

Clause 9 in Report No. 11 of Committee of the Whole was adopted, without amendment, by the Council of The Regional Municipality of York at its meeting held on June 29, 2017.

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Ontario Infrastructure and Lands Corporation Loan for the
Town of Whitchurch-Stouffville

Committee of the Whole recommends adoption of the following recommendation contained in the report dated May 30, 2017 from the Commissioner of Finance:

1. Council approve a request by the Town of Whitchurch-Stouffville for interim and/or long-term financing in an amount not to exceed \$15,600,000 to fund recreational infrastructure, road works and wastewater work for terms not to exceed those identified in Table 1 of this report.
2. Council approve the submission of an application to Ontario Infrastructure and Lands Corporation for all or part of the above financing, on behalf of the Town of Whitchurch-Stouffville.
3. The Regional Chair and Regional Treasurer be authorized to execute the necessary documents, subject to review by Legal Services.

Report dated May 30, 2017 from the Commissioner of Finance now follows:

1. Recommendations

It is recommended that subject to the receipt of the necessary supporting documents from the Town of Whitchurch-Stouffville:

1. Council approve a request by the Town of Whitchurch-Stouffville for interim and/or long-term financing in an amount not to exceed \$15,600,000 to fund recreational infrastructure, road works and wastewater work for terms not to exceed those identified in Table 1 of this report.

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2. Council approve the submission of an application to Ontario Infrastructure and Lands Corporation for all or part of the above financing, on behalf of the Town of Whitchurch-Stouffville.
 3. The Regional Chair and Regional Treasurer be authorized to execute the necessary documents, subject to review by Legal Services.
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2. Purpose

This report seeks approval of long-term financing from the Ontario Infrastructure and Lands Corporation to fund the Town of Whitchurch-Stouffville's recreational infrastructure, road works and wastewater work.

3. Background

Regional Council authority is required to issue long-term debt for local municipalities

The Town of Whitchurch-Stouffville obtained Council authorization to obtain debt financing for up to \$15,600,000 on May 2, 2017.

The Town has requested that the Region approve a long-term loan from the Ontario Infrastructure and Lands Corporation for up to \$15,600,000 to finance recreational infrastructure, road works and wastewater work.

Under section 401 of the *Municipal Act*, Regional Council approval is required for all long-term financing required by local municipalities, including applications to Ontario Infrastructure and Lands Corporation for financing. Additionally, the *Municipal Act* states that all debentures issued by the Region for either its own purposes or the purposes of its lower-tier municipalities will be direct, joint and several obligations of the Region and its lower-tier municipalities. The Region's role for the duration of the loan will be to guarantee the repayments of debt and ensure that payments are received by Ontario Infrastructure and Lands Corporation on a timely basis from the local municipality.

Table 1
Town of Whitchurch-Stouffville Capital Projects Requiring
Long-Term Financing

Project Name	Financing Amount Requested (\$)	Financing Term (years)
Design/Construction – Leisure Center Expansion (741-16-00166)	5,853,000	20
Library Facility Expansion – Design & Construction (800-16-00056)	1,407,000	20
Library Facility Renovation (800-16-00872)	1,030,000	20
Recreational Facility Space (Additional) (652)	810,000	20
Subtotal Leisure Centre	9,100,000	20
L&M Lebovic Park	1,500,000	20
Sub-trunk #1, RR#30 N. of HPD 1345m (689)	1,000,000	20
Subtotal 20 year financing	11,600,000	20
Montreal & Stouffer-Tenth to Millard, Reconstruction (W01-W03) (72)	1,700,000	10
Main St. Reconstruction, Park to Stouffer St. (103)	1,200,000	10
Burkholder St. Reconstruction (8)	1,100,000	10
Subtotal 10 year financing	4,000,000	10
Total	15,600,000	

4. Analysis and Implications

The requested loan of \$15,600,000 is within the Annual Repayment Limit for the Town of Whitchurch-Stouffville

The Town Treasurer has indicated that the town's most recent annual debt and financial obligation limit from the Ministry of Municipal Affairs and Housing has been updated to incorporate the additional financing costs associated with the requested loan and that the town's borrowing remains within the limit set by the Ministry.

The Town of Whitchurch-Stouffville's borrowing will not affect the Region's Annual Repayment Limit

The Municipal Act excludes the Region's repayment of the long-term debt borrowed for its local municipalities from the Region's own annual repayment limit calculation. Therefore, the Town of Whitchurch-Stouffville's borrowing will not affect the Region's annual repayment limit.

[Link to key Council-approved plans](#)

The Region supports its local municipalities by assisting them in acquiring long term financing for their capital projects. These projects align with the Town of Whitchurch-Stouffville's priorities.

5. Financial Considerations

There is no financial impact to the Region, as it only acts as an intermediary in the Ontario Infrastructure and Lands Corporation loan process. The Corporation's borrowing rates are available to municipalities.

6. Local Municipal Impact

A twenty-year amortizing loan for \$11,600,000 at a borrowing rate of 3.07% would cost the Town of Whitchurch-Stouffville \$780,472 per year

Based upon Ontario Infrastructure and Lands Corporation's currently posted borrowing rate of 3.07% for a 20-year term amortizing loan (as at April 28, 2017), the Town would incur costs of \$780,472 per year to service an \$11,600,000 loan.

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A ten-year amortizing loan for \$4,000,000 at a borrowing rate of 2.38% would cost the Town of Whitchurch-Stouffville \$451,851 per year

Based upon Ontario Infrastructure and Lands Corporation's currently posted borrowing rate of 2.38% for a 10-year term amortizing loan (as at April 28, 2017), the Town would incur costs of \$451,851 per year to service a \$4,000,000 loan.

7. Conclusion

The Town of Whitchurch-Stouffville has requested up to \$15,600,000 interim and/or long-term financing from Ontario Infrastructure and Lands Corporation. The financing is for recreational infrastructure, road works and wastewater work works are consistent with the Town's priorities.

The Region's role is to act as an intermediary in the Ontario Infrastructure and Lands Corporation's loan process.

For more information on this report, please contact Edward Hankins, Director, Treasury Office, at 1-877-464-9675 ext. 71644.

The Senior Management Group has reviewed this report.

May 30, 2017

Edocs #7677190

Accessible formats or communication supports are available upon request.