



THE REGIONAL MUNICIPALITY OF PEEL

DEBT ISSUANCE COMMITTEE

MINUTES

DEBT-2011-2

The Debt Issuance Committee met on Monday, October 3, 2011, at 10:00 a.m. in the Council Chamber, Regional Administrative Headquarters, Suite A, 10 Peel Centre Drive, Brampton.

Members Present: E. Kolb, Regional Chair; R. Whitehead, Regional Council, Chair of Management Section; N. Trim, Chief Financial Officer and Commissioner of Corporate Services

Absent: D. Szwarc, Chief Administrative Officer

Also Present: D. Bingham, Treasurer and Director, Corporate Finance; P. Pohl, Senior Treasury and Portfolio Manager; R. Maciver, Legal Counsel; A. Macintyre, Deputy Regional Clerk, H. West, Committee Clerk

Chaired by Regional Chair Kolb.

1. **DECLARATIONS OF CONFLICTS OF INTEREST - Nil**

2. **APPROVAL OF AGENDA**

Moved by R. Whitehead;
Seconded by N. Trim;

That the agenda for the October 3, 2011, Debt Issuance Committee meeting, be approved.

Carried

2011-977

3. **REPORTS**

a) **Terms of Debt Issue (Oral)**

Presentation by D. Bingham, Treasurer and Director of Corporate Finance

Received

2011-978

See also Resolution 2011-979

* See text for arrivals

♦ See text for departures

David Bingham, Treasurer and Director of Corporate Finance provided information on the equity and bond market and fluctuating volatility due to the recession and global economy. He stated that the Regional Municipality of Peel has been well received in meeting with global investors and staff from the Canadian Debt Issuance Syndicate who were presented with an information sheet regarding the Region's organizational background, credit strength, financial and economic summary for their discussions with potential investors. David Bingham noted that the Region's 'state of good repair' reserves plus Council's renewal of the 1% and 3% increases to tax and utility rates to continue to build these reserves were viewed favourably by potential investors.

A debenture issue in the amount of \$200,000,000 will be issued over a 10 year period with an option to refinance for a further 10 years after December 1, 2021 as well as a plan to re-open the issue next year to build to a combined size that investors find more attractive.

David Bingham stated that the Town of Caledon had requested a 20 year debenture issue of \$641,088 for the Fire Aerial Apparatus which was approved by Regional Council at its meeting on September 22, 2011. Since the current issue is for slightly more than 10 years, Regional staff informed Town of Caledon staff and an agreement was reached that should the Town need to re-finance the anticipated balance of approximately \$357,000 remaining at December 1, 2021, the re-financing term would have to be slightly less than 10 years. Councillor Whitehead confirmed the debenture issue noting that if the growth rate continues as anticipated, then the Town of Caledon may be in a position to pay off the remaining amount in 10 years.

Regional Chair Kolb inquired what the interest rate will be on the debenture issue. David Bingham responded that the investors will receive 3.5 per cent and with additional administrative costs the Regional Municipality of Peel will pay 3.622 per cent on the issue.

Councillor Whitehead suggested that staff calculate the development charge revenues to be received in future years to determine the minimum amount of growth required to meet the financial obligation of the debenture issue. He noted that although the Official Plan calculates growth to 2031, he requested staff provide the information should the growth rates be slower than anticipated. Norma Trim, Chief Financial Officer and Commissioner of Corporate Services undertook to provide the information as part of the Reserve report to be presented to Regional Council during Fall, 2011.

Committee Members suggested that an information sheet with highlights of the Region's debenture borrowing be presented to Members of Regional Council.

David Bingham announced that two small debenture issues will be presented on October 13, 2011 in the amount of \$2,000,000 each (total of \$4,000,000) for the Federation Canadian Municipalities Green Municipal Fund.

4. BY-LAWS**Three Readings:**

By-law 164-2011: To authorize the borrowing upon sinking fund debentures in the aggregate principal amount of \$200,000,000 for the capital works of The Regional Municipality of Peel.

Moved by R. Whitehead,
Seconded by N. Trim;

That the by-law listed on the Debt Issuance Committee agenda, being By-law 164-2011, be given the required number of readings, taken as read, signed by the Regional Chair and the Deputy Clerk, and the Corporate Seal be affixed thereto.

Carried 2011-979

See also Resolution 2011-978

5. OTHER BUSINESS - Nil**6. CONFIRMING BY-LAW**

Moved by N. Trim,
Seconded by R. Whitehead;

That By-law 165-2011 to confirm the proceedings of the Debt Issuance Committee at its meeting held on October 3, 2011, and to authorize the execution of documents in accordance with the Region's by-laws relating thereto, be given the required number of readings, taken as read, signed by the Regional Chair and the Deputy Clerk and the Corporate Seal affixed thereto.

Carried 2011-980

7. ADJOURNMENT

The meeting adjourned at 11:02 a.m.

 Deputy Regional Clerk

 Regional Chair