



Report to Committee of the Whole

From: Jennifer Ford, Director of Financial Services/Treasurer

Date: April 8, 2025

Subject: Terrace Lodge Redevelopment – Debenture Timeline

Recommendation(s):

THAT the report entitled “Terrace Lodge Redevelopment – Debenture Timeline” dated April 8, 2025 be approved by Council; and,

THAT the Warden, Chief Administrative Officer/Clerk, and Treasurer be approved to sign the necessary documents once received as per the outlined timelines of Infrastructure Ontario (IO); and,

THAT a By-Law be brought forward for Council to approve at the next Council meeting in order to meet the requirements of the debenture.

Introduction:

During the 2025 budget deliberations, staff brought forward information outlining the requirement to finalize the debenture process to borrow \$6M with Infrastructure Ontario (IO) for Terrace Lodge within 120 days of substantial completion of the project. Substantial completion has now been achieved, and staff have proceeded to implement Council's direction received during the 2025 budget process. This report is provided to share the timeline with Council and to ensure that obligations are met related to the By-Law approval.

Background and Discussion:

The debenture process outlined by IO has some tight timelines and must align with scheduled Council meetings in order to finalize the funding by May 1, 2025. Signatures and a By-Law to finalize the borrowings and supersede By-Law 22-35 are required to be completed throughout this process to avoid penalties. Staff have reviewed the outlined timelines internally and have confirmed with IO that the milestones within this timeline can be met. Below are further details received from IO related to navigation of the debenture process.

Financial Implications:

FA 1969 - Amortizing Debenture in the amount of **\$6,000,000.00** for a **10 year term**, compounding **Semi-Annually**;

April 3, 2025

- Preliminary debenture docs will be emailed by IO. These documents will outline the amount, term, and projects attached to each debenture to be issued on the Closing Day.

Upon receipt of these documents, please contact your legal counsel to ensure that they will be available to review the debenture by law, debenture certificate, supporting certificates of the treasurer and clerk, and to sign the template legal opinion and coordinate delivery of these documents to IO prior to the Closing Day. They will also need to be able to authorize the release of these documents from escrow to IO on the morning of the Closing Day.

April 8, 2025

Soft copy of the signed preliminary debenture docs to be received by IO, originals to follow by courier

Name and contact information of law firm to be provided to IO. Please provide us with the by-law number that you will be using to pass the Debenture By-law.

April 11, 2025

- Interest Rate confirmation emailed by IO around noon - to be signed and **sealed** by Mayor and Treasurer
- Signed and sealed Interest Rate confirmation to be received by IO no later than 3pm (please email me the soft copy and the originals to be sent with final debenture docs to the lawyer's office)

Please note: once the rate offer is signed and accepted, if the debenture by-law does not get passed at the council meeting or if the municipality elects not to take the debenture, the municipality will be required to pay a penalty as a result of not closing the debenture on the scheduled date

April 16, 2025

- Final debenture documents (including the debenture by-law template, debenture certificate and legal opinion letter) to be emailed by Infrastructure Ontario after Interest Rate Confirmation is received
 - Upon receipt of these documents, please contact your legal counsel to ensure that they will be available to review the debenture by law, debenture certificate, supporting certificates of the treasurer and clerk, and to sign the template legal opinion and coordinate delivery of these documents to IO prior to the Closing Day. They will also need to be able to authorize the release of these documents from escrow to IO on the morning of the Closing Day.

April 22, 2025 (council meeting date)

- Debenture By-Law to be passed at Council meeting

April 25, 2025

- All original signed and sealed debenture documents to be received by Infrastructure Ontario in PDF format, which will be held in escrow until municipality's external counsel authorizes their release by email on the morning of the Closing Date

May 1, 2025 (closing date)

- your external legal counsel must contact IO Debenture Closings at debentureclosings@infrastructureontario.ca by **10 a.m. on the morning of closing** to release the documents from escrow so that IO may proceed with the transaction

Advancement of the Strategic Plan:

Although the subject of this report does not directly relate to advancing a specific priority in Council's Strategic Plan and relates more to general operations of the corporation, it does directly relate to ensuring responsible and sustainable financial management for the County.

Local Municipal Partner Impact:

None.

Communication Requirements:

None.

Conclusion:

The debenture will finalize \$6M in borrowings for the Terrace Lodge Redevelopment Project. Staff bring this report forward to ensure that the timelines outlined by Infrastructure Ontario are met in accordance with our contractual obligations.

All of which is Respectfully Submitted

Approved for Submission

Jennifer Ford
Director of Financial Services/Treasurer

Blaine Parkin
Chief Administrative Officer/Clerk