



Staff Report

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Report To:	Council		
Date of Meeting:	May 30, 2022	Report Number:	FSD-022-22
Submitted By:	Trevor Pinn, Deputy CAO/Treasurer		
Reviewed By:	Robert Maciver, Deputy CAO/Solicitor	Resolution#:	
File Number:		By-law Number:	
Report Subject:	Debenture of South Bowmanville Recreation Centre		

Recommendations:

1. That Report FSD-022-22 and any related delegations or communication items, be received;
2. That, in accordance with resolution #GG-072-22, \$61,055,000 for the new South Bowmanville Recreation Centre, included in the 2022 capital budget, be funded through debenture;
3. That the Deputy CAO/Treasurer is authorized to make application to the Region of Durham for the necessary debenture, such terms at the discretion of the Deputy CAO/Treasurer not to exceed 20 years in any single issue;
4. That the Deputy CAO/Treasurer is authorized to split the debenture into phases at their discretion and in consultation with the Region of Durham; and
5. That all interested parties listed in Report FSD-022-22 and any delegations be advised of Council's decision.

Report Overview

During the 2022 Budget, Council approved three projects which would be financed through debentures. The Region of Durham is preparing their June 2022 debenture issuance, Staff are working with the Region of Durham on their legal and financial requirements related to this issuance.

The Region's legal advisors have asked for a resolution from Council approving the South Bowmanville Recreation Centre in a slightly different form than what was passed during the Budget deliberations. This is mainly a housekeeping matter as the intent of Council was clear; however the dollar amount was not explicitly included in the same motion (it was implied through a memo considered at the same meeting).

This report deals solely with the debenture financing aspect of the project.

1. Background

- 1.1 The Municipality of Clarington approved several capital projects in 2022 that will be funded through debenture financing. As Council is aware, the Region of Durham is responsible for the issuance of any long-term debt on behalf of the local municipalities in the Region.
- 1.2 The Region of Durham is currently working on a debenture issue in June this year. As a result, Staff have been working over the past three weeks to provide the Region with the required documentation and information to satisfy their financial and legal agents involved with the debenture issue.
- 1.3 The Region of Durham requires the authorizing resolution to be in place before they can go to Regional Council with a recommendation. To meet the Region's reporting deadline and given that this is mainly a housekeeping report, this report is being brought to Council at this time to ensure that we meet the June 2022 debenture deadlines of the Region of Durham.

2. South Bowmanville Recreation Centre

- 2.1 While Council approved the South Bowmanville Recreation Centre during the 2022 Budget Deliberations through GG-078-22 including that it was to be debentured, the amount of the debenture was not explicitly included in the resolution (it was included in a [Memo-002-22](#) to Committee that was considered as part of this discussion).
- 2.2 The legal advisors for the Region of Durham have asked that Council pass a resolution authorizing this project be debentured similarly to how the Newcastle Arena and Orono Arena projects were included in the 2022 budget resolutions.

- 2.3 Nothing in this resolution changes the direction already given to Staff as part of the 2022 Budget on how to proceed with the construction of the South Bowmanville Recreation Centre. This resolution clearly articulates the upset limit for the debenture, which was implied through the included memo.
- 2.4 The debenture for South Bowmanville Recreation Centre may be broken into phases to better meet the needs of the Region of Durham, however the total will not exceed \$61,055,000.

3. Concurrence

Not Applicable.

4. Conclusion

It is respectfully recommended that Council formalize the approval of the debenture for the South Bowmanville Recreation Centre.

Staff Contact: Trevor Pinn, CPA, CA, Deputy CAO/Treasurer, 905-623-3379 ext.2602 or tpinn@clarington.net.

Attachments:

Not Applicable

Interested Parties:

There are no interested parties to be notified of Council's decision.