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DEBT AUTHORITIES - SPADINA SUBWAY PROJECT

The Finance and Administration Committee recommends the adoption of the recommendation contained in the following report dated March 29, 2010, from the Commissioner of Finance.

1. RECOMMENDATION

It is recommended that:

1. Regional Council approve realigning debt authority in the amount of $27.566 million for the Spadina Subway Extension Project from project number #99764 to project number #90996 to correspond with the approved 2010 budget.

2. PURPOSE

Council approval is required to move prior year debt authorities from one project number to another for the Spadina Subway Extension Project as required by the Region's external counsel, allowing for a transparent chain of authorization.

3. BACKGROUND

York Region Rapid Transit Corporation has reconfigured its project coding to better reflect its operations

As part of authorizing the 2009 capital budget, Regional Council approved the York Region Rapid Transit Corporation (YRRTC) to borrow funds in the amount of $27.566 million for the Spadina Subway Extension project #99764. Subsequently, YRRTC reconfigured its project coding to better reflect its operations and reporting requirements.

YRRTC has indicated that it will want to borrow $23.153 million against this 2009 authority during 2010 when the Region next issues debenture financing. The request has been made against a new project code # 90996. This new code encompasses previous project codes including #99764. YRRTC has indicated there is no change in the purposes for which the money will be expended.

The Region's external counsel has indicated project code changes require Council approval

The Region's external legal counsel has indicated that Regional Council authority will be required to switch the debt funding authority from the previous project code to the current project code. This will allow for a clear chain of authority.

4. ANALYSIS AND OPTIONS

Changing project codes is an administrative matter

Changing the project coding in this instance is an administrative matter and does not affect any capital expenditure or funding authorities previously authorized by Council.

YRRTC has requested several changes to be made to its debt authorities to align its new project numbers with its previous project numbers. Staff are currently reviewing these changes and will make more complete recommendations in this regard to Council at a later date. However, the requirement for this particular change is time sensitive as the Region could issue debenture financing for $23.153 million against this particular authority in either May or June of 2010.

5. FINANCIAL IMPLICATIONS

There are no financial implications arising from the recommendation in this report.

6. LOCAL MUNICIPAL IMPACT

There are no impacts to local municipalities arising from the recommendation in this report.

7. CONCLUSION

There are no financial impacts arising from this administrative change moving $27.566 million in debt authority for the Spadina Subway Extension Project from one project code to another.

For more information on this report, please contact Len Bulmer at Ext.1676

The Senior Management Group has reviewed this report.