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DEBENTURE APPROVAL - CITY OF VAUGHAN

The Finance and Administration Committee recommends the adoption of the recommendation contained in the following report, March 6, 2008, from the Commissioner of Finance:

1. RECOMMENDATION

It is recommended that:

1. Council approve the issuance of debentures on behalf of the City of Vaughan in an amount not to exceed $8,094,000 for a term not exceeding 10 years for the projects described on the attached schedule.

2. PURPOSE

The purpose of this report is to request that Council approve the issuance of debentures totalling $8,094,000 for various capital projects on behalf of the City of Vaughan.

3. BACKGROUND

An application has been received from the City of Vaughan requesting Regional approval for the issuance of debentures regarding certain capital projects undertaken by the City.

A description of the capital projects, the related debenture amounts and term of the financing is outlined on the attached schedule.

4. FINANCIAL IMPLICATIONS

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

5. LOCAL MUNICIPAL IMPACT

Based upon estimated current borrowing costs of approximately 4.40% as at March 6, 2008, the City of Vaughan would incur annual debt servicing interest and repayment costs for its projects estimated at $1,008,000.

The City of Vaughan’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 projects. The additional costs were found not to cause the City to exceed the limits set out by the Ministry and therefore approval of these projects and associated additional debenture authority by the Ontario Municipal Board are not required.

6. CONCLUSION

The City of Vaughan is requesting Regional Council approval for the issuance of debentures up to $8,094,000 for various capital projects, primarily related to road rehabilitation.

For more information on this report, please contact Ed Hankins, Director, Policy Risk and Treasury at Ext. 1644.

The Senior Management Group has reviewed this report.

(The attachment referred to in this clause is attached to this report.)