

<b>TO:</b>	<b>CHAIR AND MEMBERS CORPORATE SERVICES COMMITTEE MEETING ON MARCH 30, 2016</b>
<b>FROM:</b>	<b>MARTIN HAYWARD MANAGING DIRECTOR, CORPORATE SERVICES AND CITY TREASURER, CHIEF FINANCIAL OFFICER</b>
<b>SUBJECT:</b>	<b>GREEN MUNICIPAL FUND – COMBINED LOAN AND GRANT AGREEMENT UPDATE</b>

<b>RECOMMENDATION</b>
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It is recommended that;

1. the issue of a ten (10) year 2.25% amortizing debenture for \$3,048,000 to the Federation of Canadian Municipalities (FCM), as Trustee of the Green Municipal Fund, to close on April 29, 2016, **BE CONFIRMED**; and
2. the attached proposed By-Law **BE INTRODUCED** at the Municipal Council meeting of April 5, 2016, for three readings to authorize the borrowing upon amortizing debentures for a 10-year term in the amount of \$3,048,000 towards the cost of the Canada Games Aquatic Centre Renewal and Energy Retrofit Program Phase IV Project of the Corporation of the City of London.

<b>PREVIOUS REPORTS PERTINENT TO THIS MATTER</b>
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Green Municipal Fund – Combined Loan and Grant Agreement (June 15, 2015 meeting of the Corporate Services Committee, Agenda Item 5)

<http://sire.london.ca/agdocs.aspx?doctype=agenda&itemid=35162>

Single Source 2013 Facility Renewal and Energy Retrofit Program Phase IV (June 18, 2013 meeting of the Corporate Services Committee, Agenda Item 2)

<http://sire.london.ca/agdocs.aspx?doctype=agenda&itemid=20502>

<b>BACKGROUND</b>
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Municipal Council, at its session on June 25, 2015, approved the Loan Agreement between the Corporation of the City of London and the Federation of Canadian Municipalities (FCM), as Trustee of the Green Municipal Fund, for capital financing of \$3,048,000. At this time, Civic Administration is seeking permanent financing for \$3,048,000 through the issuance of a debenture to FCM. Per the agreement, the maximum amount of financing available through FCM for this project is \$3,048,000.

The annual interest rate, as determined by section 2.06 of the agreement, shall be 2.25%.

**Borrowing (Debenture) By-law**

The by-law to be introduced on April 5, 2016, will allow the Corporation of the City of London to borrow upon an amortizing debenture from FCM, as Trustee of the Green Municipal Fund, for the debenture term and amount identified as well as authorize the Mayor, the City Treasurer, and the City Clerk to execute all documents and other papers in the name of the Municipality in order to carry out the issue of the debenture.

The schedules that accompany the by-law provide the following:

- Schedule A – Project to be financed by debenture
- Schedule B – Debenture certificate
- Schedule C – Amortizing debenture schedule (repayment schedule)

The by-law to be introduced to Municipal Council on April 5, 2016, will allow the issuance to be closed on April 29, 2016.

**Financial Impact**

The financial impact of this debt issuance has been accounted for in the 2016-2019 operating budget for debt servicing costs.

**Acknowledgements**

Legal support in connection with this issuance, including preparation of the attached proposed by-law, is provided by the law firm of Borden Ladner Gervais LLP (BLG) in Toronto, Ontario.

PREPARED BY:	REVIEWED BY:
<b>Annette Ripepi Manager, Accounting &amp; Reporting</b>	<b>Jason Senese Manager of Financial Planning &amp; Policy</b>
CONCURRED BY:	RECOMMENDED BY:
<b>Larry Palarchio Director of Financial Planning &amp; Policy</b>	<b>Martin Hayward Managing Director, Corporate Services and City Treasurer, Chief Financial Officer</b>

Attach.