

**TOWN OF MINTO****DATE:** May 5, 2017**REPORT TO:** Mayor and Council**FROM:** Gordon Duff, Treasure**SUBJECT:** Infrastructure Ontario Debenture – Ann & James 2017

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**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:**

In September of 2015, Council accepted a report to request financing of \$660,000 to fund sanitary sewer and water installations on a section of Ann Street in Clifford and James Street in Palmerston. Staff applied to Infrastructure Ontario for the funds and received authorization late 2015. Due to a late start in construction, funds were not advanced in 2015, but most of the work was completed in 2016. The full \$660,000 was advanced by Infrastructure Ontario to the Town as construction financing. The work for this project is substantially completed and it is time to convert this advance to a fixed term debenture.

**COMMENTS:**

Lot sales and building on Ann Street in Clifford is proceeding at a much faster pace than originally forecast. In 2015, it was intended to complete paving for the section of Ann Street in question, but now all the servicing on the street will be finished with the paving occurring after all services have been installed. Infrastructure Ontario has agreed to complete the debenture conversion even though the original section will remain in gravel for a longer period. Our solicitors, Weir Foulds LLP who acts on financing matters prepared a Debenture By-Law for Council's consideration. Supporting documentation has been forwarded to Infrastructure Ontario and legal counsel.

**FINANCIAL CONSIDERATIONS:**

Servicing costs for this loan will switch from monthly interest payments for the construction financing to semi-annual payments under the serial debenture for a period of twenty years with equal principal and diminishing interest amounts. The first payment is due December 1, 2017. All of the debt servicing cost is recovered from water and wastewater rates.

**RECOMMENDATION:**

The Council accepts the Treasurer's May 5<sup>th</sup> 2017 Infrastructure Ontario Debenture report and considers the passage of the related By-law in Regular Session.

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Gordon Duff, Treasurer