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INFRASTRUCTURE ONTARIO LOAN – WHITCHURCH-STOUFFVILLE

The Finance and Administration Committee recommends the adoption of the recommendations contained in the following report dated May 17, 2011, from the Director of Financial Services and Deputy Treasurer.

1. RECOMMENDATIONS

It is recommended that:

1. Regional Council approve the long-term financing request for the Town of Whitchurch-Stouffville through a long-term loan from Infrastructure Ontario for an amount not to exceed \$7,246,683 for a term not to exceed 40 years for the funding of various growth related projects described in Attachment 1 to this report.
2. Regional Council approve an application to Infrastructure Ontario for all or part of the above-noted financing requirement for the Town of Whitchurch-Stouffville be authorized.
3. The Regional Solicitor prepare the necessary by-law(s) to give effect to these recommendations.
4. The Regional Chair and the Regional Treasurer be authorized to execute all documents required from the Region to effect the foregoing.

2. PURPOSE

This report seeks Council approval for long-term financing from Infrastructure Ontario for projects totalling \$7,246,683 for capital projects on behalf of the Town of Whitchurch-Stouffville. Under s. 401(3.1) of the *Municipal Act*, the Region is required to pass a by-law for all long term financing issued by the local municipalities.

3. BACKGROUND

The Town of Whitchurch-Stouffville has requested approval for the issuance of debentures and/or long-term financing from Infrastructure Ontario up to \$7,246,683 related to various projects as shown in Attachment 1 to this report which were built by developers under their subdivision agreements with the Town and for which the Town is now paying. The *Municipal Act* requires that all long-term financing for local municipalities must be processed and approved by the Region. The Region's role for the

duration of the financing arrangement is to ensure annual debenture payments are received on a timely basis by the local municipalities.

4. ANALYSIS AND OPTIONS

Based upon an estimated borrowing cost of 4.66% and a 40 year term the Town would incur interest and repayment costs of approximately \$410,000 per year for this project.

The Town has indicated its most recent annual debt and financial obligation limit from the Ministry of Municipal Affairs and Housing was updated to incorporate the additional financing costs associated with the above project, and to be within the limits set out by the Ministry. As a result, approval of this project and the associated additional debenture authority by the Ontario Municipal Board is not required.

5. FINANCIAL IMPLICATIONS

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

6. LOCAL MUNICIPAL IMPACT

Obtaining this Infrastructure Ontario financing will allow the Town of Whitchurch-Stouffville to finance several constructed projects, deemed necessary for the Town's continued growth and efficient operation.

7. CONCLUSION

The Town of Whitchurch-Stouffville is requesting approval for the issuance of a long-term loan from Infrastructure Ontario up to \$7,246,683 for a term not to exceed 40 years for funding related to various projects as described in this report and that the Region submit a loan application to Infrastructure Ontario with respect to the above noted financing requirement.

For more information on this report, please contact Clayton Pereira, Tax Policy Specialist at Ext. 1679 or Len Bulmer, Head, Finance Debt and Reserve at ext 1676.

The Senior Management Group has reviewed this report.

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

**List of Growth Related Projects
(Voluntary Assistance Agreement/Owner Constructed Projects)
Town of Whitchurch-Stouffville Application for Infrastructure Ontario Loan**

1. Road Crossing Hoover Park/Stouffville Creek	\$1,814,670
2. Park Dr. (Reeves) at Railway Crossing	\$ 570,200
3. Go Transit - Hoover Park Crossing -	\$ 429,842
4. Road Stream Crossing - Millard St/Little Rouge Creek	\$1,598,232
5. Mattamy (Dougherty) Parkette	\$ 163,744
6. Mattamy (Hoover Park) Neighbourhood Park, Tennis Court & Splash Pad	\$1,017,007
7. Tresstown Neighbourhood Park	\$ 923,150
8. Tovtel Parkette	\$ 422,026
9. Mattamy (Kartok) Parkette	\$ 307,812
TOTAL	\$7,246,683