

Clause 9 in Report No. 12 of Committee of the Whole was adopted, without amendment, by the Council of The Regional Municipality of York at its meeting held on June 25, 2015.

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## Capital Financing for the Town of Whitchurch-Stouffville

**Committee of the Whole recommends adoption of the recommendation contained in the report dated June 2, 2015 from the Commissioner of Finance:**

### 1. Recommendations

It is recommended that subject to the receipt of the necessary supporting documents from the Town of Whitchurch-Stouffville:

1. Council approve a request by the Town of Whitchurch-Stouffville for interim and/or long-term financing in an amount not to exceed \$2,953,550 for a term not to exceed 10 years to fund recreational infrastructure, identified in Table 1 of this report.
2. Council approve the submission of an application to Ontario Infrastructure and Lands Corporation (OILC) for all or part of the above financing, on behalf of the Town of Whitchurch-Stouffville.
3. The Regional Chair and Regional Treasurer be authorized to execute the necessary documents, subject to review by Legal Services.

### 2. Purpose

This report seeks approval for the issuance of debentures and/or long-term financing from the Ontario Infrastructure and Lands Corporation to fund recreational parks in the Town of Whitchurch-Stouffville.

### 3. Background

The Town of Whitchurch-Stouffville sought Council authorization to obtain debt financing for \$2,953,550 on June 2, 2015.

The Town of Whitchurch-Stouffville has requested that the Region approve the issuance of debentures and/or a long-term loan from the Ontario Infrastructure and Lands Corporation for an amount up to \$2,953,550 to finance the construction of recreational infrastructure, as shown in Table 1 of this report.

Under section S.401 of the *Municipal Act*, Regional Council must approve all financing required by local municipalities, including applications to OILC for financing. Additionally, the *Municipal Act* indicates all Regional debentures for either its own purpose or the purpose of its lower-tier municipalities are direct, joint and several obligations of the Region and its lower-tier municipalities. The Region's role for the duration of the loan is to guarantee the repayments of debt and ensure that payments are received by OILC on a timely basis from the local municipality.

**Table 1**

**Town of Whitchurch-Stouffville Capital Projects Requiring Interim and/or Long-Term Financing**

<b>Project Name</b>	<b>Financing Amount Requested</b>	<b>Financing Term</b>
100' Quint/Platform	\$1,160,000	10 years
Hillmount Park Construction (includes splashpad)	\$1,316,850	10 years
Tresstown Park Phase2 (includes jr. ball diamond)	\$476,700	10 years
<b>Total</b>	<b>\$2,953,550</b>	<b>10 years</b>

### 4. Analysis and Options

The Town Treasurer has indicated that the town's most recent annual debt and financial obligation limit (ARL) from the Ministry of Municipal Affairs and Housing has been updated to incorporate the additional financing costs associated with the requested loan and that it remains within the limit set by the Ministry.

The Municipal Act excludes the Region's repayment of the interim and/or long-term debt borrowed for its local municipalities from the Region's own ARL calculation. Therefore, the Town of Whitchurch-Stouffville's borrowing will not affect the Region's ARL.

Link to key Council-approved plans

The Region supports its local municipalities by assisting them in acquiring interim and/or long term financing for their capital projects.

## 5. Financial Implications

There is no financial impact to the Region, as it only acts as an intermediary in the issuance of debentures and/or OILC loan process.

## 6. Local Municipal Impact

Based upon OILC's posted borrowing rate of 2.41% for a 10-year term amortizing loan (as at May 26, 2014), the Town would incur costs of approximately \$334,141 per year to service a \$2,953,550 loan.

Obtaining this debenture and/or OILC financing will allow the Town of Whitchurch-Stouffville to finance the construction of recreational infrastructure, which is deemed necessary for the Town's continued growth and has a high degree of alignment with the Town's strategic priorities.

## 7. Conclusion

The Region must approve issuance of debentures and/or long-term financing by local municipalities. The Town of Whitchurch-Stouffville has determined that the request for issuance of debentures and/or long-term financing from OILC is within its current ARL. The financing for recreational infrastructure are consistent with the Town's strategic priorities.

For more information on this report, please contact Edward Hankins, Director, Treasury Office, at Ext. 71644.

## Capital Financing for the Town of Whitchurch-Stouffville

The Senior Management Group has reviewed this report.

June 2, 2015

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Accessible formats or communication supports are available upon request