THE REGIONAL MUNICIPALITY OF YORK

REPORT NO. 4 OF THE REGIONAL COMMISSIONER OF FINANCE

For Consideration by
The Council of The Regional Municipality of York
on May 19, 2005

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INTERIM FINANCING FOR THE COMMUNITY SAFETY VILLAGE OF YORK REGION

1. RECOMMENDATIONS

It is recommended that:

1. Regional Council approve additional interim financing to a maximum of $300,000 to complete the construction of the Community Safety Village of York Region.

2. Regional Council approve the extension of the term of interim financing from September 1, 2005 to September 1, 2007.

3. Staff be authorized to take all action necessary to implement this recommendation.

2. PURPOSE

In response to a request from the Police Services Board, this report seeks approval to revise the terms of the short-term loan to the Community Safety Village of York Region (CSVYR) to complete the construction of the facility at Bruce's Mill Conservation Area.

3. BACKGROUND

On March 27, 2003 Council approved an interest free loan to the CSVYR up to $500,000 which was to be repaid by September 1, 2004. The purpose of the loan was to assist in the construction of a facility whose purpose is to educate children, teens, seniors and those with special needs on safety issues. The loan was to provide interim financing until funds were received from donations and sponsorships of building sites on the property. Due to delays in construction and receipt of donations, the CSVYR subsequently requested that Council extend the repayment date from September 1, 2004 to September 1, 2005. Council approved this extension at its meeting on May 26, 2004 and $500,000 was advanced to CSVYR on June 30, 2004.

On May 5, 2005 the Police Services Board assumed responsibility for the CSVYR, thereby assuming responsibility for all of its liabilities and obligations including the original $500,000 loan advanced by the Region

4. ANALYSIS AND OPTIONS

As a result of additional cost overruns, project set-backs and delays in the receipt of charitable donations and sponsorships, the Police Services Board has requested the Region advance an additional $300,000 interim financing and extend the repayment term by two years to September 1, 2007 to accommodate the fundraising initiative.

Funds to repay the total loan commitment of $800,000 are still anticipated to be raised through fundraising and the sponsorships of building sites on the property. In keeping within the terms of the original $500,000 loan, the additional $300,000 advance will be interest free.

5. FINANCIAL IMPLICATIONS

Funds to cover the additional $300,000 interim financing would be provided from the General Capital Reserve. Although monies advanced are still expected to be repaid in full, the increase in the amount of the interim financing and the term extension will mean the General Capital Reserve will forego approximately $24,000 annually in interest that would have otherwise been earned on those funds.

6. LOCAL MUNICIPAL IMPACT

There is no local financial impact to this report.

7. CONCLUSION

The request to increase the amount of and extend the term of the interim financing to the Police Services Board for the Community Safety Village will result in approximately $24,000 in foregone interest annually to the General Capital Reserve. However, by fulfilling this request the Police Services Board will be able to complete the development of the facility which as identified in the original report to Council in March 2003, provides an important means for educating our youth and citizens on matters of safety both inside and outside the home.

The Senior Management Group has reviewed this report.

Respectfully submitted,

May 13, 2005
Newmarket, Ontario

Sandra Cartwright
Commissioner of Finance

(Report No. 4 of the Commissioner of Finance was adopted, without amendment, by Regional Council at its meeting held on May 19, 2005.)