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# DEBENTURE APPROVAL - TOWN OF GEORGINA

**The Finance and Administration Committee recommends the adoption of the recommendation contained in the following report, February 2, 2006, from the Commissioner of Finance:**

## 1. RECOMMENDATION

It is recommended that:

1. Council approve the issuance of debentures on behalf of the Town of Georgina in an amount not to exceed $3,000,000 for a term not exceeding 10 years.

## 2. PURPOSE

The purpose of this report is to request that Council approve the issuance of debentures for a capital project on behalf of the Town of Georgina.

## 3. BACKGROUND

An application has been received from the Town of Georgina requesting Regional approval for the issuance of $3,000,000 of debentures related to the design and construction of the Multi Season Recreation Area within the Town of Georgina.

## 4. FINANCIAL IMPLICATIONS

There are no financial implications for the Region associated with this report.

## 5. LOCAL MUNICIPAL IMPACT

Based upon estimated borrowing costs of approximately 4.6% as at February 2, 2006, the Town of Georgina would incur debt servicing costs (interest and principal repayment) for this project estimated at approximately $379,000 per year for the next 10 years.

The Town of Georgina’s most recent annual debt and financial obligation limit as received from the Ministry of Municipal Affairs and Housing (“the Ministry”) has been updated to incorporate the estimated annual amount payable in respect of the debentures associated with the above-referenced project. The additional costs were found not to cause the Town to exceed the limits set out by the Ministry and therefore approval of this project and associated additional debenture authority by the Ontario Municipal Board are not required.

## 6. CONCLUSION

The Town of Georgina is requesting Regional Council approval for the issuance of up to $3,000,000 of debentures for the design and construction of the Multi Season Recreation Area in Georgina.

The Senior Management Group has reviewed this report.