



City of
Peterborough

To: Members of the General Committee

From: Richard Freymond, Commissioner, Finance and Corporate Support Services

Meeting Date: June 17, 2024

Report: 2024 Debenture Issue, Report FCSFS24-015

Subject

A report to recommend the approval of borrowing by-laws for the issuance of debentures in a maximum principal amount totalling \$102,969,734 to fund certain capital works.

Recommendations

That Council approve the recommendations outlined in Report FCSFS24-015, dated June 17, 2024 of the Commissioner of Finance and Corporate Support Services as follows:

- a) That, as a matter of housekeeping, Authorizing By-law 21-140, being a by-law to authorize the 2022 budget and debenture financing for the Miskin Law Community Complex (New Arena Facility) be amended to reflect a maximum thirty-year term for the debenture issue.
- b) That the necessary borrowing by-laws be approved to borrow funds up to a maximum of \$102,969,734 to finance City capital projects, and for terms not to exceed the terms indicated on Appendix A, attached to Report FCSFS24-015; and
- c) That the Treasurer be authorized to apply to Ontario Infrastructure and Lands Corporation to borrow these funds.

Executive Summary

- This report initiates the process to issue debentures to a maximum of \$102,969,734 for projects authorized by City Council to be financed in whole, or in part, through debentures.

Background

The projects listed on Appendix A, attached to Report FCSFS24-015, 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 are recommending that the authorizing By-law 21-140, being a by-law to authorize the 2022 budget and debenture financing for the Miskin Law Community Complex (New Arena Facility) be amended to reflect a maximum thirty-year term for the debenture issue. The existing By-law 21-140 inadvertently states a twenty-year term. The revised term more appropriately aligns with the service life of the facility. This amending by-law will be presented to Council on June 24, 2024.

Staff will monitor the market and determine the best approach to issue the debt for the projects listed on Appendix A. All or part of the debentures may be issued through Ontario Infrastructure and Lands Corporation (Infrastructure Ontario), an agency of the Ontario Government. If appropriate, Staff will submit a non-binding application to Infrastructure Ontario while investigating other alternatives, including a debenture issue directly through the capital markets.

As noted in Report CLSFS22-032, the Relocation of Fire Station 2 is partially funded through a Federation of Canadian Municipalities–Green Municipal Fund (FCM-GMF) grant of \$1,226,080 and a debenture of \$8,173,910. The grant receipt is dependent on the City moving forward with the debenture issued directly through the FCM-GMF at time of the project completion.

The debenture by-laws will be presented for approval at the appropriate time.

Strategic Plan

Strategic Pillar: Governance & Fiscal Sustainability

Strategic Priority: Pursue service excellence in governance to support long-term fiscal sustainability of the City while respecting the impact of decisions on taxpayers.

Approval of the 2024 debenture issue is a key process in ensuring prudent responsible cashflow and financial management.

Budget and Financial Implications

The legal fees are estimated to be approximately \$20,000 and can be accommodated within the approved 2024 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. When issuing through the capital market, these fees are not embedded in the interest rate. Actual charges payable will depend on the particulars of the debenture issue when finalized. Currently the rates through Infrastructure Ontario are 4.38%, 4.64%, 4.70% for a 10-year, 20-year and 30-year serial debenture, respectively.

Conclusion

With approval of the recommendations of this report, staff will monitor the market and determine the best approach to issue the debt for the projects listed on Appendix A.

Attachment

Appendix A - City of Peterborough - 2024 Debenture Issue

Submitted by,

Richard Freymond
Commissioner, Finance and Corporate Support Services

Contact Name:

Yvette Peplinskie

Director, Financial Services

Phone: 705-742-7777 Ext. 1862

Toll Free: 1-855-738-3755

Email: yveplinskie@peterborough.ca

Appendix A

City of Peterborough
2024 Debenture Issue

Ref	Project Description	By-Law	Debenture Amount Approved \$	Already Debentured \$	Loan Term - \$			Total Maximum Funding Source \$
					10 Years	20 Years	30 Years	
TAX SUPPORTED								
1	Equipment replacement Arena	21-123	65,000			65,000		
2	Simcoe St Culvert	21-149	1,400,000			1,400,000		
3	Property Purchase - 1421 Laurdaune St.	24-003	5,100,000				5,100,000	
4	Facilities Mgmt Property upgrader 2022	21-124	865,000			865,000		
5	IPS Property upgrader 2022	21-127	400,000			400,000		
6	Community Service Property Upgrader 2021	21-008	1,205,000			1,205,000		
7	Sidewalk Reconstruction 2023	23-021	1,400,000			1,400,000		
8	Simcoe St Parking Garage Reconstruction	23-082	210,000			210,000		
9	Transit Stop Shelters	16-156	1,176,000			1,176,000		
10	Source Separated Organic	23-126	1,700,000			1,700,000		
11	Fire Station relocation	22-082	2,800,920			2,800,920		
		21-004	1,750,000			1,750,000		
12	Mirken Lou Community Complex - New Arena Facility	23-157	3,449,480				3,449,480	
		23-015	3,360,300				3,360,300	
		21-140	281,900				281,900	
Total Tax Supported								30,664,100
WASTE WATER RESERVE FUND SUPPORTED								
13	Parkhill Rd - George St. to Rubidge St.	21-142	900,000			900,000		
14	WWTP Equipment	21-027	910,000			910,000		
15	Storm water Quality master plan	21-025	875,000			875,000		
Total Waste Water Reserve Fund Supported								2,685,000
WASTE MANAGEMENT RESERVE FUND SUPPORTED								
16	Source Separated Organic	23-022	5,685,914			5,685,914		
		17-141	1,500,000			1,500,000		
		19-011	1,500,000			1,500,000		
Total Waste Management Reserve Fund Supported								8,685,914
DEVELOPMENT CHARGES SUPPORTED								
17	Property Purchase - 1421 Laurdaune St.	24-003	9,900,000				9,900,000	
18	Source Separated Organic	22-052	1,126,800			1,126,800		
19	Fire Station relocation	21-004	1,750,000			1,750,000		
		22-082	6,723,800			6,723,800		
20	Mirken Lou Community Complex - New Arena Facility	23-157	14,650,520				14,650,520	
		23-015	16,065,500				16,065,500	
		21-140	3,218,100				3,218,100	
Total Development Charge Supported								58,434,720
USER FEE SUPPORTED								
21	Mirken Lou Community Complex - New Arena Facility	23-157	2,500,000				2,500,000	
Total User Fee Supported								2,500,000
Total - All Projects			102,969,734	0	0	33,943,434	69,026,300	102,969,734