



CORPORATE SERVICES DEPARTMENT

Report CS-2009-039

To: Mayor and Members of Council

From: Fuwing Wong, CGA
Treasurer, Manager of Budgets and Accounts

Meeting: October 20, 2009

Subject: Bridge Financing for Infrastructure Grant Capital Projects

RECOMMENDATION

That Report CS-2009-039 regarding Bridge Financing for Infrastructure Grant Capital Projects be received; and

That the Treasurer be authorized to secure short-term/bridge financing, to a maximum of \$10,400,000, for Community Adjustment Fund grant and Recreation Infrastructure Canada grant infrastructure capital projects identified in Schedule A of this report; and

That the Town of Caledon Council requests the Region of Peel to proceed with the necessary reports and Regional Council by-laws required to secure a maximum of \$10,400,000 of bridge financing for the Town.

ORIGIN/BACKGROUND/DISCUSSION

The Town of Caledon will receive a total of \$10,400,332 of Community Adjustment Fund (CAF) and Recreation Infrastructure Canada (RInC) grant funding for various infrastructure capital projects outlined in Schedule A. Grant funding for these projects are provided with the understanding that the Town will complete the capital works over the next six months (in the case of the CAF grant for the Caledon Community Complex Arena Phase II) or 18 months (in the case of some of the major RInC Program grant projects).

In order to meet the firm completion and invoice cut-off dates for the grant funding eligibility, the Town may be required to pay construction contractors and other vendors in advance of receiving grant monies. Based on a total grant amount of \$10,400,332 from the Community Adjustment Fund grant and the Recreation Infrastructure Canada grant, the Town may be required to enter into short-term/bridge financing agreements, through the Region of Peel, for cash flow purposes.

It is therefore recommended that the Treasurer be authorized to secure short-term/bridge financing, to a maximum of \$10,400,000, for major construction projects identified in Schedule A of this report.



As required, the Treasurer will analyze the short-term borrowing requirements, borrowing options available to the Town, and bring forward a borrowing by-law for the infrastructure projects in accordance with the Town's policies, the *Municipal Act, 2001* and Ontario Regulations.

Since the Town can only borrow funds through the upper-tier municipality, the Region of Peel, it is further recommended that Town of Caledon Council requests the Region of Peel to proceed with the necessary reports and Regional Council by-laws required to secure a maximum of \$10,400,000 of bridge financing for the Town.

FINANCIAL IMPLICATIONS

The total CAF and RInC grant funding is \$10,400,332 as outlined in Schedule A. It is therefore recommended that the upset limit to the bridge financing not exceed \$10,400,000 (\$10,400,332 rounded).

The \$10,400,000 is within the Town of Caledon's Debt and Financial Obligation limits determined and supplied, annually, by the Ministry of Municipal Affairs and Housing. Since some of the major RInC projects have a completion date of March 31, 2011, which is beyond the current term of Council, the short-term borrowing for these projects may impact the Town's future Debt and Financial Obligation Limits. The impact is not projected to be material in terms of amount or duration.

LEGAL IMPLICATIONS

Section 401 of the *Municipal Act* provides Municipalities authorization to incur debt. Further, the *Municipal Act* requires lower tier municipalities to arrange for debt through the upper tier level of government. *Ontario Regulation 403/02* outlines the calculation for Town's Debt and Financial Obligation Limit.

NEXT STEPS

Town staff will draft a borrowing by-law after completion of cash flow projections for the various grant-related infrastructure projects and confirmation from the funders regarding construction advances, processes and timelines for re-imburements. Also, Town staff will update the Town's calculation of the debt and financial obligation limit per *Ontario Regulation 403/02*.

CALEDON COMMUNITY WORK PLAN

Not applicable.

POLICIES/LEGISLATION

Municipal Act, 2001
Ontario Regulation 403/02



CONSULTATIONS

Nadia Koltun, Director of Legal Services, Town Counsel
Marc Seguin, Manager of Special Projects

ATTACHMENTS

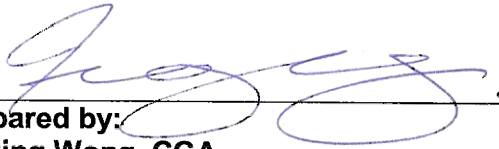
Schedule "A" – Community Adjustment Fund and Recreation Infrastructure Canada Grant Projects

CONCLUSION

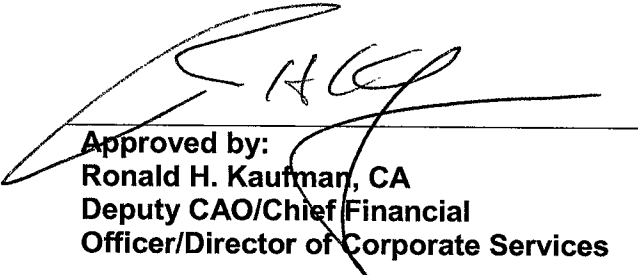
That Report CS-2009-039 regarding Bridge Financing for Infrastructure Grant Capital Projects be received; and

That the Treasurer be authorized to secure short-term/bridge financing, to a maximum of \$10,400,000, for Community Adjustment Fund grant and Recreation Infrastructure Canada grant infrastructure capital projects identified in Schedule A of this report; and

That the Town of Caledon Council requests the Region of Peel to proceed with the necessary reports and Regional Council by-laws required to secure a maximum of \$10,400,000 of bridge financing for the Town.



Prepared by:
Fuwing Wong, CGA
Treasurer/Manager Budgets and
Accounts



Approved by:
Ronald H. Kaufman, CA
Deputy CAO/Chief Financial
Officer/Director of Corporate Services



Approved by:
Douglas Barnes
Chief Administrative Officer

SCHEDULE A

TOWN OF CALEDON

COMMUNITY ADJUSTMENT FUND AND RECREATION INFRASTRUCTURE CANADA GRANT PROJECTS

Project	Total Project Cost	Amount of Grant Funding	Grant
Caledon Community Complex Arena Phase II	\$7,000,000	\$7,000,000	Community Adjustment Fund (CAF)
Mayfield Recreation Complex upgrading -Accessibility, energy and roof retrofits	\$1,500,000	\$990,000	Recreation Infrastructure Canada (RInC)
Alton Ballpark Washroom Building and Pavilion Reconstruction	\$210,000	\$140,000	Recreation Infrastructure Canada (RInC)
Caledon East Firehall Ballpark Washroom Building, Pavilion & parking lot reconstruction	\$297,500	\$198,332	Recreation Infrastructure Canada (RInC)
Caledon Trailway Resurfacing	\$210,000	\$140,000	Recreation Infrastructure Canada (RInC)
CCRW Youth Centre expansion	\$2,700,000	\$1,782,000	Recreation Infrastructure Canada (RInC)
Bolton Skatepark Expansion	\$240,000	\$150,000	Recreation Infrastructure Canada (RInC)
Total	\$12,157,500	\$10,400,332	