5
DEBENTURE APPROVAL – TOWN OF WHITCHURCH-STOUFFVILLE

The Finance and Administration Committee recommends the adoption of the recommendations contained in the following report, October 1, 2008, from the Commissioner of Finance:

1. RECOMMENDATIONS

It is recommended that:

1. Council approve 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 for an amount not to exceed $13,400,000 for a term not exceeding 40 years for the construction of a double ice pad arena ($11,600,000) and a fire station ($1,800,000);
2. Council authorize an application to Infrastructure Ontario for all or part of the above-noted financing requirement for the Town of Whitchurch-Stouffville;
3. The Regional Chair, Treasurer and Clerk be authorized to execute all documents required from the Region to effect the foregoing, and;
4. The Regional Solicitor be authorized to prepare the necessary by-law(s) to give effect to these recommendations.

2. PURPOSE

The purpose of this report is to seek Council approval for the issuance of debentures and/or long-term financing from Infrastructure Ontario for projects totalling $13,400,000 for capital project on behalf of the Town of Whitchurch-Stouffville.

3. BACKGROUND

The Town of Whitchurch-Stouffville has requested the Region to approve the issuance of debentures and/or long-term financing from Infrastructure Ontario up to $13,400,000 related to the construction of a double ice pad and a fire station.

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 6% (using rates as at October 1, 2008), the Town of Whitchurch-Stouffville would incur interest and repayment costs of approximately $1,050,000 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.

6. CONCLUSION

The Town of Whitchurch-Stouffville is requesting approval for the issuance of debentures and/or long-term loan from Infrastructure Ontario up to $13,400,000 for a term not to exceed 40 years for the construction of a double ice pad arena and a fire station 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 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.