



TOWN OF MINTO

DATE: July 6, 2016
REPORT TO: Mayor and Council
FROM: Gordon Duff, Treasurer
SUBJECT: Debenture – North Wellington Health Care

STRATEGIC PLAN:

Manage Town finances in a transparent and fiscally responsible manner using a wide variety of accepted methods such as maintaining healthy reserves, investing conservatively, sensible user fees, property tax control, and responsible borrowing.

BACKGROUND:

The Town of Minto agreed to assist North Wellington Health Care (NWHC) with the funding of the new Minto Rural Health Centre but borrowing up to \$1.5 million on their behalf through Infrastructure Ontario. NWHC agreed to reimburse the Town of Minto on a timely basis for both principal and interest payments.

COMMENTS:

The new medical clinic has been constructed with an official opening which was held in May, 2016. Advances to assist with construction financing have been made up to the limit of \$1.5 million. Now that the project is complete, it is time to convert these advances to a long term debenture. Per the wishes of NWHC, a debenture covering a thirty-year term has been obtained. The Mayor and Treasurer have completed various documents provided by Infrastructure Ontario and reviewed by our financial solicitors, Borden, Ladner Gervais LLP. The anticipated closing date for this transaction is August 2, 2016.

FINANCIAL CONSIDERATIONS:

There will be certain legal and financial expenses, but aside from this there will be no net cost to the Town of Minto. NWHC will continue to make payments to the Town of Minto on a timely basis, so there is minimal effect on municipal cash flow.

RECOMMENDATION:

The Council accepts the Treasurer's July 6th 2016 Report and considers passage of the related By-law in Regular Session.

Gordon Duff
Treasurer