



City of
Peterborough

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

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

Meeting Date: **June 22, 2015**

Subject: **Report CPFS15-028
2015 Debenture Issue**

Purpose

A report to recommend that the Director of Corporate Services be authorized to issue debentures totalling \$24.3 million to fund certain capital works.

Recommendation

That Council approve the recommendation outlined in Report CPFS15-028 dated June 22, 2015, of the Director of Corporate Services, as follows:

That the Director of Corporate Services be authorized to prepare the necessary borrowing by-laws and to submit an application to Ontario Infrastructure and Lands Corporation to borrow funds up to a maximum of \$24,270,400 to finance City capital projects, and for terms not to exceed the terms indicated on Appendix A, attached to Report CPFS15-028.

Budget and Financial Implications

The legal fees are estimated to be approximately \$10,000 and can be accommodated within the \$75,000 approved in the 2015 Operating Budget for Debenture and Credit Rating Expense. 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 rate is 2.47% and 3.20% for a 10-year and 20-year serial debenture, respectively.

Background

The projects listed on Appendix A, appended to Report CPFS15-028, 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 City intends to issue debentures through Infrastructure Ontario, an agency of the Ontario Government. Staff will monitor the market, determine the best approach and 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 – 2015 Debenture Issue

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Ref	Project Description	By-Law	Maximum Amount \$	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	1,300,000		1,300,000		
2	Exterior Enclosures	2013-043	1,055,000		1,055,000		
3	Mechanical - 2013	2013-043	1,839,000		1,839,000		
4	Mechanical - 2014	2014-007	572,600		572,600		
5	2014 Sidewalk reconstruction	2014-010	1,000,000		1,000,000		
6	Downtown Transit Terminal Building Upgrades	2013-059 2015-018	600,000 250,000		600,000	250,000	
7	Peterborough Industrial Park	2005-110	87,500		87,500		
8	Property Acquisitions	2013-066	850,000			850,000	
9	Ashburnham - Lansdowne to Maria reconstruction	2015-010 2013-047	2,350,000 250,000	250,000		2,350,000	
10	Athletic Centre / Fields	2015-021 & 2015-093	70,000			70,000	
11	Brealey - Lansdowne to Stenson reconstruction	2015-014	401,800			401,800	
12	Airport Industrial Park	2015-008	1,350,000			1,350,000	
	Total Tax Supported						11,725,900
	DEVELOPMENT CHARGES SUPPORTED						
13	Parkhill - Wallis to City Limits reconstruction	2013-044	2,114,500			2,114,500	
14	Ashburnham - Lansdowne to Maria reconstruction	2014-001 2015-010 2013-047	670,000 2,350,000 250,000			670,000 2,350,000 250,000	
15	Parkhill Sewage Pumping Station	2012-080	4,705,000			4,705,000	
16	Athletic Centre / Fields	2015-021 & 2015-093	990,000			990,000	
17	Brealey - Lansdowne to Stenson reconstruction	2014-002 2015-014	265,000 1,200,000			265,000 1,200,000	
	Total Development Charge Supported						12,544,500
	Total - All Projects		24,520,400	250,000	6,454,100	17,816,300	24,270,400