

THE REGIONAL MUNICIPALITY OF YORK

**REPORT NO. 7
OF THE REGIONAL COMMISSIONER OF FINANCE**

**For Consideration by
The Council of The Regional Municipality of York
on June 23, 2005**

**1
DEBENTURE APPROVAL - CITY OF VAUGHAN**

1. RECOMMENDATIONS

It is recommended that:

1. Council approve the issuance of debentures on behalf of the City of Vaughan in an amount not to exceed \$777,000 for a term not exceeding 10 years, for the projects described below.

2. PURPOSE

The purpose of this report is to request that Council approve the issuance of debentures totalling \$777,000 for three capital projects on behalf of the City of Vaughan.

3. BACKGROUND

An application has been received from the City of Vaughan requesting Regional approval for the issuance of debentures regarding three capital projects as follows:

Table 1
Application for Debentures from the City of Vaughan

Purpose	Term	Amount
Replacement of watermains in the Uplands Ave. area of Vaughan	Not exceeding 10 years.	\$270,000
Road Resurfacing Program (1997)	Not exceeding 10 years.	\$205,000
Local Improvement – construction of sanitary sewers in the Kleinburg area of Vaughan	Not exceeding 10 years.	\$302,000
Total Debenture Financing		\$777,000

4. FINANCIAL IMPLICATIONS

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

5. LOCAL MUNICIPAL IMPACT

Based upon estimated current borrowing costs of approximately 4.30% as at June 7, 2005, the City of Vaughan would incur annual debt servicing costs (interest and principal repayment) for its projects estimated at the following amounts:

Table 2
Annual Debt Servicing Costs

Project	Annual Costs (approx.)	Borrowing Terms (years)
Watermains replacement – Uplands	\$34,000	10
Road Resurfacing Program (1997)	\$25,000	10
Local Improvement – Kleinburg	\$38,000	10
Total Annual Payments	\$97,000	

The City of Vaughan's most recent annual debt and financial obligation limit as received from the Ministry of Municipal Affairs and Housing ("the Ministry") has been updated to incorporate the estimated annual amount payable in respect of the debentures associated with the above-referenced projects. The additional costs were found not to cause the City

to exceed the limits set out by the Ministry and therefore approval of these projects and associated additional debenture authority by the Ontario Municipal Board are not required.

6. CONCLUSION

The City of Vaughan is requesting Regional Council approval for the issuance of debentures up to \$270,000 for a watermain replacement project, up to \$205,000 for road resurfacing, and up to \$302,000 for a local improvement.

Respectfully submitted,

**June 7, 2005
Newmarket, Ontario**

**Sandra Cartwright
Commissioner of Finance**

(Report No. 7 of the Commissioner of Finance was adopted, without amendment, by Regional Council at its meeting held on June 23, 2005.)