



City of
Peterborough

To: Members of the Committee of the Whole

From: Sandra Clancy, Director of Corporate Services

Meeting Date: September 6, 2016

**Subject: Report CPFS16-030
2016 Debenture Issue**

Purpose

A report to recommend that the Director of Corporate Services be authorized to issue debentures totalling \$24,849,500 to fund certain capital works.

Recommendations

That Council approve the recommendations outlined in Report CPFS16-030 dated September 6, 2016, of the Director of Corporate Services, as follows:

- a) That a by-law be passed to authorize the borrowing of \$6,000,000 to help finance certain works to be undertaken by the Peterborough Utilities Commission;
- b) That the Director of Corporate Services be authorized to prepare the necessary borrowing by-laws to borrow funds up to a maximum of \$24,849,500 to finance City capital projects, and for terms not to exceed the terms indicated on Appendix A, attached to Report CPFS16-030;
- c) That the Treasurer be authorized to submit an application to Ontario Infrastructure and Lands Corporation to borrow these funds; and
- d) That a by-law be passed to authorize the 2016 purchase of Transit Buses at an estimated cost of \$2,590,000 and the issuing of user fee supported debentures to a maximum of \$1,100,000 to finance the work.

Budget and Financial Implications

The legal fees are estimated to be approximately \$10,000 and can be accommodated within the \$25,000 approved in the 2016 Operating Budget for Debenture Expenses. Any other fees associated with the issue, such as commission fees, are built into the 'all-in' rates. Actual charges payable will depend on the all-in debenture rates secured for the issue when finalized. Currently the rates are 2.05% for a 10-year serial debenture and 2.68% for a 20-year serial debenture.

Background

With the exception of the 2016 Peterborough Utilities Commission waterworks, the projects listed on Appendix A, attached to Report CPFS16-030, have been authorized by City Council to be financed in whole, or in part, through debentures. Subsequent to budget approval, by-laws authorizing the portion of the work to be financed from debentures were passed. The by-laws included a statement by the City Treasurer attesting to the fact that future principal and interest repayments on the debt to be issued can be accommodated within limits as prescribed in Ontario Regulation 403/02 of the **Municipal Act, 2001**.

The Peterborough Utilities Commission has approved the issuance of \$6,000,000 of debt financing to help finance various capital waterworks. A by-law is required to authorize the issuance of these debentures.

At the time of the 2016 Capital Budget, Council approved Project 5-11.03 in the amount of \$590,000 for the 2016 Transit Bus purchase, fully funded from the Transit Reserve. On December 7, 2015, Council approved the recommendations of Report USTR15-017 to purchase four additional 40 foot transit buses for service expansion, upon receipt of confirmation of Intention to Proceed with the Universal Transit Pass Agreement (U-Pass) from Fleming College Student Administrative Council (Fleming SAC). Report USTR16-002, dated January 25, 2016 confirmed Fleming SAC's Intention to Proceed. The purchase price of the four additional buses is \$2,000,000 for a total approved 2016 budget of \$2,590,000 and will be partially funded using \$1,100,000 user fee supported debentures. A by-law is required to authorize the issuance of these debentures. This debenture will be included in a future debt issue.

Staff will monitor the market, and determine the best approach to issue the debt, although in all likelihood, the debentures will be issued through Ontario Infrastructure and Lands Corporation (Infrastructure Ontario), an agency of the Ontario Government. Staff will submit a non-binding application to Infrastructure Ontario while investigating other alternatives. A debenture by-law will be presented for approval at the appropriate time.

Submitted by,

Sandra Clancy
Director, Corporate Services

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Attachment:

Appendix A – City of Peterborough – 2016 Debenture Issue

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Ref	Project Description	By-Law	Debenture Amount Approved \$	Already Debentured \$	Maximum Debenture Not to Exceed These Terms \$		Total Maximum Funding Source \$
					10 Years	20 Years	
	TAX SUPPORTED						
1	Parkhill - Wallis to City Limits reconstruction	2012-027 2015-183	1,300,000 650,500	1,300,000		650,500	
2	Beavermead Park Implementation	2013-063 2015-191	200,000 322,900		200,000	322,900	
3	Park Washroom replacement	2015-022	375,000			375,000	
4	Property Acquisitions	2015-024 2015-178	440,000 500,000			440,000 500,000	
5	Mechanical upgrades at Various City Buildings	2014-007 2015-189	572,600 250,000	572,600		250,000	
6	City Buildings - Property	2015-016	590,000			590,000	
7	City Building - Community Services	2015-017	2,110,000			2,110,000	
8	City Buildings - Utility Services	2015-029 2015-188	235,000			235,000	
9	City Buildings - Fire Services	2015-019	375,000			375,000	
10	Ashburnham - Lansdowne to Maria reconstruction	2015-010 2013-047 2015-174	2,350,000 250,000 530,000	2,350,000 250,000		530,000	
11	Riverside Drive Sanitation Sewer	2015-190	300,000			300,000	
12	Various New Multi-Use Trails	2013-054	375,000		375,000		
13	Various Road Resurfacing	2015-169	870,000			870,000	
14	Bus Terminal Building Upgrades	2013-059 2015-018 2015-172	600,000 250,000 650,000	600,000 250,000		650,000	
15	Additional Library Space	2015-177	2,963,500			2,963,500	
	Total Tax Supported						11,736,900
	USER FEE SUPPORTED						
16	King Steet Parking Garage Renovation	2014-006 2015-020	320,000 1,240,000		320,000 1,240,000		
17	Simcoe Steet Parking Garage Renovation	2014-011 2015-027 2015-175	155,000 600,000 350,000		155,000 600,000	350,000	
	Total User Fee Supported						2,665,000
	DEVELOPMENT CHARGES SUPPORTED						
18	Parkhill - Wallis to City Limits reconstruction	2013-044 2015-183	2,114,500 2,225,000	2,114,500		2,225,000	
19	Ashburnham - Lansdowne to Maria reconstruction	2014-001 2015-010 2013-047 2015-174	670,000 2,350,000 250,000 1,670,000	670,000 2,350,000 250,000		1,670,000	
20	Brealey - Lansdowne to Stenson reconstruction	2014-002 2015-014 2015-168	265,000 1,200,000 552,600	265,000 1,200,000		552,600	
	Total Development Charge Supported						4,447,600
	PETERBOROUGH UTILITIES COMMISSION						
21	Various PUC Waterworks Projects	Pending	6,000,000			6,000,000	6,000,000
	Total - All Projects		37,021,600	12,172,100	2,890,000	21,959,500	24,849,500