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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 August 20, 2010, 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 a long-term loan from Infrastructure Ontario for an amount not to exceed $6 million for a term not exceeding 40 years for the construction of the new Municipal Administration Building be approved.

2. 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 Chair, Treasurer and Clerk be authorized to execute all documents required from the Region to effect the foregoing.

4. The Regional Solicitor be authorized to prepare the necessary by-law(s) to give effect to these recommendations.

2. PURPOSE

This report seeks Council approval for the issuance of debentures and/or long-term financing from Infrastructure Ontario for projects totalling $6.0 million for capital project on behalf of the Town of Whitchurch-Stouffville.

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 $6 million related to the construction of a new municipal administration building.

4. ANALYSIS AND OPTIONS

Based upon an estimated borrowing cost of 6% and a 40 year term the Town would incur interest and repayment costs of approximately $400,000 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 construct a new municipal administration building, 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 debentures and/or long-term loan from Infrastructure Ontario up to $6 million for a term not to exceed 40 years for the construction of a new Municipal Administration Building 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 Len Bulmer, Head of Financing and Reserves at Ext. 1676 or David Williams, Manager, Treasury and Reserves at ext 1620.

The Senior Management Group has reviewed this report.