4
SINKING FUND REQUIREMENTS - 2005

The Finance and Administration Committee recommends the adoption of the recommendations contained in the following report, December 3, 2004, from the Commissioner of Finance:

1. RECOMMENDATIONS

It is recommended that:

1. This report be received for information

2. PURPOSE

This report is to advise Council of the sinking fund requirements in 2005 for debt issued by the Regional Municipality of York.

3. BACKGROUND

Section 424(4) of the Municipal Act requires that the Treasurer advise Council each year of the amount, if any, that must be raised for sinking fund purposes. The Region currently has $2.7 million of outstanding sinking fund debentures issued on behalf of the Town of East Gwillimbury.

Section 409(1) of the Municipal Act permits the issuance of sinking fund debentures by a municipality. A sinking fund is established for these debentures whereby a fixed amount is invested each year such that, with interest earned from the invested amounts, the accumulated balance in the sinking fund will be sufficient to repay the debentures at maturity.

4. ANALYSIS AND OPTIONS

For the period 2005 – 2010 sinking fund contributions will be required for debentures issued on behalf of the Town of East Gwillimbury.

5. FINANCIAL IMPLICATIONS

There are no financial implications to York Region associated with this report.

6. LOCAL MUNICIPAL IMPACT

Sinking funding requirements due from the Town of East Gwillimbury for debentures issued by the Region will be $104,967.90 in 2005.

7. CONCLUSION

The total sinking fund requirement for debentures issued by the Region on behalf of its Area Municipalities will be $104,967.90 in 2005.

The Senior Management Group has reviewed this report.