



City of
Peterborough

To: **Members of the Committee of the Whole**

From: **Sandra Clancy, Director of Corporate Services**

Meeting Date: **September 11, 2017**

Subject: **Report CPFS17-050
2017 Debenture Issue**

Purpose

A report to recommend that the Director of Corporate Services be authorized to issue debentures totalling \$16,478,200 to fund certain capital works.

Recommendations

That Council approve the recommendations outlined in Report CPFS17-050 dated September 11, 2017, of the Director of Corporate Services, as follows:

- a) That the Director of Corporate Services be authorized to prepare the necessary borrowing by-laws, for Council approval, to borrow funds up to a maximum of \$16,478,200 to finance City capital projects, and for terms not to exceed the terms indicated on Appendix A, attached to Report CPFS17-050; and
- b) That the Treasurer be authorized to submit an application to Ontario Infrastructure and Lands Corporation to borrow these funds.

Budget and Financial Implications

The legal fees are estimated to be approximately \$10,000 and can be accommodated within the \$30,000 approved in the 2017 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 2.79%, 3.07% and 3.26% for a 10-year, 15-year and 20-year serial debenture, respectively.

Background

The projects listed on Appendix A, attached to Report CPFS17-050, 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**.

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.

If approved, this report will come forward to Council for final approval on the same night, Monday, September 11, 2017.

Submitted by,

Sandra Clancy
Director, Corporate Services

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Attachment:

Appendix A – City of Peterborough – 2017 Debenture Issue

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Ref	Project Description	By-Law	Debenture Amount Approved (\$)	Maximum Debenture Amount Not to Exceed These Terms (\$)		Total Funding Source (\$)
				10 Years	20 Years	
TAX SUPPORTED						
1	Donegal St. over Jackson Creek	2011-027	100,000	100,000		
2	Storm Sewer Rehabilitation Program	2013-055	100,000	100,000		
3	Little Lake Master Plan Implementation	2013-064	195,000	195,000		
4	Brealey Dr. - Lansdowne St. to Sherbrooke St.	2015-013	335,000		335,000	
5	Sidewalk Reconstruction	2015-026	1,100,000		1,100,000	
6	City Buildings - Property	2015-185	325,000	325,000		
7	City Building - Community Services	2015-184 2017-024	950,000	950,000		
8	City Buildings - Fire Services	2015-186	250,000	250,000		
9	Armour Rd. - Nassau Mills S. to Rotary Trail	2015-176	42,500	42,500		
10	Sidewalk Reconstruction	2015-170	1,121,800	1,121,800		
11	Additional Library Space	2016-135	3,327,600		3,327,600	
12	Otonabee Dr - Bensfort Rd. to Ashburnham Dr.	2016-147	1,000,000		1,000,000	
12	Transit Bus Purchase	2016-155	975,000		975,000	
13	Various New Multi-Use Trails	2016-157	143,000		143,000	
14	Various Road Resurfacing	2016-158	550,000		550,000	
	Total Tax Supported					10,514,900
INDUSTRIAL LAND RESERVE SUPPORTED						
15	Major Bennett Industrial Park	2005-108	240,000	240,000		
	Total Industrial Land Reserve Supported					240,000
USER FEE SUPPORTED						
16	Transit Bus Purchase - SSFC Universal Transit Pass	2016-092	1,100,000	1,100,000		
	Total User Fee Supported					1,100,000
DEVELOPMENT CHARGES SUPPORTED						
17	Jackson Creek Lily Lake Valley Trunk	2012-026	2,000,000		2,000,000	
18	Sherbrooke St. - Glenforest Blvd to West City Limit	2014-009	310,000		310,000	
19	Armour Rd. - Nassau Mills S. to Rotary Trail	2015-176	165,000		165,000	
20	Additional Library Space	2015-177	2,148,300		2,148,300	
	Total Development Charge Supported					4,623,300
Total - All Projects			16,478,200	4,424,300	12,053,900	16,478,200