

City of Stratford
Sample Loan Costs
At January 30, 2025

Purpose: to establish ranges of costs for various levels of debt for discussion purposes (Grand Trunk).

Interest rates fluctuate regularly. At this time, Canada's Prime Rate is 5.45%. Borrowing rates are typically higher than the Prime rate.

Assumed a maximum 30 year repayment (Typically, longer terms will not be an option)

Total costs for monthly vs annual payment options will differ a bit.

Serial Debenture Structure (vs Amortizing) used, as this results in less interest over the term, but higher total payments in the early years.

Principal Amounts remain the same over the term, while the interest component drops.

The City is governed by the Ministry of Municipal Affairs for Long-Term Debt Repayment Maximums

The City's maximum annual repayment limit is \$16 million.

The City's current annual repayments are approximately \$8 million, leaving annual room of a maximum of \$8 million

Total Principal	Annual Principal	Annual Interest	Annual Payment	Rate	Total Interest	Total to Repay	Approximate Increase to Tax Levy	Approximate Increase to Tax Levy @ 6% Interest Rate
\$ 1,850,000	\$ 61,667	\$ 92,500	\$ 154,167	5%	\$ 1,434,696	\$ 3,284,696	0.17%	0.19%
\$ 47,600,000	\$ 1,586,667	\$ 2,380,000	\$ 3,966,667	5%	\$ 36,914,343	\$ 84,514,343	4.41%	4.94%
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\$ 32,000,000	\$ 1,066,667	\$ 1,600,000	\$ 2,666,667	5%	\$ 24,816,365	\$ 56,816,365	2.96%	3.32%
\$ 60,000,000	\$ 2,000,000	\$ 3,000,000	\$ 5,000,000	5%	\$ 46,530,685	\$ 106,530,685.0	5.56%	6.22%
\$ 35,000,000	\$ 1,166,667	\$ 1,750,000	\$ 2,916,667	5%	\$ 27,142,899	\$ 62,142,899	3.24%	3.63%
\$ 72,000,000	\$ 2,400,000	\$ 3,600,000	\$ 6,000,000	5%	\$ 55,836,822	\$ 127,836,822	6.67%	7.47%