

## COUNCIL REPORT

M&C No.	2019-317
Report Date	November 22, 2019
Meeting Date	December 02, 2019
Service Area	Finance and Administrative Services

His Worship Mayor Don Darling and Members of Common Council

***SUBJECT: Terms of the Fall 2019 Debenture Issue***

***OPEN OR CLOSED SESSION***

This matter is to be discussed in open session of Common Council.

***AUTHORIZATION***

Primary Author	Commissioner	City Manager
<b><i>Craig Lavigne</i></b>	<b><i>Kevin Fudge</i></b>	<b><i>John Collin</i></b>

***RECOMMENDATION***

It is recommended that this report be received and filed.

***EXECUTIVE SUMMARY***

On October 31, 2019 the New Brunswick Municipal Finance Corporation negotiated the sale of a serial bond issue in the amount of \$108,400,000 of which \$14,400,000 related to the City of Saint John.

***PREVIOUS RESOLUTION***

M&C 2019 -216

**RESOLVED** that occasion having arisen in the public interest for the following Public Civic Works and needed Civic Improvements that the City of Saint John proposes issue of the following debentures to be dated on or after August 28<sup>th</sup>, 2019:

**GENERAL FUND**

Protective Services	\$	3,100,000	
Transportation Services	\$	3,500,000	
Economic Development	\$	600,000	
Parks and Recreation	\$	<u>200,000</u>	<b>\$7,400,000</b>

**REFINANCE DEBENTURES**

Debenture No. BB 13- 2009	\$	2,830,000
(General Fund – 5 years)		

---

Debenture No. BB 14 -2009 (Water & Sewerage – 10 years)	\$ 2,500,000	
Debenture No. BB 15 -2009 (Transit – 5 years)	<u>\$ 1,670,000</u>	<b>\$7,000,000</b>
<b>TOTAL</b>		<b><u>\$ 14,400,000</u></b>

**THEREFORE RESOLVED** that debentures be issued under provisions of the Acts of Assembly 52, Victoria, Chapter 27, Section 29 and amendments thereto, to the amount of \$ 14,400,000.

**REPORT**

The terms of the issue as they relate to Saint John are as follows:

Term:	5 year serial form (General)	\$ 2,830,000
	15 year serial form (General)	\$ 7,400,000
	5 year serial form (Transit)	\$ 2,500,000
	10 year serial form (Water)	\$ 1,670,000

Coupon Rate:	Year 1 - 1.95%	Year 6 - 2.20%	Year 11 – 2.50%
	Year 2 - 1.95%	Year 7 - 2.25%	Year 12 – 2.60%
	Year 3 - 1.95%	Year 8 - 2.35%	Year 13 – 2.65%
	Year 4 - 2.05%	Year 9 - 2.40%	Year 14 – 2.75%
	Year 5 - 2.10%	Year 10 - 2.45%	Year 15 – 2.80%

Price: \$ 99.44 (Principal: \$4,500,000)  
Average Interest Rate: 2.00% - 5 Years

Price: \$ 99.20 (Principal: \$2,500,000)  
Average Interest Rate: 2.165% - 10 Years

Price: \$ 99.05 (Principal: \$7,400,000)  
Average Interest Rate: 2.33% - 15 Years

Settlement Date: November 21, 2019

The interest rates and the discount factor were within the limits approved by Common Council at its meeting held on September 9<sup>th</sup>, 2019. As such, the Mayor and Common Clerk have signed the debentures between the City and the New Brunswick Municipal Finance Corporation for \$14,400,000 at the terms listed above on November 6<sup>th</sup>, 2019.

***SERVICE AND FINANCIAL OUTCOMES***

N/A

***INPUT FROM OTHER SERVICE AREAS AND STAKEHOLDERS***

N/A

***ATTACHMENTS***

N/A