

CERTIFICATE OF THE CLERK

TO: Borden Ladner Gervais LLP

IN THE MATTER OF By-law No. 71-2013 (the “**Debenture By-law**”) of The Regional Municipality of Niagara (the “**Upper-tier Municipality**”) authorizing an issue of instalment debentures of the Upper-tier Municipality in the aggregate principal amount of \$15,131,213.00 - \$714,913.00 of which relates to The Corporation of the Town of Pelham (the “**Lower-tier Municipality**”);

AND IN THE MATTER OF certain authorizing by-laws of the Lower-tier Municipality.

1. I, Nancy J. Bozzato, the Clerk of the Lower-tier Municipality DO HEREBY CERTIFY THAT:
2. The authorizing by-laws of the Lower-tier Municipality referred to in Schedule “A” to the Debenture By-law (collectively the “**Authorizing By-laws**”) have been enacted and passed by the council of the Lower-tier Municipality (the “**Council**”) in full compliance with the *Municipal Act, 2001*, as amended (the “**Act**”) at meetings at which a quorum was present. Forthwith after the passage of the Authorizing By-laws the same were signed by the Mayor, being the Head of Council of the Lower-tier Municipality, and by the Clerk and sealed with the seal of the Lower-tier Municipality.
3. For the capital work described in Schedule “A” to the Debenture By-law (the “**Capital Work**”), before the Council exercised any of its powers in respect of the Capital Work and before it authorized an additional cost amount and an additional debenture authority in respect thereof, the Council had its Treasurer calculate an updated limit in respect of its most recent annual debt and financial obligation limit received from the Ministry of Municipal Affairs and Housing in accordance with the applicable debt and financial obligation limits regulation. In this connection, before the Council authorized the Capital Work, such additional cost amount and such additional debenture authority the Treasurer determined that the estimated annual amount payable in respect of the Capital Work, such additional cost amount and such additional debenture authority would not cause the Lower-tier Municipality to reach or exceed its updated limit. Accordingly, the Council authorized the Capital Work, such additional cost amount and such additional debenture authority without the approval of the Ontario Municipal Board pursuant to the applicable debt and financial obligation limits regulation.
4. No application has been made or action brought to quash, set aside or declare invalid the Authorizing By-laws nor have the same been in any way repealed, altered or amended except insofar as one of the Authorizing By-laws may have been amended by the other Authorizing By-law and the Authorizing By-laws are now in full force and effect.
5. All of the recitals contained in the Authorizing By-laws are true in substance and fact.

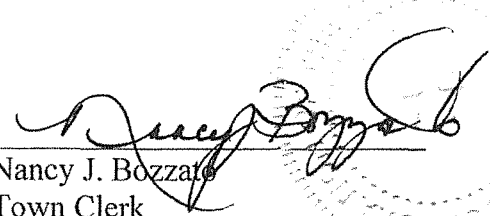
6. To the extent that the public notice provisions of the Act are applicable, the Authorizing By-laws have been enacted and passed by the Council in full compliance with the applicable public notice provisions of the Act.

7. None of the debentures authorized to be issued by the Authorizing By-laws have been previously issued.

8. The principal amount of debentures which is to be issued by the Upper-tier Municipality on behalf of the Lower-tier Municipality in respect of the Capital Work pursuant to the Debenture By-law does not exceed the net cost of the Capital Work to the Lower-tier Municipality.

9. The Authorizing By-laws and the transactions contemplated thereby do not conflict with, or result in a breach or violation of any statutory provisions which apply to the Lower-tier Municipality or any agreement to which the Lower-tier Municipality is a party or under which the Lower-tier Municipality or any of its property is or may be bound, or, to the best of my knowledge, violate any order, award, judgment, determination, writ, injunction or decree applicable to the Lower-tier Municipality of any regulatory, administrative or other government or public body or authority, arbitrator or court.

DATED at the Town of Pelham as at the 17th day of July, 2013.


Nancy J. Bozzale
Town Clerk

CERTIFICATE OF THE TREASURER

TO: Borden Ladner Gervais LLP

IN THE MATTER OF By-law No. 71-2013 (the "**Debenture By-law**") of The Regional Municipality of Niagara (the "**Upper-tier Municipality**") authorizing an issue of instalment debentures of the Upper-tier Municipality in the aggregate principal amount of \$15,131,213.00 - \$714,913.00 of which relates to The Corporation of the Town of Pelham (the "**Lower-tier Municipality**");

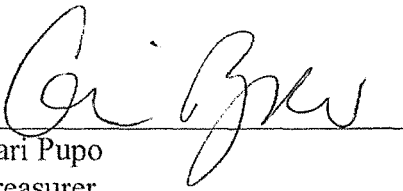
AND IN THE MATTER OF certain authorizing by-laws of the Lower-tier Municipality.

I, Cari Pupo, Treasurer of the Lower-tier Municipality, DO HEREBY CERTIFY THAT:

1. The Lower-tier Municipality has received from the Ministry of Municipal Affairs and Housing its annual debt and financial obligation limit for the relevant years.
2. With respect to the undertaking of the capital work of the Lower-tier Municipality described in the Debenture By-law (the "**Capital Work**"), before the Council of the Lower-tier Municipality authorized the Capital Work and before it authorized an additional cost amount and an additional debenture authority in respect thereof, the Treasurer calculated the updated relevant debt and financial obligation limit in accordance with the applicable debt and financial obligation limits regulation (the "**Regulation**"). The Treasurer thereafter determined that the estimated annual amount payable in respect of the Capital Work, such additional cost amount and such additional debenture authority, would not cause the Lower-tier Municipality to reach or to exceed the updated relevant debt and financial obligation limit as at the date of the Council's approval. Based on the Treasurer's determination, the Council of the Lower-tier Municipality authorized the Capital Work, such additional cost amount and such additional debenture authority without the approval of the Ontario Municipal Board pursuant to the Regulation.
3. As at the date hereof the Lower-tier Municipality has not reached or exceeded the updated annual debt and financial obligation limit for the year 2013.
4. In updating the relevant debt and financial obligation limits, the estimated annual amount payable described in Section 4(2) of the Regulation was determined based on current interest rates and amortization periods which do not, in any case, exceed the lifetime of any of the respective purposes of the Lower-tier Municipality described in such section, all in accordance with generally accepted accounting principles for local governments as recommended, from time to time, by the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants.
5. The term within which the debentures to be issued for the Lower-tier Municipality in respect of the Capital Work pursuant to the Debenture By-law are made payable does not exceed the lifetime of the Capital Work.

6. The money received by the Lower-tier Municipality from the sale of the debentures to be issued pursuant to the Debenture By-law for the Lower-tier Municipality, including any premium, and any earnings derived from the investment of that money, shall be apportioned and applied to the Capital Work, and to no other purpose except as permitted by the *Municipal Act, 2001*.

DATED at the Town of Pelham as at the 17th day of July, 2013.


Cari Pupo
Treasurer

THE CORPORATION OF THE
TOWN OF PELHAM
BY-LAW #3388 (2013)

Being a By-law to authorize the borrowing of the sum of Seven Hundred and Fourteen Thousand Nine Hundred Dollars (\$714,900), and upon the issuance of debentures, for funding of Development Charges used in the construction of roads and linear assets within the Town of Pelham.

WHEREAS Section 407(1) of the Municipal Act, 2001, S.O. 2001, c. 25, as amended, authorizes temporary borrowing, until the taxes are collected and other revenues are received, of the amount Council considers necessary to meet the current expenditures of the municipality for the year, including amounts required in the year for, (a) sinking and retirement funds; (b) principal and interest due on any debt of the municipality; (c) school purposes; and (d) other purposes the municipality is required by law to provide for;

AND WHEREAS the Treasurer of the Corporation of the Town of Pelham has confirmed that the debt repayment limit for the Town of Pelham has been updated and that this project will not cause the Corporation to exceed its limit;

NOW THEREFORE COUNCIL OF THE CORPORATION OF THE TOWN OF PELHAM ENACTS AS FOLLOWS:

- (1) In this by-law:
"Council" means the Council of the Corporation of the Town of Pelham;
"Corporation" means the Corporation of the Town of Pelham.
- (2) That Council authorized and approved infrastructure costs for Effingham Street, and Sidewalk and Sanitary Lateral Programs as part of the approved 2012 Capital Budget which would receive funding from Development Charges as follows in the amount of \$714,900.
- (3) That the final costs of the Effingham Street, Sidewalk and Sanitary Lateral Programs namely \$714,900 to be borne by the Development Charges and of the Corporation, shall be paid for by the issue and sale of debentures in the amount of \$714,900 over a period of ten (10) years.
- (4) Any debentures to be issued by the Council of the Regional Municipality of Niagara, with respect to the said works or part thereof, shall bear interest at such rate or rates as shall be determined by the Regional Council.

- (5) The Mayor and Treasurer are hereby authorized on behalf of the Corporation to borrow from any bank, person, firm or corporation from time to time, pending the issue and sale of debentures, any money necessary to meet the expenditures incurred up to the amount of the estimated cost thereof, and the Mayor and Treasurer are hereby authorized to execute a promissory note or notes thereof and the Clerk is hereby authorized to affix the corporate seal thereto.
- (6) The Treasurer of the Corporation is hereby authorized and directed to request the Council of the Regional Municipality of Niagara to borrow money for the purposes hereinbefore set out to a maximum amount of \$714, 900. and to issue debentures therefore to the credit of the Regional Corporation and to suggest to the Regional Municipality of Niagara that such debentures shall be payable within ten (10) years.

READ A FIRST, SECOND AND THIRD TIME
AND FINALLY PASSED BY COUNCIL THIS
17th DAY OF JUNE, 2013

MAYOR D. AUGUSTYN

CLERK, NANCY J. BOZZATO



TOWN OF PELHAM

The most vibrant, creative & caring community in Niagara

Issue Summary Report

2013 ANNUAL REPAYMENT LIMIT

#20130607007

Meeting : C-16/2013 - Regular Council

Section : Staff Reports for Information

Meeting Type : Regular Meeting of Council

Meeting Date : 2013/06/17 18:30

Background

The Ministry of Municipal Affairs and Housing calculates the maximum allowable debt repayment limit annually based on the previous year's financial results.

The Calculation is summarized as follows:

2012 Total Net Revenues as per Financial Statements	\$14,465,451
Multiplied by 25%	\$ 3,616,363
Less: 2012 Principal and Interest Debt Obligations	\$ 982,520
2012 Annual Debt Repayment Limit	\$2,633,843

The attached report from the Ministry of Municipal Affairs and Housing provides examples of long-term borrowing that the Town could enter into within this estimated annual repayment limit.

The information provided in this report indicates the debt repayment limit that the Municipality could enter into without causing financial risk to the Town. The calculated limit amount provides Town staff with useful information for future capital planning. There are no current direct financial implications.

Recommendation

THAT the 2013 Annual Repayment Limit Report be received for information.

Additional Information

4. d) **Strategic Plan :** Sustainability

4. g) **Consultation :** The report is an information report from the Ministry of Municipal Affairs and Housing, thus no consultations were done in preparation of the report.



Ministry of Municipal Affairs and Housing
777 Bay Street,
Toronto, Ontario M5G 2E5

Ministère des affaires municipales et du logement
777 rue Bay,
Toronto (Ontario) M5G 2E5

2013 ANNUAL REPAYMENT LIMIT
(UNDER ONTARIO REGULATION 403 / 02)

MMAH CODE:	18405	FIR CLEAN FLAG:	C
MUNID:	26028		
MUNICIPALITY:	Pelham T		
UPPER TIER:	Niagara R		
REPAYMENT LIMIT:		\$	2,633,843

The repayment limit has been calculated based on data contained in the 2011 Financial Information Return, as submitted to the Ministry. This limit represents the maximum amount which the municipality had available as of December 31, 2011 to commit to payments relating to debt and financial obligation. Prior to the authorization by Council of a long term debt or financial obligation, this limit must be adjusted by the Treasurer in the prescribed manner. The limit is effective January 01, 2013.

FOR ILLUSTRATION PURPOSES ONLY,

The additional long-term borrowing which a municipality could undertake over a 5-year, a 10-year, a 15-year and a 20-year period is shown.

If the municipalities could borrow at 5% or 7% annually, the annual repayment limits shown above would allow it to undertake additional long-term borrowing as follows:

5% Interest Rate			
(a)	20 years @ 5% p.a.	\$	32,823,502
(a)	15 years @ 5% p.a.	\$	27,338,387
(a)	10 years @ 5% p.a.	\$	20,337,836
(a)	5 years @ 5% p.a.	\$	11,403,161
7% Interest Rate			
(a)	20 years @ 7% p.a.	\$	27,902,968
(a)	15 years @ 7% p.a.	\$	23,988,813
(a)	10 years @ 7% p.a.	\$	18,499,009
(a)	5 years @ 7% p.a.	\$	10,799,275

Appendix 1 DETERMINATION OF ANNUAL DEBT REPAYMENT LIMIT			(UNDER ONTARIO REGULATION 403/02)	
MUNICIPALITY:		Pelham T		MMAH CODE: 18405
Debt Charges for the Current Year			1	
			\$	
0210	Principal (SLC 74 3099 01).			843,484
0220	Interest (SLC 74 3099 02).			139,036
0299		Subtotal		982,520
Ontario Clean Water Agency Provincial Projects				
0410	Water projects - For this Municipality only (SLC 74 2810 03).			0
0420	Water projects - Share of integrated project(s) (SLC 74 2820 03).			0
0430	Wastewater projects - For this Municipality only (SLC 74 2830 03).			0
0440	Wastewater projects - Share of integrated project(s) (SLC 74 2840 03).			0
0499		Subtotal		0
0610	Payments for Long Term Commitments and Liabilities financed from the consolidated statement of operations (SLC 42 6010 01)			0
9910		Total Debt Charges		982,520
Amounts Recovered from Unconsolidated Entities			1	
			\$	
1010	Electricity - Principal (SLC 74 3030 01)			0
1020	Electricity - Interest (SLC 74 3030 02)			0
1030	Gas - Principal (SLC 74 3040 01)			0
1040	Gas - Interest (SLC 74 3040 02)			0
1050	Telephone - Principal (SLC 74 3050 01)			0
1060	Telephone - Interest (SLC 74 3050 02)			0
1099		Subtotal		0
1410	Debt Charges for Tile Drainage/Shoreline Assistance (SLC 74 3015 01 + SLC 74 3015 02)			0
1411	Provincial Grant funding for repayment of long term debt (SLC 74 3120 01 + SLC 74 3120 02).			0
1420		Total Debt Charges to be Excluded		0
9920		Net Debt Charges		982,520
Total Revenues (Sale of Hydro Utilities Removed) (SLC 10 9910 01).			1	
			\$	
1610				19,592,612
Excluded Revenue Amounts				
2010	Fees for Tile Drainage / Shoreline Assistance (SLC 12 1850 04)			0
2210	Ontario Grants, including Grants for Tangible Capital Assets (SLC 10 0699 01 + SLC 10 0810 01 + SLC10 0815 01)			2,220,232
2220	Canada Grants, including Grants for Tangible Capital Assets (SLC 10 0820 01 + SLC 10 0825 01)			2,604,569
2225	Deferred revenue earned (Provincial Gas Tax) (SLC 10 830 01)			0
2226	Deferred revenue earned (Canada Gas Tax) (SLC 10 831 01)			0
2230	Revenue from other municipalities including revenue for Tangible Capital Assets (SLC 10 1098 01 + SLC 10 1099 01)			117,193
2240	Gain/Loss on sale of land & capital assets (SLC 10 1811 01)			17,887
2250	Deferred revenue earned (Development Charges) (SLC 10 1812 01)			167,280
2251	Deferred revenue earned (Recreation Land (The Planning Act)) (SLC 10 1813 01)			0
2252	Donated Tangible Capital Assets (SLC 53 0610 01)			0
2253	Other Deferred revenue earned (SLC 10 1814 01)			0
2254	Increase / Decrease in Government Business Enterprise equity (SLC 10 1905 01)			0
2299		Subtotal		5,127,161
2410	Fees and Revenue for Joint Local Boards for Homes for the Aged			0
2610		Net Revenues		14,465,451
2620		25% of Net Revenues		3,616,363
9930		ESTIMATED ANNUAL REPAYMENT LIMIT		2,633,843
			(25% of Net Revenues less Net Debt Charges)	

* SLC denotes Schedule, Line Column.