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DEBENTURE APPROVAL - TOWN OF GEORGINA

The Finance and Administration Committee recommends the adoption of the recommendation contained in the following report, August 14, 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 Georgina in an amount not to exceed $900,000 for a term not exceeding 10 years for the construction of a new Ice Pad in the Community of Pefferlaw.

2. PURPOSE

This report requests approval to issue debentures for a capital project on behalf of the Town of Georgina.

3. BACKGROUND

The Town of Georgina has requested the Region to approve the issuance of up to $900,000 of debentures related to the construction of a new Ice Pad in the Community of Pefferlaw.

4. FINANCIAL IMPLICATIONS

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

5. LOCAL MUNICIPAL IMPACT

Based upon an estimated borrowing cost of 4.50% (using rates as at August 14, 2008), the Town of Georgina would incur interest and repayment costs of approximately $113,000 per year for this project.

When the Town's most recent annual debt and financial obligation limit from the Ministry of Municipal Affairs and Housing ("the Ministry) was updated to incorporate the additional financing costs associated with the above project, it was found 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.

7. CONCLUSION

The Town of Georgina is requesting approval for the issuance of debentures up to $900,000 for the construction of a new Ice Pad in the Community of Pefferlaw.

For more information on this report, please contact Ed Hankins, Director, Policy Risk and Treasury at Ext. 1644 or Dave Williams, Manager Treasury and Reserves at ext. 1620.

The Senior Management Group has reviewed this report.