

# FORMAL REPORT

<b>To:</b>	Mayor Stratthdee and Members of Council
<b>Prepared by:</b>	Jim Brown, Director of Finance
<b>Date of Meeting:</b>	28 November 2017
<b>Subject:</b>	<b>FIN 24-2017 Wellington Street Bridge Debenture</b>

## PURPOSE

To have Council approve the financing of the Wellington Street Bridge replacement project through Ontario Infrastructure and Lands Corporation.

## RECOMMENDATION

THAT Council approve By-law 98-2017 being a by-law to authorize a debenture from the Ontario Infrastructure and Lands Corporation in the amount of \$1,080,500 at an interest rate of 3.10% and 15 year amortization towards the cost of the Wellington Street Replacement project to be signed by the Mayor and the Treasurer.

## BACKGROUND

In the 2017 capital budget the need for debenture financing of the Wellington Street Replacement project was identified. As per report FIN 20-2017 Council approval was given to apply to infrastructure Ontario for the borrowing. The application was accepted with December 17, 2017 being the date the funds will be provided.

## REPORT

The total outstanding debt of the Town at the end of 2017 will be \$10.9 million. The estimated annual debt payment limit, which is the annual amount of principal and interest the Town can incur before having to request Ontario Municipal Board approval, is \$3.6 million. Using the same interest and term as this debenture the Town could borrow a further \$24 million before reaching this limit.

## FINANCIAL IMPLICATIONS

The annual principal and interest payments of \$90,621 have been accounted for in the 2018 draft budget.

## STRATEGIC PLAN

- ☒ This initiative is supported by the following priorities, outcomes, and tactics in the Plan.
  - Pillar #1 Infrastructure
    - Tactic(s): Replace the Wellington Street Bridge

## OTHERS CONSULTED

None.

## **ATTACHMENTS**

By-law 98-2017 Wellington Street Bridge Debenture

## **REVIEWED BY**

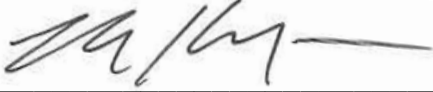
### **Recommended by the Department**



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Jim Brown  
Director of Finance

### **Recommended by the CAO**



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Brent Kittmer  
CAO / Clerk