

**REGION OF YORK – AUTHORIZATION TO ISSUE LONG TERM DEBT THROUGH
INFRASTRUCTURE ONTARIO**

Recommendation

The Commissioner of Finance/City Treasurer and the Director of Budgeting and Financial Planning recommend:

- 1) That Council authorize the Regional Municipality of York to issue debt through Infrastructure Ontario in the amount of \$15,172,100 on behalf of the City of Vaughan repayable over a term not exceeding ten (10) years to fund capital work completed and previously authorized by Council to be financed from long term debt and listed on Attachment 1; and
- 2) That a by-law be enacted authorized the Regional Municipality of York to issue debt through Infrastructure Ontario on behalf of the City of Vaughan.

Economic Impact

The financial impact to the City as a result of Council originally approving these capital projects in prior years, and the issue of long term debt is estimated to be \$1,758,000 per year for the next ten years. This amount has already been approved and included in the 2011 operating budget.

Communications Plan

N/A

Purpose

To obtain Council approval to authorize the Regional Municipality of York to issue debt through Infrastructure Ontario on behalf of the City of Vaughan.

Background - Analysis and Options

During the Capital Budget deliberations, Council reviews capital projects for the appropriate funding sources for approval. Included in these funding sources is the issuance of long-term debt. By virtue of approving the Capital Budget each year, Council, through the confirming By-law also authorizes staff to issue long term debt as required to finance these projects.

The City of Vaughan is now prepared to issue debt to finance completed capital projects where the funding source was long term debt. In previous years, the Region issued debentures on the City's behalf, but they have advised us to issue debt through Infrastructure Ontario because of the competitive interest rates and cheaper borrowing costs.

Infrastructure Ontario is a government agency dedicated to the renewal of the province's vital public assets. Infrastructure Ontario's Loan program offers competitive rates, longer terms and financing without fees or commissions. Most municipal capital projects are eligible for Infrastructure Ontario financing.

Infrastructure Ontario requires the following information to proceed with the long term debt issue:

- 1) Borrowing By-law from the Regional Municipality of York and the City of Vaughan
- 2) Signature Page of the Application signed by the Regional Municipality of York and the City of Vaughan

- 3) Financing Schedule signed by the Regional Municipality of York and the City of Vaughan. This schedule will be sent once the application has been approved by the Credit Committee
- 4) Financing Agreement executed by both the Regional Municipality of York and the City of Vaughan
- 5) Annual Repayment Limit from the Regional Municipality of York and the City of Vaughan

Relationship to Vaughan Vision 2020

This report is consistent with Vaughan Vision 2020 priorities "to maintain assets and infrastructure" and to "ensure financial sustainability."

Conclusion

Council is requested to authorize the Regional Municipality of York to issue long term debt through Infrastructure Ontario on behalf of the City of Vaughan for the completed capital projects listed on Attachment 1 in an amount not exceeding \$15,172,100 over a term not exceeding ten (10) years.

Attachments

Attachment 1 – LTD Request for York Council Approval

Report prepared by

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Respectfully submitted,

Barbara Cribbett, CMA
Commissioner of Finance/City Treasurer

John Henry CMA
Director of Budgeting and Financial Planning

**City of Vaughan
LTD Request List for York Council Approval**

<u>Project #</u>	<u>Description</u>	<u>Estimated Requirement</u>
3155-0-02	Fire Station 7-8	539,900
1445-0-03	Rural Road Upgrading Pre/Eng	10,300
3136-0-03	Fire Station 7-9	615,200
1269-4-04	Uplands Storm Sewer	7,100
1451-0-04	Road Resurfacing 2005 Pre/Eng	12,700
1483-2-04	Road Reconstruction	19,200
1484-0-04	Road Reconstruction 2005 Pre/Eng	19,800
1498-0-03	Old Yonge/Mill Street	95,000
8020-0-04	North Thornhill CC - Land	8,100
1554-0-05	Asphalt Overlay 2005 - Various Roads	13,400
1578-0-05	Rural Road Upgrading	30,500
1626-0-06	Road Reconstruction 2007 Pre Eng	220,300
1577-2-06	Road Resurfacing 2006	15,100
1607-0-06	Simmons Street	26,200
EN-1643-07	Hawman Avenue Rd Reconst/Watermain	10,700
EN-1655-07	Pre-Eng Pavement Mgm Program	380,600
EN-1698-07	Kirby Road Slope Stabilization	338,500
EN-1653-07	Geotechnical Testing	51,100
EN-1705-08	Top Lift Asphalt 2008 Various	124,000
RE-9510-10	Block 11 Community Centre Land	1,211,000
EN-1702-08	Road Rehabilitation Fran Dri	1,110,500
EN-1704-08	2008 Pavement Management Program	6,283,100
EN-1712-08	2008 Pavement Management Program	344,900
EN-1713-08	Clarence S Park Dr. Road Rehabilitation	982,000
EN-1775-09	Pavement Management Program -	2,702,900
		<u><u>15,172,100</u></u>