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DEBENTURE APPROVAL - TOWN OF WHITCHURCH-STOUFFVILLE

The Finance and Administration Committee recommends the adoption of the recommendations contained in the following report dated September 28, 2009, from the Commissioner of Finance.

1. RECOMMENDATIONS

It is recommended that:

1. Long term financing for the Town of Whitchurch-Stouffville either through the issuance of debentures or by means of a long-term loan from Infrastructure Ontario be approved for an amount not to exceed \$9.2 million for a term not to exceed forty (40) years for the construction of a new Operations Centre (\$6.3 million) and for the Main Street widening project (\$2.9 million);
2. An application to Infrastructure Ontario be approved for all or part of the above-noted financing requirement for the Town of Whitchurch-Stouffville, and;
3. The Regional Solicitor be authorized to prepare the necessary by-law(s) to give effect to these recommendations.

2. PURPOSE

This report seeks approval for the issuance of debentures and/or long-term financing from Infrastructure Ontario for projects totalling \$9.2 million for capital project on behalf of the Town of Whitchurch-Stouffville.

3. BACKGROUND

At its meeting of September 22, 2009, Council for the Town of Whitchurch-Stouffville approved debt financing for the following projects for a period not to exceed forty (40) years:

- a) \$6.3 million for the construction of an Operation Centre. The total cost of this project is estimated at \$13.7 million.
- b) \$2.9 million for the Main Street Widening project. The total cost of this project is estimated at \$11.8 million.

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 5.01% for a term of 25 year (using Infrastructure Ontario lending rate as at September 28, 2009), the Town of Whitchurch-Stouffville would incur interest and repayment costs of approximately \$650,000 per year.

A current annual debt and financial obligation limit from the Ministry of Municipal Affairs and Housing was provided by the Town. When updated to incorporate the additional financing costs associated with the above projects, it was found to be within the limit set out by the Ministry.

6. CONCLUSION

The Town of Whitchurch-Stouffville is requesting approval for long term financing with Infrastructure Ontario in an amount not to exceed \$9.2 million for the construction of its new Operations Centre and the Main Street Widening project.

For more information on this report, please contact Nadine Mamodehoussen at Ext. 1642.

The Senior Management Group has reviewed this report.