

9. Re: Federal Provincial Special Development Loan Program 1970-72

Under the Federal-Provincial Special Development Loan Program, the Federal Government loaned the Municipality the sum of \$2,000,000 for a period to extend fifteen years from July 1, 1972, at a rate of interest of 6.175%, for the purpose of constructing certain local improvement street works. It is now necessary to formalize the loan by the passage of a security issuing by-law and to issue the required debentures to take the place of temporary promissory notes currently on deposit with the Federal Government.

Pursuant to Section 593 of the Municipal Act, the following items of cost may be included in the cost of the works:

- (a) Engineering expenses
- (b) Cost of advertising and mailing of notices
- (c) Interest on temporary loans and discount and expenses relating to security issuing by-laws
- (d) Compensation for lands taken for the purposes of the work or injuriously affected by it, and the expenses incurred by the corporation in connection with determining such compensation.

Under the terms of the Federal-Provincial loans, each of the ingredients listed qualify with the exception of item (d). In the list of works to follow, costs include ingredients (a) to (c) only with the exception of By-law No. 5970. The costs in this by-law include \$205,516 for land acquisition. However, the gross expenditures on all of the works exceed the Federal-Provincial loan by \$418,642, more than enough to permit By-law No. 5970 to be included in part in this financing.

<u>By-law No.</u>	<u>Amount of Borrowing Authorized</u>	<u>Amount Being Issued</u>
5886	\$ 671,284	\$ 671,284
5887	27,162	27,162
5888	14,049	14,049
5889	57,696	57,696
5890	103,844	103,844
5896	6,940	6,940
5897	609,447	609,447
5898	153,907	153,907
5899	11,406	11,406
5900	43,094	43,094
5903	9,007	9,007
5934	72,264	72,264
5970	638,542	219,900
	<u>\$ 2,418,642</u>	<u>\$ 2,000,000</u>

In conformance with Section 593(2) of the Municipal Act, the Municipal Treasurer hereby certifies the above statement of costs.

RECOMMENDATION:

THAT a security issuing by-law be brought down to permit the issuance of \$2,000,000 in debentures to finance the works listed in the body of this report to the extent shown.