reference.

Project Funding History	Value	Funding source
2019 Capital Budget	\$207,000	Municipal Capital Reserve
EAF Grant	\$88,007	Federal Grant
2020 Capital Budget	\$77,000	Municipal Capital Reserve
Orono Town Hall Board	\$75,000	Interest free loan to Orono Town Hall (funded through capital reserve)
2020 Additional Capital	\$50,000	Municipal Capital Reserve
Total Project Cost	\$497,007	

4. Strategic Plan

- 4.1 The recommendation aligns with the Strategic Plan Objective: To be a leader in the delivery of effective and meaningful municipal services and expected result: Finances and Operations are efficiently and responsibly managed.

5. Climate Change

Not Applicable.

6. Concurrence

This report has been reviewed by the Deputy CAO/Treasurer, Finance and Technology, who concurs with the recommendations.

7. Conclusion

- 7.1 The capital project was approved based on the funding agreement with the OTHB as well as grant funding. This is type of agreement is in place with other organizations. After careful consideration, it is respectfully recommended that the terms of loan be extended to support the OTHB request.

Staff Contact: Julie Mitchell, Director, Community Services, 905-623-3379 ext. 2502 or jmitchell@clarington.net.

Attachments:

Not Applicable

Interested Parties:

The following interested parties will be notified of Council's decision:

Orono Town Hall Board