



City of
Peterborough

To: **Members of the General Committee**

From: **Richard Freymond, Commissioner of Corporate and
Legislative Services**

Meeting Date: **March 6, 2023**

Subject: **2023 Debenture Issue, Report CLSFS23-021**

Purpose

A report to recommend the approval of borrowing by-laws for the issuance of debentures in a maximum principal amount totalling \$29,612,189 to fund certain capital works.

Recommendations

That Council approve the recommendations outlined in Report CLSFS23-021, dated March 6, 2023 of the Commissioner of Corporate and Legislative Services as follows:

- a) That the necessary borrowing by-laws be approved to borrow funds up to a maximum of \$29,612,189 to finance City capital projects, and for terms not to exceed the terms indicated on Appendix A, attached to Report CLSFS23-021; and
- b) That the Treasurer be authorized to apply to Ontario Infrastructure and Lands Corporation to borrow these funds.

Budget and Financial Implications

The legal fees are estimated to be approximately \$15,000 and can be accommodated within the approved 2023 Operating Budget for Debenture Expenses of \$30,000. When issuing debentures through Infrastructure Ontario, 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 4.25%, 4.37%, 4.47 for a 10-year, 15-year and 20-year serial debenture, respectively.

Background

The projects listed on Appendix A, attached to Report CLSFS23-021, 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**.

Capital Projects – Exchange of Funding Sources

Recommendation f) of Report CLSFS22-016 dated June 13, 2022 advised that, as a matter of housekeeping, the sources of capital funding be replaced for two capital projects where incorrect funding sources were identified in the budget and corrections were needed to ensure applicable funding is in place for the projects.

- i. Bethune St. Diversion City Funding Project (2020 Capital Budget Project 5-5.03): \$1,900,000 of Debt–Development Charges–Carnegie East be replaced with tax-supported debentures;
- ii. Parkland Development Assistance Program (2021 Capital Budget Project 5-1.02): \$137,025 of Debt-Development Charges-Recreation be replaced with Development Charges-Parks.

Authorizing By-laws 21-006 and 21-030 will be repealed and By-law 21-006 will be replaced with a new authorizing by-law. These by-laws will be presented to Council on March 27, 2023.

Staff will monitor the market and determine the best approach to issue the debt for the projects listed on Appendix A, 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. The debenture by-laws will be presented for approval at the appropriate time.

Submitted by,

Richard Freymond
Commissioner of Corporate and Legislative Services

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Attachment:

Appendix A – City of Peterborough - 2023 Debenture Issue

Appendix A

City of Peterborough
 2023 Debenture Issue

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	General Aviation Expansion	21-148	100,000			100,000	
2	Airport - Internal Roads Development	21-013 20-013	50,000 250,000			50,000 250,000	
3	Enterprise Software Modernization	20-007 18-091 21-010 19-008	1,162,700 938,900 921,589 869,200			1,162,700 938,900 921,589 869,200	
4	Simcoe Street Culvert	21-014	1,500,000			1,500,000	
5	Pavement Preservation Program 2022	21-130	450,000			450,000	
6	Roads Resurfacing Pavement Program 2022	21-131	364,400			364,400	
7	Wading Pool Splash Pads	21-018	320,000			320,000	
8	Quaker Foods City Square	16-139 21-128 15-182 15-015 14-003	700,000 393,500 4,200,000 190,000 350,000	4,200,000 190,000 350,000		700,000 393,500	
9	Corp Services Property Upgrades- Pboro Day Care HVAC, etc	17-147	175,000			175,000	
10	City Hall Replacement Generators	20-003	500,000			500,000	
11	Property Renovation	18-093	250,000			250,000	
12	Fire Station #1	21-012	350,000			350,000	
13	Sidewalk Reconstruction Project 2022	21-132	561,500			561,500	
14	Simcoe Parking Rehabilitation	21-015 21-133	1,500,000 1,500,000			1,500,000 1,500,000	
15	Central Area (Bethune St) Flood Reduction Project	23-040	2,079,500			2,079,500	
	Total Tax Supported						14,936,289
	LEASE SUPPORTED						
16	Cleantech Commons	19-021 17-153 22-013 16-133	3,100,000 2,384,000 1,500,000 1,000,000	2,384,000 1,500,000 1,000,000		3,100,000	
	Total Lease Supported						3,100,000
	DEVELOPMENT CHARGES SUPPORTED						
17	Central Area (Bethune St) Flood Reduction Project	13-046 15-011 17-140 20-027 20-027 20-027 20-027 20-027 22-084 22-084 22-084	247,500 639,500 800,000 1,510,200 778,900 929,000 1,845,200 1,957,000 627,900 553,000 747,200	247,500 639,500 800,000		1,510,200 778,900 929,000 1,845,200 1,957,000 627,900 553,000 747,200	
18	Chemong Road - Milroy to City limit	17-144	500,000			500,000	
19	Beavermead Entry Pavillion	21-045	450,000			450,000	
20	Sherbrooke St - Glenforest to West City limit	13-048	975,000			975,000	
21	Television Rd - Lansdowne St. to Parkhill Rd	17-152	200,000			200,000	
22	New Buses	20-014	502,500			502,500	
	Total Development Charge Supported						11,575,900
	Total - All Projects		40,923,189	11,311,000	0	29,612,189	29,612,189