



**REPORT TO FINANCE AND
CORPORATE SERVICES
COMMITTEE**

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TO: FINANCE AND CORPORATE SERVICES COMMITTEE

PREPARED BY AND KEY CONTACT: T. RAYAISSE, PORTFOLIO MANAGER (X4724)

SUBMITTED BY: C. MILLAR, DIRECTOR OF FINANCE AND TREASURER

GENERAL MANAGER APPROVAL: D. MCALPINE, GENERAL MANAGER OF COMMUNITY AND CORPORATE SERVICES
A. MILLER, GENERAL MANAGER OF INFRASTRUCTURE AND GROWTH MANAGEMENT

CHIEF ADMINISTRATIVE OFFICER APPROVAL: M. PROWSE, CHIEF ADMINISTRATIVE OFFICER

DATE: APRIL 20, 2021

SUBJECT: 2021 DEBT ISSUANCE SCENARIOS

RECOMMENDED MOTION

1. That the 2021 debenture issuance plan be amended as per scenario 2 of paragraph 15. 2) in the Report to Finance and Corporate Services Committee dated April 20, 2021 concerning 2021 Debt Issuance Scenarios, and debentures be issued on the projects identified in Appendix "A" of the Report.
2. That additional tax supported debt charges in 2021 be funded first from any year end surplus and then from the tax rate stabilization reserve.
3. That additional water rate funded debt charges in 2021 be funded first from any year end surplus and then from the water rate stabilization reserve.
4. That additional wastewater rate funded debt charges in 2021 be funded first from any year end surplus and then from the water rate stabilization reserve.

PURPOSE & BACKGROUND

5. The purpose of this report is to recommend a debenture issuance strategy that allows the City to take advantage of the historic low interest rate environment and achieve Council's strategic objectives while minimizing the fiscal impact on taxpayers.
6. On January 25, 2021, City Council approved motion 21-G-006. Paragraph 32 of the motion reads as follows: That staff in the Finance Department:
 - a) Develop a series of scenarios that outline the fiscal impacts of accelerating planned debt issuance and the issuance of a modest amount of additional debt to take advantage of record low interest rates.
 - b) Identify projects in the existing 10-year Capital Plan/Forecast that are planned to be funded using the Tax Capital Reserve that could be accelerated or funded using this strategy; and,
 - c) Identify planned projects as well as potential new and unfunded projects that support Council's Strategic Priorities that could be accelerated using this strategy, specifically:
 - i) Economic development and job creation, such as servicing employment lands and the west end;
 - ii) Affordable Housing funding, including projects in the County capital plan or funding our Community Improvement plans;

iii) Population health and social issues, focusing on low-cost proactive measures and projects to reduce calls to emergency services.
and report back to Finance and Corporate Services Committee by April 2021.

7. The City of Barrie's 2021 approved capital plan is \$243M with an approved forecast of \$739M for a 5-year total capital plan of \$982M:

2021 - 2025 Capital Budget

| | 2021 | 2022 | 2023 | 2024 | 2025 | Grand Total |
|--|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| Previously Approved (Committed) | \$ 44,633,516 | \$ 18,269,666 | \$ 8,041,000 | \$ 2,000,000 | \$ - | \$ 72,944,182 |
| New Capital Requests | \$ 57,945,847 | \$ 60,760,885 | \$ 36,784,861 | \$ 10,788,177 | \$ 2,500,000 | \$ 168,779,770 |
| New Investment and Service Recommendations (for Operating Budget requests) | \$ 1,455,459 | \$ - | \$ - | \$ - | \$ - | \$ 1,455,459 |
| Total 2021 Capital Budget | \$ 104,034,821 | \$ 79,030,551 | \$ 44,825,861 | \$ 12,788,177 | \$ 2,500,000 | \$ 243,179,410 |
| Forecast | \$ - | \$ 86,255,738 | \$ 157,236,602 | \$ 222,839,297 | \$ 273,091,040 | \$ 739,422,677 |
| Grand Total 2021-2025 Capital Budget | \$ 104,034,821 | \$ 165,286,289 | \$ 202,062,464 | \$ 235,627,474 | \$ 275,591,040 | \$ 982,602,087 |

*Numbers in the table may not add to total due to rounding.

- As at December 31, 2020, the City of Barrie's total debt outstanding is \$316M. Annual debt servicing costs in 2021 are estimated at \$36M with 54% or \$19M funded from Development Charges and 38% or \$13.5M from property taxes. The December 31, 2020 balance in the Development Charges reserves is a negative \$36M.
- The City currently has \$60.5M in previously approved debt yet to be issued. The practice of the City has been to issue debt on a given project in the year following its completion and to budget for half the debt service cost in that year. In certain cases, debt is issued in phases based on the percentage of completion (Total Actuals/Total Budget) on the project. The reason for this practice is to mitigate the risk of issuing more debt than required should a project come in under budget. In such instance, as per the Municipal Act, the excess funding would then have to be applied to a similar project or used to pay down debt.
- Under section 408 of the Municipal Act, a Municipality may issue a debenture or other financial instrument for long-term borrowing only to provide financing for capital works. The term of debt cannot exceed beyond the lifetime of the capital work for which the debt was incurred and shall not exceed 40 years.
- Additional consideration during the planning process includes Council's budget direction, the City's financial policies framework and debt policy and the potential impact on credit rating.
- The following is an excerpt from the 2021 Business Plan showing the planned debt issuance from 2021 to 2025.

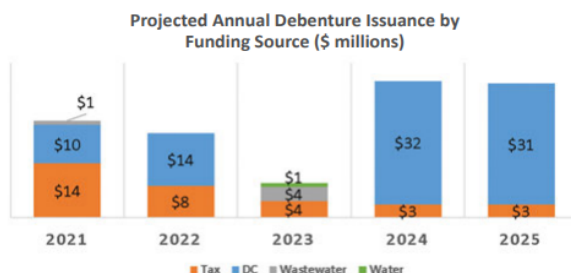
DEBT MANAGEMENT

Forecasted Debt Issuance

The City is planning to issue \$25 million in debentures in 2021 for the projects listed in the table below.

| Project ID | Project | 2021 |
|--------------|---|----------------------|
| EN1097 | Mapleview Drive East Improvements – Country Lane to Yonge | \$ 1,290,000 |
| EN1104 | Tiffin Street ROW Expansion – Hwy 400 Underpass | \$ 1,771,000 |
| EN1122 | Little Lake Sewage Pump Station Upgrade | \$ 1,038,300 |
| EN1167 | Dunlop Street East Corridor Improvements – Toronto to Mulcaster | \$4,500,000 |
| EN1287 | Harvie Road and Big Bay Point Road New Crossing – HWY 400 | \$ 12,371,894 |
| FC1064 | Allandale Historic Train Station Development | \$ 3,045,500 |
| FC1147 | BFES Station 4 Renovation | \$ 1,000,000 |
| Total | | \$ 25,016,694 |

The following graph provides the forecasted annual debenture requirement for each of the next five years by funding source. This forecast is based on the proposed capital plan and anticipated reserve levels. Variation in the plan and/or available funding will impact the amount of debt ultimately issued.





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13. Of the \$60.5M in outstanding approved debenture funding \$53.4M is slated to be issued from 2021 to 2023 as represented in the plan above; \$25M in 2021, \$21.8M in 2022 and \$6.6M in 2023.

ANALYSIS

A. Motion 21-G-006 a) re scenarios outlining the fiscal impacts of accelerating planned debt issuance.

14. Accelerating the debt issuance means issuing the debt sooner than later i.e., advancing the issuance of debt planned for 2022-2023 closer to 2021 to take advantage of the low interest rate environment. All else equal, the economic benefit of issuing debt sooner can be measured by the impact of potential interest rate increases over the next few years.
15. The following 3 scenarios have been developed against the 2021 Business Plan as a base case scenario to analyse the cost-benefit of advancing debt issuance:

- 1) **Scenario 1 – 2021 Business Plan:** The following table shows the planned debt issuance per funding source for previously approved debt as presented in the 2021 Business Plan.

| Funding | 2021 | 2022 | 2023 | Total |
|--------------------|----------------------|----------------------|---------------------|----------------------|
| DC | \$ 10,041,736 | \$ 13,600,977 | | \$ 23,642,713 |
| Tax | \$ 13,936,658 | \$ 8,126,857 | \$ 2,074,004 | \$ 24,137,519 |
| Wastewater | \$ 1,038,300 | | \$ 3,548,000 | \$ 4,586,300 |
| Water | | | \$ 1,020,000 | \$ 1,020,000 |
| Grand Total | \$ 25,016,694 | \$ 21,727,834 | \$ 6,642,004 | \$ 53,386,532 |

- 2) **Scenario 2 - Advancing debt issuance based on actuals spend on projects:** This scenario advances the 2021 budget issuance plan based on actual spending on projects to date (See Appendix A). Projects with actuals exceeding the approved debenture funding are issued in 2021 and the rest in 2022 as shown below. This results in advancing \$16, 856,028 of debt in 2021.

| Funding | 2021 | 2022 | 2023 | Total |
|--------------------|----------------------|----------------------|-------------|----------------------|
| DC | \$ 22,147,713 | \$ 1,495,000 | | \$ 23,642,713 |
| Tax | \$ 14,621,209 | \$ 9,516,310 | | \$ 24,137,519 |
| Wastewater | \$ 1,038,300 | \$ 3,548,000 | | \$ 4,586,300 |
| Water | \$ 1,020,000 | \$ - | | \$ 1,020,000 |
| Grand Total | \$ 38,827,222 | \$ 14,559,310 | \$ - | \$ 53,386,532 |

- 3) **Scenario 3 - Advancing the 2021-23 issuance to 2021:** This scenario assumes that all the debt planned for the period 2021-23 is issued in 2021 thus maximizing the full benefit of issuing at lower interest as shown below. However, this also means prefunding projects that have not incurred substantial actual cost.

| Funding | 2021 | 2022 | 2023 | Total |
|--------------------|----------------------|-------------|-------------|----------------------|
| DC | \$ 23,642,713 | | | \$ 23,642,713 |
| Tax | \$ 24,137,519 | | | \$ 24,137,519 |
| Wastewater | \$ 4,586,300 | | | \$ 4,586,300 |
| Water | \$ 1,020,000 | | | \$ 1,020,000 |
| Grand Total | \$ 53,386,532 | \$ - | \$ - | \$ 53,386,532 |

16. The table below summarizes the issuance plan per scenarios. The total amount issued by 2023 (\$53.386M) is the same for all 3 scenarios. The key difference is the amount issued each year for the 2021-23 period.



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| Annual Debenture Issuance per Scenario | 2021 | 2022 | 2023 | Total |
|---|---------------|---------------|--------------|---------------|
| Scenario 1 - 2021 Busines Plan | \$ 25,016,694 | \$ 21,727,834 | \$ 6,642,004 | \$ 53,386,532 |
| Scenario 2 - Advancing debt issuance based on actuals | \$ 38,827,222 | \$ 14,559,310 | | \$ 53,386,532 |
| Scenario 3 - Advancing the 2021-23 issuance to 2021 | \$ 53,386,532 | | | \$ 53,386,532 |

Interest Rates Assumptions

17. In November 2020, the City issued a 10-year debenture at a record low interest rate of 1.31%. Though interest rates are forecast to remain subdued until the economic recovery gains momentum, recent inflation expectations have increased market volatility. As vaccination rate against Covid-19 ramps up and the economy reopens, the prospect of economic growth increases. Hence it is fair to assume that rates have bottomed and should start to gradually increase going forward.
18. Indeed, since the last debenture issuance, rates have risen by about 0.75% with the 10-year rising to 2.13% and the 20-year rate to 2.83% (see appendix B). **The approved 2021 budget assumed interest rates of 1.81% on 10-year debentures and 2.26% on 20-year debentures.**
19. The Canada forward yield curve (See Appendix C) implies the following interest forecast.

| Year | 10-Year Interest rate | Implied Rate Increase | 20-Year Interest rate | Implied Rate Increase |
|-------------|-----------------------|-----------------------|-----------------------|-----------------------|
| 2021 | 2.13% | | 2.83% | |
| 2022 | 2.38% | 0.25% | 2.98% | 0.15% |
| 2023 | 2.58% | 0.20% | 3.08% | 0.10% |

Total: 0.45% 0.25%

Financial Impact

20. The following table summarizes the financial results per scenarios using the **market implied interest forecast** as shown in the previous table.

| Year | Scenario 1 - 2021 Business Plan | | | Scenario 2 - Advancing issuance based on Project Actuals | | | Scenario 3 - Advancing 2021-23 issuance to 2021 | | |
|--|---------------------------------|--------------------------|--|--|--------------------------|--|---|--------------------------|--|
| | Amount Issued | Annual Debt Service Cost | Cumulative Interest Paid over life of Debt | Amount Issued | Annual Debt Service Cost | Cumulative Interest Paid over life of Debt | Amount Issued | Annual Debt Service Cost | Cumulative Interest Paid over life of Debt |
| 2021 | \$ 25,016,694 | \$ 1,371,654 | \$ 3,099,816 | \$ 38,827,222 | \$ 2,118,662 | \$ 4,900,821 | \$ 53,386,532 | \$ 2,815,438 | \$ 7,596,407 |
| 2022 | \$ 21,727,834 | \$ 3,935,968 | \$ 3,123,002 | \$ 14,559,310 | \$ 4,943,083 | \$ 2,921,178 | | \$ 5,630,876 | |
| 2023 | \$ 6,642,004 | \$ 5,400,756 | \$ 1,876,802 | | \$ 5,648,842 | | | \$ 5,630,876 | |
| 2024 | | \$ 5,672,884 | | | \$ 5,648,842 | | | \$ 5,630,876 | |
| Total | \$ 53,386,532 | \$ 16,381,262 | \$ 8,099,621 | \$ 53,386,532 | \$ 18,359,429 | \$ 7,821,998 | \$ 53,386,532 | \$ 19,708,066 | \$ 7,596,407 |
| Interest cost savings over Scenario 1 - 2021 Business Plan: | | | | \$ 277,623 | | | \$ 503,214 | | |

21. Based on the table above, the full benefit of advancing the debt issuance, expressed as the interest cost savings differential over the base scenario, is realized by issuing the full amount in 2021 under scenario 3. Under the current interest rates assumptions, this translates to over \$503K in interest cost savings over the life of the debt. The second-best option is scenario 2 which yields interest cost savings of \$277K over scenario 1.
22. Accelerating the debt issuance also means an increase in debt service cost due to a higher amount being issued earlier. Therefore, there is a trade-off between taking advantage of low interest rate and affordability in the short run. As mentioned in paragraph 18 and shown in appendix "B", **current interest rates are higher than the interest rate forecast used in the approved 2021 Budget.** The table below show the breakdown of the 2021 budget debt charge by funding source for existing debt and debt planned to be issued in 2021. The tax supported debt cost was estimated at \$13.549M, \$905K over the 2020 budget amount of \$12.644M.



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| Debt Service Cost: | DC | Parking | Tax | Wastewater | Total |
|--|----------------------|-------------------|----------------------|-------------------|----------------------|
| Existing Debt | \$ 19,074,897 | \$ 976,794 | \$ 12,784,665 | \$ 569,348 | \$ 33,405,704 |
| Debt budgeted to be issued in 2021 (\$25.016M) | \$ 551,228 | | \$ 765,034 | \$ 32,420 | \$ 1,348,682 |
| Total | \$ 19,626,125 | \$ 976,794 | \$ 13,549,699 | \$ 601,769 | \$ 34,754,387 |

23. Based on **current** interest rates, assuming debt is issued as per the budget (scenario 1), the new estimate for tax supported debt is estimated at \$13,562M or an increase of **\$12K** over the approved budget amount of \$13.549M. The debt service cost associated with new tax supported debt to be issued in 2021 was estimated at \$765,034. Using current interest rates that amount is now estimated at \$777,368 as shown in the following table. Meanwhile, wastewater supported debt cost was estimated at \$32,420 and currently \$34,141 or an increase of **\$2K**. The table summarizes the potential annual impact on the tax, wastewater, and water rates per scenario using the **current** interest rate assumptions.

| Annual impact on Tax Levy per Scenario | 2021 | 2022 | 2023 | 2024 |
|---|--------------|--------------|------------|------------|
| Scenario 1 - 2021 Busines Plan | \$ 777,368 | \$ 1,236,384 | \$ 577,331 | \$ 118,316 |
| Scenario 2 - Advancing debt issuance based on Actuals | \$ 815,552 | \$ 1,353,045 | \$ 537,494 | \$ - |
| Scenario 3 - Advancing the 2021-23 issuance to 2021 | \$ 1,346,359 | \$ 1,346,359 | | |

| Annual Impact on Wastewater Rate per Scenario | 2021 | 2022 | 2023 | 2024 |
|---|------------|------------|------------|------------|
| Scenario 1 - 2021 Busines Plan | \$ 34,171 | \$ 34,171 | \$ 119,467 | \$ 119,467 |
| Scenario 2 - Advancing debt issuance based on Actuals | \$ 34,171 | \$ 152,554 | \$ 118,383 | \$ - |
| Scenario 3 - Advancing the 2021-23 issuance to 2021 | \$ 150,938 | \$ 150,938 | \$ - | \$ - |

| Annual Impact on Water Rate per Scenario | 2021 | 2022 | 2023 | 2024 |
|---|-----------|-----------|-----------|-----------|
| Scenario 1 - 2021 Busines Plan | \$ - | \$ - | \$ 34,345 | \$ 34,345 |
| Scenario 2 - Advancing debt issuance based on Actuals | \$ 33,569 | \$ 33,569 | \$ - | \$ - |
| Scenario 3 - Advancing the 2021-23 issuance to 2021 | \$ 33,569 | \$ 33,569 | \$ - | \$ - |

24. Advancing the 2021-23 issuance to 2021 as proposed under scenario 3, though least expensive in terms of interest cost, would mean an additional pressure of \$569K (tax rate impact of 0.23%) in 2021 and \$110K (tax rate impact of 0.04%) in 2022 on the tax levy compared to scenario 1. The impact on the wastewater and water rates in 2021 will be \$116K (\$150K-\$34K) and \$33K, respectively.
25. As the 2021 budget has been approved, Council would need a funding source for the additional \$581K (\$569K + \$12K) in tax supported debt, \$118K (\$116K + \$2K) in wastewater debt and \$33K in water debt in 2021. Under Scenario 3, the tax supported debt servicing cost pressures in the 2022 operating budget will be an increase of \$569K (\$1.3M - \$777K) compared to \$459K (\$1.236M - \$777K) under scenario 1.
26. Scenario 2 is the most optimal scenario as it balances the benefit of issuing debt early while mitigating the fiscal impact. The impact on the tax levy is \$38K (tax rate impact of 0.02%) and \$116K (tax rate impact of 0.05%) more than scenario 1 in 2021 and 2022, respectively. The impact on the wastewater rate is same under scenario 1 and the impact on the water rate is the same as scenario 3. This scenario smooths out the fiscal impact over 2021-2023. In addition, scenario 2 also allows more flexibility in terms of mitigating the risk of the higher interest rate forecast. Should interest rate decline in 2022 instead of rising, the City is still positioned to benefit.
27. Since the 2021 budget has been approved, any year end surplus (if available) could fund the additional \$50K (\$38K+\$12K) or otherwise the tax rate stabilization reserve could be used. Any year end surplus (if available) could also be used to fund the additional impact on the wastewater rate (\$2K) and the water rate (\$33K). Alternatively, the respective rate stabilization reserves could also be used to fund the additional amounts. Under Scenario 2, the tax supported debt servicing cost pressures in the 2022 operating budget will be an increase of \$575K compared to \$459K under scenario 1.

B. Motion 21-G-006 b) re projects funded using the Tax Capital Reserve that could be accelerated or funded using debt

28. Based on the current funding mix and actuals incurred, additional debt could be issued on the following projects by switching funding from Tax Capital Reserve to debt as follows:

- 1) EN1167-Dunlop Street East Corridor Improvements – Toronto to Mulcaster: switch \$5.025 in Tax Capital Reserve funding to debenture. This will increase the debt amount on the project from \$4.5M to \$9.525M.
- 2) EN1287 – Harvie Road and Big Bay Point Road New Crossing – Highway 400: switch \$9.322M in Tax Capital Reserve funding to debenture, increasing total debt on the project to \$34.066 from \$24.743.

29. The table below shows the impact, on the Tax Capital Reserve balance, of switching a total of \$14.348M to debenture funding.

| Tax Capital Reserve | 2021 | 2022 | 2023 | 2024 | 2025 |
|---|-----------------|-----------------|-----------------|-----------------|-----------------|
| Beginning Balance | \$ 51,050,510 | \$ (711,304) | \$ (16,313,766) | \$ (21,323,147) | \$ (24,049,184) |
| Draws: Previous Commitments | \$ (49,638,165) | | | | |
| Draws: 2021 Business Plan | \$ (42,842,567) | \$ (60,111,908) | \$ (54,084,402) | \$ (51,705,281) | \$ (49,813,536) |
| Contributions: MOU Capital | \$ 2,590,000 | \$ 2,300,000 | \$ 3,600,000 | \$ 910,000 | \$ 9,260,000 |
| Contributions: 2021 Business Plan | \$ 38,128,918 | \$ 42,209,446 | \$ 45,475,021 | \$ 48,069,244 | \$ 50,569,244 |
| Uncommitted / (Overcommitted) Reserve Balance | \$ (711,304) | \$ (16,313,766) | \$ (21,323,147) | \$ (24,049,184) | \$ (14,033,476) |

Replace TCR Funding with Debenture \$ 14,348,000

| | | | | | |
|--|----------------------|-----------------------|-----------------------|-----------------------|-------------------|
| Uncommitted / (Overcommitted) New Reserve Balance | \$ 13,636,696 | \$ (1,965,766) | \$ (6,975,147) | \$ (9,701,184) | \$ 314,524 |
|--|----------------------|-----------------------|-----------------------|-----------------------|-------------------|

30. By replacing the Tax Capital Reserve funding on the two projects, the uncommitted reserve balance increases from (\$711K) to \$13.636M in 2021. As well, the projected overcommitted balance in 2025 improves by \$14.3M with expected overcommitted balance of \$314K. The table below shows the annual impact on the tax levy based on the year this additional debt is issued.

| \$14,348,000 | 2021 | 2022 | 2023 |
|---------------------|-------------|-------------|-------------|
| Issued in 2021 | \$800,312 | \$800,312 | |
| Issued in 2022 | | \$810,394 | \$810,394 |

Using \$14.3M of tax supported debt would greatly improve the health of the Tax Capital Reserve; it would also add \$1.6M of new additional debt servicing costs to the operating budget. In addition, if any of this debt is to be issued in 2021, the additional 2021 debt servicing costs of \$800K would need to be funded from any year end surplus (which is not guaranteed) or the Tax Rate Stabilization Reserve.

31. From a Financial standpoint, using debt instead of directly financing from the Tax Capital reserve would help the balance within the overcommitted Tax Capital Reserve. However, the additional annual debt servicing costs of \$1.6M would greatly impact the 2022- and 2023-years budget. It is recommended that this option not be pursued at this time but instead be revisited as part of the 2022 budget process.

C. Motion 21-G-006 c) re projects that support Council's Strategic Priorities that could be accelerated using debt.

32. Staff along with the consulting group Watson and Associates, are currently working on updating the City's Long Range Financial Plan and related financial policies. As the City currently has a forecasted 5-year capital plan of \$982M dollars and has outstanding debt of \$316M. It is recommended that before utilizing more debt to advance strategic projects, Council first update the City's financial policy framework and provide direction in the 2022 budget direction report on which strategic projects to advance.

ENVIRONMENTAL AND CLIMATE CHANGE IMPACT MATTERS

33. There are no environmental and climate change impact matters related to the recommendations.

ALTERNATIVES

34. There are alternatives available for consideration by Finance and Corporate Services Committee:

Alternative #1

The Committee could choose scenario 3 - Advancing the 2021-23 issuance to 2021.

Even though this scenario takes full advantage of the current low interest rate environment and yields the most benefit in term of interest cost savings, it is not recommended based on the impact on the tax levy in 2021-22 in addition to the risk of issuing more debt than required.

Alternative #2

The Committee could maintain the 2021 plan as presented in the Business Plan.

This alternative is not recommended given the historic opportunity currently available to secure low interest rates. In addition to the interest cost savings, by issuing debt early rather than later, the City's liquidity position could be improved by recovering the money already spent on projects.

FINANCIAL

35. As demonstrated in section A under scenario 2, the potential interest cost savings are substantial and could amount to over \$277K over the life of the debt, should interest rates start rising as economic activity pick up.

LINKAGE TO 2018–2022 STRATEGIC PLAN

36. The recommendations included in this Staff Report are specifically related to the following goals identified in the 2018-2022 Strategic Plan.

Growing our economy

- Make it easier to do business and help businesses grow
- Provide serviced employment lands for end users

Building strong neighbourhoods

- Grow responsibly



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Appendix "A"

| Project ID | Project Name | Total Budget | Total Actuals To Date | Council Approved Debenture Funding | | | | | | | | Proposed Issuance Plan | | Total Approved Debenture Funding | | |
|--------------|--|-----------------------|-----------------------|------------------------------------|----------------------------------|----------------------|---------------------------------|---------------------|------------------------------------|---------------------|---|------------------------|----------------------|----------------------------------|--------------|---------------|
| | | | | Tax Debt | Can be Issued in 2021 (Tax Debt) | DC Debt | Can be Issued in 2021 (DC Debt) | Water Debt | Can be Issued in 2021 (Water Debt) | Wastewater Debt | Can be Issued in 2021 (Wastewater Debt) | 2021 | 2022 | | | |
| FC1064 | Allandale Historic Train Station Development | \$ 4,800,000 | \$ 2,616,930 | \$ 3,045,500 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 3,045,500 | \$ - | \$ 3,045,500 |
| FC1059 | BFES Station 3 Interior Renovations | \$ 935,558 | \$ 72,919 | \$ 900,000 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 900,000 | \$ - | \$ 900,000 |
| FC1147 | BFES Station 4 Renovation | \$ 1,060,000 | \$ 38,121 | \$ 1,000,000 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 1,000,000 | \$ - | \$ 1,000,000 |
| EN1286 | Big Bay Point Road ROW Expansion - Bayview | \$ 6,388,982 | \$ 2,609,805 | \$ - | \$ - | \$ 813,241 | \$ 813,241 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 813,241 | \$ - | \$ 813,241 |
| EN1167 | Dunlop Street East Corridor Improvements - 7 | \$ 16,179,999 | \$ 13,937,193 | \$ 4,500,000 | \$ 4,500,000 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 4,500,000 | \$ - | \$ 4,500,000 |
| EN1015 | Essa Road Right of Way Expansion - Bryn | \$ 7,092,084 | \$ 5,158,954 | \$ 459,576 | \$ 459,576 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 459,576 | \$ - | \$ 459,576 |
| EN1287 | Harvie Road and Big Bay Point Road New C | \$ 43,688,600 | \$ 32,755,653 | \$ 4,660,316 | \$ 4,660,316 | \$ 20,083,472 | \$ 20,083,472 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 24,743,788 | \$ - | \$ 24,743,788 |
| EN1273 | Hotchkiss Creek Culvert Expansion - Innisfil | \$ 3,440,000 | \$ 2,575,614 | \$ 1,404,000 | \$ 1,404,000 | \$ 351,000 | \$ 351,000 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 1,755,000 | \$ - | \$ 1,755,000 |
| EN1255 | Huron Road New Trunk Sanitary Sewer and | \$ 3,298,646 | \$ 558,324 | \$ 536,317 | \$ 536,317 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 536,317 | \$ - | \$ 536,317 |
| EN1314 | Hurst Drive Pavement Rehabilitation - Cox M | \$ 2,260,000 | \$ 1,607,128 | \$ 2,200,000 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 2,200,000 | \$ - | \$ 2,200,000 |
| EN1269 | Kidds and Sophia Creek Storm Pond Upgrad | \$ 6,079,523 | \$ 1,442,172 | \$ - | \$ - | \$ 900,000 | \$ 900,000 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 900,000 | \$ - | \$ 900,000 |
| EN1122 | Little Lk Sew Pump Station Upg | \$ 1,338,300 | \$ 1,109,642 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 1,038,300 | \$ 1,038,300 | \$ 1,038,300 | \$ - | \$ 1,038,300 | |
| EN1169 | Lovers Creek New Bridge - Tollendal Mill, 15 | \$ 5,149,295 | \$ 232,445 | \$ - | \$ - | \$ 1,495,000 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 1,495,000 | \$ - | \$ 1,495,000 |
| EN1097 | Mapleview Drive East Improvements - Count | \$ 17,709,400 | \$ 7,850,137 | \$ 1,290,000 | \$ 1,290,000 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 1,290,000 | \$ - | \$ 1,290,000 |
| EN1256 | McKay Road New Trunk Sanitary Sewer - Hw | \$ 5,292,547 | \$ 704,879 | \$ 756,382 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 756,382 | \$ - | \$ 756,382 |
| EN1257 | McKay Road ROW Expansion - Reid Drive to | \$ 21,650,206 | \$ 308,212 | \$ 855,976 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 855,976 | \$ - | \$ 855,976 |
| EN1276 | Salem Road New Transmission Watermain a | \$ 5,283,999 | \$ 2,359 | \$ 758,452 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 758,452 | \$ - | \$ 758,452 |
| EN1104 | Tiffin Street ROW Expansion - Hwy 400 Unde | \$ 6,100,000 | \$ 4,384,891 | \$ 1,771,000 | \$ 1,771,000 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 1,771,000 | \$ - | \$ 1,771,000 |
| EN1294 | Watermain CIPP Lining Program | \$ 4,090,000 | \$ 1,341,880 | \$ - | \$ - | \$ - | \$ - | \$ 1,020,000 | \$ 1,020,000 | \$ - | \$ - | \$ - | \$ - | \$ 1,020,000 | \$ - | \$ 1,020,000 |
| EN1127 | WWTF Biosolids Storage Tank Mixers | \$ 4,817,785 | \$ 833,947 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 3,548,000 | \$ - | \$ - | \$ - | \$ 3,548,000 | \$ - | \$ 3,548,000 |
| Total | | \$ 166,654,925 | \$ 80,141,205 | \$ 24,137,519 | \$ 14,621,209 | \$ 23,642,713 | \$ 22,147,713 | \$ 1,020,000 | \$ 1,020,000 | \$ 4,586,300 | \$ 1,038,300 | \$ 38,827,222 | \$ 14,559,310 | \$ 53,386,532 | | |

Note: the decision to issue in 2021 is based on Actuals to date exceeding the approved debenture funding. If the project does not meet the criteria it is deferred for issuance in 2022.

Appendix "B"



STANDARD RATES: SPOTS

Rate updated on: 19-Mar-21

► Primary Sector

| | Construction | 0.60% |
|-----|--------------|--------|
| | Amortizer | Serial |
| 5Y | 1.38% | 1.37% |
| 10Y | 2.13% | 2.10% |
| 15Y | 2.56% | 2.52% |
| 20Y | 2.83% | 2.77% |
| 25Y | 3.02% | 2.95% |
| 30Y | 3.13% | 3.05% |



REPORT TO FINANCE AND CORPORATE SERVICES COMMITTEE

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Appendix "C"

| CAD Canada Sovereign Curve | | | | | | | | | | | | |
|---|--------|-----------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| 5) Export 6) Graph 7) Notice Forward Curve Matrix | | | | | | | | | | | | |
| CAD Canada Sovereign Curve Mid Yield Conventional << Curve List * | | | | | | | | | | | | |
| Two Curve Spreads | | | | | | | | | | | | |
| Select a curve under "Curve List" for two curre... Bid Yield Conventional | | | | | | | | | | | | |
| Forward Curve Date 03/19/21 | | | | | | | | | | | | |
| Spot Coupon Zero OIS Discounting | | | | | | | | | | | | |
| Forwards | | | | | | | | | | | | |
| Tenors | Coupon | 3/19/2021 | 3Mo | 6Mo | 1Yr | 2Yr | 3Yr | 4Yr | 5Yr | 10Yr | 15Yr | 30Yr |
| 3Mo | 0.0860 | 0.0910 | 0.1879 | 0.1923 | 0.3446 | 0.9319 | 1.5858 | 1.6835 | 1.7792 | 2.4119 | 2.4252 | 2.2477 |
| 6Mo | 0.1305 | 0.1400 | 0.1896 | 0.2054 | 0.3485 | 0.9432 | 1.6516 | 1.7334 | 1.8024 | 2.4459 | 2.4459 | 2.2789 |
| 1Yr | 0.1670 | 0.1767 | 0.2368 | 0.2765 | 0.4231 | 0.9381 | 1.6646 | 1.8360 | 1.7881 | 2.4326 | 2.4259 | 2.2665 |
| 2Yr | 0.2574 | 0.3033 | 0.4037 | 0.4968 | 0.6795 | 1.2997 | 1.7495 | 1.8123 | 1.9396 | 2.4293 | 2.4259 | 2.2634 |
| 3Yr | 0.5217 | 0.5184 | 0.6357 | 0.7597 | 1.0051 | 1.4756 | 1.7622 | 1.9045 | 2.0447 | 2.4282 | 2.4260 | 2.2624 |
| 4Yr | 0.8934 | 0.7969 | 0.8960 | 0.9930 | 1.2091 | 1.5520 | 1.8429 | 1.9910 | 2.1540 | 2.4277 | 2.4275 | 2.2619 |
| 5Yr | 1.0021 | 0.9971 | 1.0831 | 1.1626 | 1.3208 | 1.6563 | 1.9233 | 2.0878 | 2.1983 | 2.4286 | 2.4272 | 2.2628 |
| 6Yr | 1.1515 | 1.1237 | 1.1990 | 1.2806 | 1.4441 | 1.7525 | 2.0138 | 2.1347 | 2.2351 | 2.4282 | 2.4063 | 2.2624 |
| 7Yr | 1.2773 | 1.2626 | 1.3317 | 1.4060 | 1.5546 | 1.8524 | 2.0635 | 2.1744 | 2.2606 | 2.4279 | 2.3869 | 2.2621 |
| 8Yr | 1.3901 | 1.3835 | 1.4453 | 1.5183 | 1.6644 | 1.9141 | 2.1061 | 2.2035 | 2.2795 | 2.4277 | 2.3730 | 2.2619 |
| 9Yr | 1.5252 | 1.5008 | 1.5572 | 1.6161 | 1.7380 | 1.9670 | 2.1386 | 2.2259 | 2.2942 | 2.4282 | 2.3616 | 2.2624 |
| 10Yr | 1.5806 | 1.5838 | 1.6313 | 1.6876 | 1.8010 | 2.0082 | 2.1643 | 2.2438 | 2.3066 | 2.4280 | 2.3525 | 2.2622 |
| 20Yr | 1.9174 | 1.9578 | 1.9845 | 2.0138 | 2.0730 | 2.1814 | 2.2618 | 2.2992 | 2.3268 | 2.3561 | 2.3124 | 2.2619 |
| 30Yr | 2.0446 | 2.0413 | 2.0566 | 2.0782 | 2.1222 | 2.2024 | 2.2618 | 2.2894 | 2.3100 | 2.3316 | 2.2991 | 2.2620 |

Grey values are extrapolated.

Suggested Functions **FWCV** See how forward curves move over time **ICVS** Analyze & customize interest rate curves