


TO: Mayor J. Lehman and Members of Council

FROM: C. Millar, MBA, CGA, CPA, Director of Finance and Treasurer

NOTED: P. Elliott-Spencer, MBA, CPA, CMA, General Manager of Community and Corporate Services *cm for PE*
C. Ladd, Chief Administrative Officer 

RE: 2016 Debenture Issuance

DATE: February 8, 2016

This memo is to provide Council with an update on the Financing Agreement (The Agreement) between The Corporation of the City of Barrie and the Ontario Infrastructure and Lands Corporation (OILC) pertaining to debentures in the amount of \$34,102,135 scheduled to close February 16, 2016.

Interest Rate Offer

The Agreement states that "A rate confirmation letter will be sent to the Municipality by OILC confirming the interest rate to be offered for the Debenture".

On January 29, 2016 staff received rate confirmation letters from OILC confirming an interest rate offer of 2.34% on 10 year debentures in the amount of \$11,499,155, and 3.20% on 20 year debentures in the amount of \$22,602.98 (Appendix A – attached). The 2016 Business Plan anticipated an interest rate of 2.39% on 10 year and 3.27% on 20 year debentures which represents annualized interest savings of approximately \$21K.

The final terms of the debentures are as follows:

Principal amount of the debenture	\$11,499,155
Term	10 years
Type	Amortizing
Interest Rate	2.34%
Closing Date	February 16, 2016
Maturing	February 16, 2026

Principal amount of the debenture	\$22,602,980
Term	20 years
Type	Amortizing
Interest Rate	3.20%
Closing Date	February 16, 2016

Maturing	February 16, 2036
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The Mayor and Treasurer have confirmed that these are the Terms for the Debentures to be issued by The Corporation of the City of Barrie to OILC.

Annual Repayment Limit (ARL)

Provincial legislation prohibits municipalities from utilizing more than 25% of their ARL without approval of the Minister. The ARL limit is based on the City's own source revenues including property taxes, water and wastewater rate revenues and user fees. The City of Barrie has adopted a more restrictive limit of 20%.

After issuing this debenture the City will have utilized approximately 10% of its ARL by 2017, which is well below the City's limit of 20%.



C. Millar, MBA, CGA, CPA
Director of Finance and Treasurer

APPENDIX A

INTEREST RATE OFFER – 10 YEAR

Infrastructure Ontario

777 Bay Street, 9th Floor
Toronto, Ontario M5G 2C8
Tél.: 416 212-7289
Fax: (416) 263-5900

Infrastructure Ontario

777, rue Bay, 9^e étage
Toronto, Ontario M5G 2C8
Tél. : 416 212-7289
Télééc. : (416) 263-5900



VIA EMAIL

The Corporation of the City of Barrie

Dear Mr. Millar,

Re: OILC Debenture Terms

Further to our offer to purchase a debenture on February 16, 2016, please find attached a Debenture Term Sheet outlining the term, interest rate and amount of the aforementioned debenture as well as a Repayment Schedule. As indicated in the attached documents, the debenture will carry an interest rate of 2.34% p.a. (compounded semi-annually), principal amount of \$11,499,155.00, term of 10 years and with a closing date of February 16, 2016.

We must receive your acceptance of these terms by 3pm.

To accept the debenture terms, please sign and seal the attached OILC Debenture Term Sheet, fax to the attention of Cynthia Kwan, Senior Loan Officer at (416) 263-5900 or Cynthia.kwan@infrastructureontario.ca and mail originals.

Once the terms are accepted, OILC will email your debenture documents within 1-2 days and the debenture by-law (to be provided) should be passed by council on February 08, 2016. If the terms are refused, all advances received to date must be repaid in immediately available funds pursuant to section 12 of the Financing Agreement by February 16, 2016.

All original signed and sealed debenture documents (including an external legal opinion) must be received by OILC on or before February 15, 2016 and will be held in escrow until the closing day.

OILC will review the original debenture documents and, provided that all documentation is in order, OILC will purchase the debenture on February 16, 2016. Your external legal

APPENDIX A (Continued)

INTEREST RATE OFFER – 10 YEAR

counsel must contact Navin Katyal, Director Legal Services, at navin.katyal@infrastructureontario.ca by 10 a.m. on the closing day to release the debenture documents from escrow. OILC must also receive any final documentation outstanding prior to 10 a.m. on the closing day. Should any required documentation fail to be delivered, OILC will rely on the remedies for default and termination in the Financing Agreement.

It is our pleasure to work with you on this municipal infrastructure loan program. If you have any questions or concerns, please do not hesitate to contact Cynthia Kwan at (416) 212-3451.

Yours truly,



Jennifer Hutcheon
Vice President, Loan Operations and Customer Relations
Ontario Infrastructure and Lands Corporation (OILC)

APPENDIX A (Continued)

INTEREST RATE OFFER – 10 YEAR

Infrastructure Ontario

1 Dundas Street West
Suite 2000
Toronto, Ontario M5G 2L5
Phone: 416-212-3451

OILC DEBENTURE TERM SHEET

The Corporation of the City of Barrie

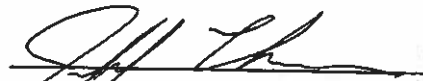

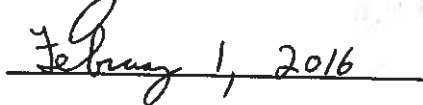
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Term	10 years
Type	amortizing
Interest Rate	2.34%
Closing Date	February 16, 2016

We confirm that these are the Terms for the Debenture to be issued by The Corporation of the City of Barrie to OILC.

Mayor

Treasurer

Date

PLEASE EMAIL TO CYNTHIA.KWAN@INFRASTRUCTUREONTARIO.CA BY 3PM,
IN ORDER TO CONFIRM YOUR ACCEPTANCE OF THIS OFFER.

APPENDIX A (Continued)

INTEREST RATE OFFER – 10 YEAR

LOAN AMORTIZATION SCHEDULE

Loan.....: 1456
 Name.....: The Corporation of The City of Barrie
 Principal: 11,499,155.00
 Rate.....: 02.3400
 Term.....: 120
 Paid.....: Semi-annual
 Matures...: 02/16/2026

Pay #	Date	Amount Due	Principal Due	Interest Due	Rem. Principal
1	08/16/2016	648,190.74	513,650.63	134,540.11	10,985,504.37
2	02/16/2017	648,190.74	519,660.34	128,530.40	10,465,844.03
3	08/16/2017	648,190.74	525,740.36	122,450.38	9,940,103.67
4	02/16/2018	648,190.74	531,891.53	116,299.21	9,408,212.14
5	08/16/2018	648,190.74	538,114.66	110,076.08	8,870,097.48
6	02/16/2019	648,190.74	544,410.60	103,780.14	8,325,686.88
7	08/16/2019	648,190.74	550,780.20	97,410.54	7,774,906.68
8	02/16/2020	648,190.74	557,224.33	90,966.41	7,217,682.35
9	08/16/2020	648,190.74	563,743.86	84,446.88	6,653,938.49
10	02/16/2021	648,190.74	570,339.66	77,851.08	6,083,598.83
11	08/16/2021	648,190.74	577,012.63	71,178.11	5,506,586.20
12	02/16/2022	648,190.74	583,763.68	64,427.06	4,922,822.52
13	08/16/2022	648,190.74	590,593.72	57,597.02	4,332,228.80
14	02/16/2023	648,190.74	597,503.66	50,687.08	3,734,725.14
15	08/16/2023	648,190.74	604,494.46	43,696.28	3,130,230.68
16	02/16/2024	648,190.74	611,567.04	36,623.70	2,518,663.64
17	08/16/2024	648,190.74	618,722.38	29,468.36	1,899,941.26
18	02/16/2025	648,190.74	625,961.43	22,229.31	1,273,979.83
19	08/16/2025	648,190.74	633,285.18	14,905.56	640,694.65
20	02/16/2026	648,190.78	640,694.65	7,496.13	0.00
		12,963,814.84	11,499,155.00	1,464,659.84	

APPENDIX A (Continued)

INTEREST RATE OFFER – 20 YEAR

Infrastructure Ontario
777 Bay Street, 9th Floor
Toronto, Ontario M5G 2C8
Tel.: 416 212-7289
Fax: (416) 263-5900

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777, rue Bay, 9^e étage
Toronto, Ontario M5G 2C8
Tél. : 416 212-7289
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VIA EMAIL

The Corporation of the City of Barrie

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Re: OILC Debenture Terms

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We must receive your acceptance of these terms by 3pm.

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APPENDIX A (Continued)

INTEREST RATE OFFER – 20 YEAR

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Yours truly,



Jennifer Hutcheon
Vice President, Loan Operations and Customer Relations
Ontario Infrastructure and Lands Corporation (OILC)

APPENDIX A (Continued)

INTEREST RATE OFFER – 20 YEAR

Infrastructure Ontario

1 Dundas Street West
Suite 2000
Toronto, Ontario M5G 2L5
Phone: 416-212-3451

OILC DEBENTURE TERM SHEET

The Corporation of the City of Barrie

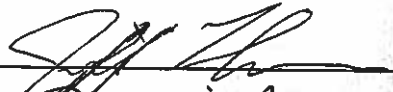

Principal amount of the debenture	\$22,602,980.00
Term	20 years
Type	amortizing
Interest Rate	3.20%
Closing Date	February 16, 2016

We confirm that these are the Terms for the Debenture to be issued by The Corporation of the City of Barrie to OILC.

Mayor

Treasurer

Date



February 1, 2016

PLEASE EMAIL TO CYNTHIA.KWAN@INFRASTRUCTUREONTARIO.CA BY 3PM,
IN ORDER TO CONFIRM YOUR ACCEPTANCE OF THIS OFFER.

APPENDIX A (Continued)

INTEREST RATE OFFER – 20 YEAR

LOAN AMORTIZATION SCHEDULE

Loan.....: 1455
 Name.....: The Corporation of The City of Barrie
 Principal: 22,602,980.00
 Rate.....: 03.2000
 Term.....: 240
 Paid.....: Semi-annual
 Matures...: 02/16/2036

Pay # Date	Amount Due	Principal Due	Interest Due	Rem. Principal
1 08/16/2016	769,414.83	407,767.15	361,647.68	22,195,212.85
2 02/16/2017	769,414.83	414,291.42	355,123.41	21,780,921.43
3 08/16/2017	769,414.83	420,920.09	348,494.74	21,360,001.34
4 02/16/2018	769,414.83	427,654.81	341,760.02	20,932,346.53
5 08/16/2018	769,414.83	434,497.29	334,917.54	20,497,849.24
6 02/16/2019	769,414.83	441,449.24	327,965.59	20,056,400.00
7 08/16/2019	769,414.83	448,512.43	320,902.40	19,607,887.57
8 02/16/2020	769,414.83	455,688.63	313,726.20	19,152,198.94
9 08/16/2020	769,414.83	462,979.65	306,435.18	18,689,219.29
10 02/16/2021	769,414.83	470,387.32	299,027.51	18,218,831.97
11 08/16/2021	769,414.83	477,913.52	291,501.31	17,740,918.45
12 02/16/2022	769,414.83	485,560.13	283,854.70	17,255,358.32
13 08/16/2022	769,414.83	493,329.10	276,085.73	16,762,029.22
14 02/16/2023	769,414.83	501,222.36	268,192.47	16,260,806.86
15 08/16/2023	769,414.83	509,241.92	260,172.91	15,751,564.94
16 02/16/2024	769,414.83	517,389.79	252,025.04	15,234,175.15
17 08/16/2024	769,414.83	525,668.03	243,746.80	14,708,507.12
18 02/16/2025	769,414.83	534,078.72	235,336.11	14,174,428.40
19 08/16/2025	769,414.83	542,623.98	226,790.85	13,631,804.42
20 02/16/2026	769,414.83	551,305.96	218,108.87	13,080,498.46
21 08/16/2026	769,414.83	560,126.85	209,287.98	12,520,371.61
22 02/16/2027	769,414.83	569,088.88	200,325.95	11,951,282.73
23 08/16/2027	769,414.83	578,194.31	191,220.52	11,373,088.42
24 02/16/2028	769,414.83	587,445.42	181,969.41	10,785,643.00
25 08/16/2028	769,414.83	596,844.54	172,570.29	10,188,798.46
26 02/16/2029	769,414.83	606,394.05	163,020.78	9,582,404.41
27 08/16/2029	769,414.83	616,096.36	153,318.47	8,966,308.05
28 02/16/2030	769,414.83	625,953.90	143,460.93	8,340,354.15
29 08/16/2030	769,414.83	635,969.16	133,445.67	7,704,384.99
30 02/16/2031	769,414.83	646,144.67	123,270.16	7,058,240.32
31 08/16/2031	769,414.83	656,482.98	112,931.85	6,401,757.34
32 02/16/2032	769,414.83	666,986.71	102,428.12	5,734,770.63
33 08/16/2032	769,414.83	677,658.50	91,756.33	5,057,112.13
34 02/16/2033	769,414.83	688,501.04	80,913.79	4,368,611.09
35 08/16/2033	769,414.83	699,517.05	69,897.78	3,669,094.04
36 02/16/2034	769,414.83	710,709.33	58,705.50	2,958,384.71

APPENDIX A (Continued)

INTEREST RATE OFFER – 20 YEAR

37 08/16/2034	769,414.83	722,080.67	47,334.16	2,236,304.04
38 02/16/2035	769,414.83	733,633.97	35,780.86	1,502,670.07
39 08/16/2035	769,414.83	745,372.11	24,042.72	757,297.96
40 02/16/2036	769,414.73	757,297.96	12,116.77	0.00

 30,776,593.10 22,602,980.00 8,173,613.10