TOWN OF MINTO
DATE: October 25, 2016
REPORT TO: Mayor and Council
FROM: Gordon Duff, Treasure
SUBJECT: Wellington County Debenture 2016

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:
Council adopted the 2016 budget on March 29, 2016. On August 26, 2016 a Report was brought forward outlining revisions to the capital budget and proposed borrowing alternatives. Additional funds are necessary to cover the increased scope of the Jane and Inkerman Streets infrastructure upgrades. The revised capital budget was passed by By-Law on October 4, 2016.

COMMENTS:
Discussions were held with the County of Wellington Treasurer and other lower tier finance staff. The County and the Town of Erin, as well as the Township of Guelph-Eramosa are all interested in issuing debentures this fall in addition to the Town of Minto. The total proposed amount to borrow is $8,913,200 of which the Town of Minto's share is $1,120,000. There is generally a cost savings in terms of legal expenses and financial agent costs when several municipalities work on a joint borrowing debenture. Staff works with our long-time financial solicitor, Borden Ladner Gervais, to prepare the necessary documentation. This report and related by-law is our formal request to the County of Wellington to borrow money on behalf of the Town of Minto. Supporting documentation has been forwarded to the County and legal counsel.

FINANCIAL CONSIDERATIONS:
The servicing costs for this debenture will be reflected in the operating budgets starting in 2017 over the ten year term of the loan. 38% of these costs relate to water and wastewater infrastructure.

RECOMMENDATION:
The Council accepts the Treasurer's October 25th[th] 2016 Wellington County Debenture report and considers the passage of the related By-law in Regular Session.

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Gordon Duff
Treasurer