



FORMAL REPORT

To: Mayor Strathdee and Members of Council

Prepared by: Jim Brown, Director of Finance

Date of Meeting: 28 November 2017

Subject: **FIN 24-2017 Wellington Street Bridge Debenture**

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



Jim Brown
Director of Finance

Recommended by the CAO



Brent Kittmer
CAO / Clerk