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DEBENTURE APPROVAL – TOWN OF NEWMARKET

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 Town of Newmarket in an amount not to exceed $12,400,000 for a term not exceeding 20 years for the construction of an Operations Centre in the Town of Newmarket.

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 Newmarket.

3. BACKGROUND

An application has been received from the Town of Newmarket requesting Regional approval for the issuance of up to $12,400,000 of debentures related to the construction of an Operations Centre in the Town of Newmarket.

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 4.80% as at March 6, 2008, the Town of Newmarket would incur annual debt servicing interest and repayment costs for this project estimated at $972,000.

The Town of Newmarket'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 Newmarket is requesting Regional Council approval for the issuance of up to $12,400,000 of debentures for the construction of an Operations Centre in the Town of Newmarket.

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

The Senior Management Group has reviewed this report.