



TOWN OF MINTO

DATE: May 1, 2018
REPORT TO: Mayor and Council
FROM: Gordon Duff, Treasurer
SUBJECT: Debenture – Wellington County 2018

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:

At the April 10 meeting, Council passed a resolution asking the County of Wellington borrow \$2,100,000 on behalf of the Town over ten years (\$550,000 George Street and Elora Street roadwork) and twenty years (\$1,550,000 servicing Elora Street). Staff pursued financing through the County with other lower tier partners for a debenture to be issued this spring. Council passed the 2018 capital budget April 24 which included \$2,100,000 of borrowing. Council will recall this borrowing funds the municipal share of the connecting link grants (Elora Street) and the Community Water and Wastewater grant (George Street South).

COMMENTS:

After the April 24, 2018 meeting, the other lower tier municipality dropped out of the proposed debenture issue leaving the Town and County as borrowers for this version. There still should be some savings in fiscal agent and legal costs as a result of working with the County on this matter. Appropriate documentation to support the borrowing has been forwarded to our financial solicitors, WeirFoulds, LLP and has been reviewed and accepted. The anticipated closing date for this transaction is late May, 2018.

FINANCIAL CONSIDERATIONS:

There will be certain legal and financial expenses, with the net proceeds allocated the funding of the approved capital projects. The first semi-annual payment on this new serial debenture will be due in late 2018.

RECOMMENDATION:

THAT Council accepts the Treasurer's May 1st 2018 Debenture – Wellington County 2018 Report and considers passage of the related By-law in Regular Session.

Gordon Duff, Treasurer