

**TO: MAYOR LEHMAN AND MEMBERS OF COUNCIL**

**FROM: C. MILLAR, CGA, DEPUTY TREASURER**

**NOTED:**

**ED ARCHER, GENERAL MANAGER OF CORPORATE SERVICES**

**CARLA LADD, CHIEF ADMINISTRATIVE OFFICER**


**RE: DEBENTURE INTEREST RATE OFFER AND REPAYMENT SCHEDULE FROM OILC**

**DATE: APRIL 30, 2012**

As described in the financial section of staff report #FIN006-12 the debenture rate offer and repayment schedule received from the Ontario Infrastructure and Lands Corporation (OILC) is being circulated for your information in conjunction with your consideration of the motions contained in the staff report.

The rate that OILC has provided of 4.03% for the 30 year debenture of \$69,544,000 amortized over 40 years is slightly higher than the estimated rate of 3.99% noted in the staff report #FIN006-12. However, including last year's debenture issue, the total annual debt servicing cost for the Surface Water Treatment Plant is \$7,917,481 which is \$813K lower than forecasted in the City's 2010 Water and Wastewater Long Range Financial Plan (LRFP). The lower annual debt servicing costs will be factored into the water and wastewater rate review analysis as described in staff report #FIN005-12. Currently, 44% of the annual debt servicing cost is funded from development charges with the remainder from rates.

The interest rate offer and repayment schedule was signed and returned to OILC on April 25 as required under the terms of the agreement. The debenture by-laws including the interest rate and repayment schedules will be presented for Council approval on April 30.

  
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Craig Miller, CGA