

Supplementary Report – Interest Rate for Debenture to the Canada Mortgage and Housing Corporation

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| Date: | January 21, 2010 |
| To: | Debenture Committee |
| From: | Deputy City Manager and Chief Financial Officer |
| Wards: | All |
| Reference Number: | P:\2010\Internal Services\Cf\Dc10007cf (AFS #11282) |

SUMMARY

This supplementary report discloses the interest rate to be applied to the debenture for \$57,743,758 to be issued to the Canada Mortgage and Housing Corporation (CMHC), subject to the Debenture By-Law being adopted by Debenture Committee.

RECOMMENDATIONS

The Deputy City Manager and Chief Financial Officer recommends that:

1. The interest rate for the fifteen year amortizing debenture in aggregate principal amount of \$57,743,758 to be issued to CMHC be approved at 3.98%.
2. Authority be granted for the introduction of the necessary bills to the Debenture Committee and authorize the appropriate City officials to take the necessary actions to give effect thereto.

Financial Impact

The interest rate of 3.98% has been set by CMHC. The cost to the City for the payment of interest and principal will be funded through the City's Operating Budget.

BACKGROUND

The Debenture Committee has before it a report recommending approval to issue a debenture to CMHC under the Municipal Infrastructure Lending Program. The interest

rate on that debenture was set subsequent to signing of that report. This report provides the interest rate for the debenture.

COMMENTS

Canada Mortgage and Housing Corporation determined the interest rate to be charged on January 21, 2010. The interest rate is 3.98%.

Delivery of the debenture and the receipt of proceeds from CMHC will occur on February 1st, 2010, subject to the Debenture By-law being adopted by the Debenture Committee.

Annual principal and interest payments will be made over the 15 year amortization period on the anniversary date when the debenture is issued on February 1, 2010.

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SIGNATURE

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