

Municipality of Port Hope

Long-Term Debentures

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December 3, 2019



Definitions

- Debenture
 - A multi-year debt contract used by municipalities to borrow money at a fixed interest rate.

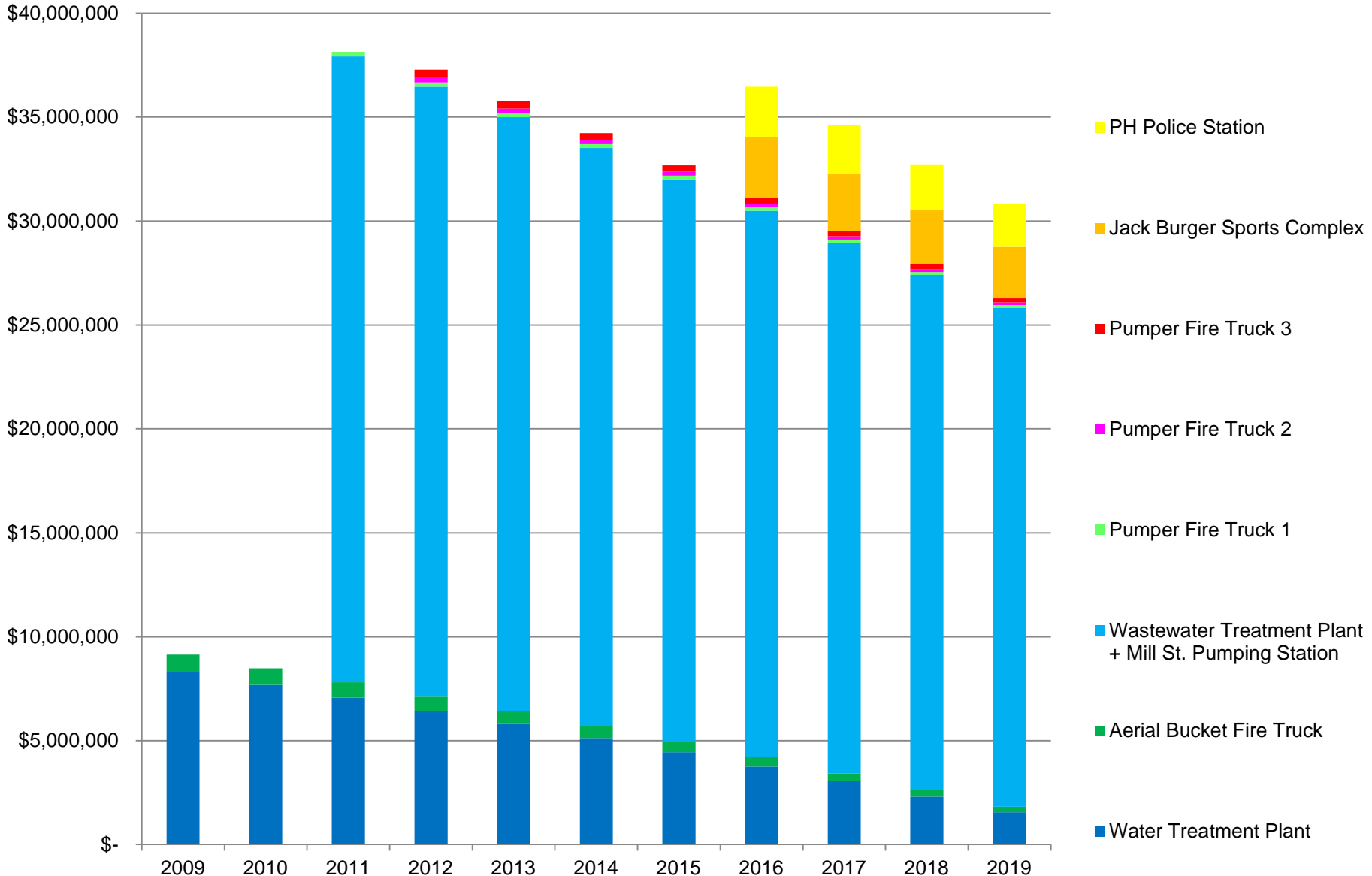
- Property Tax Levy
 - The sum of the amount charged to property owners to pay for most municipal services.

- Development Charges
 - Fees collected at the time a building permit is issued to assist with the cost of infrastructure required to provide municipal services for new development in the community.

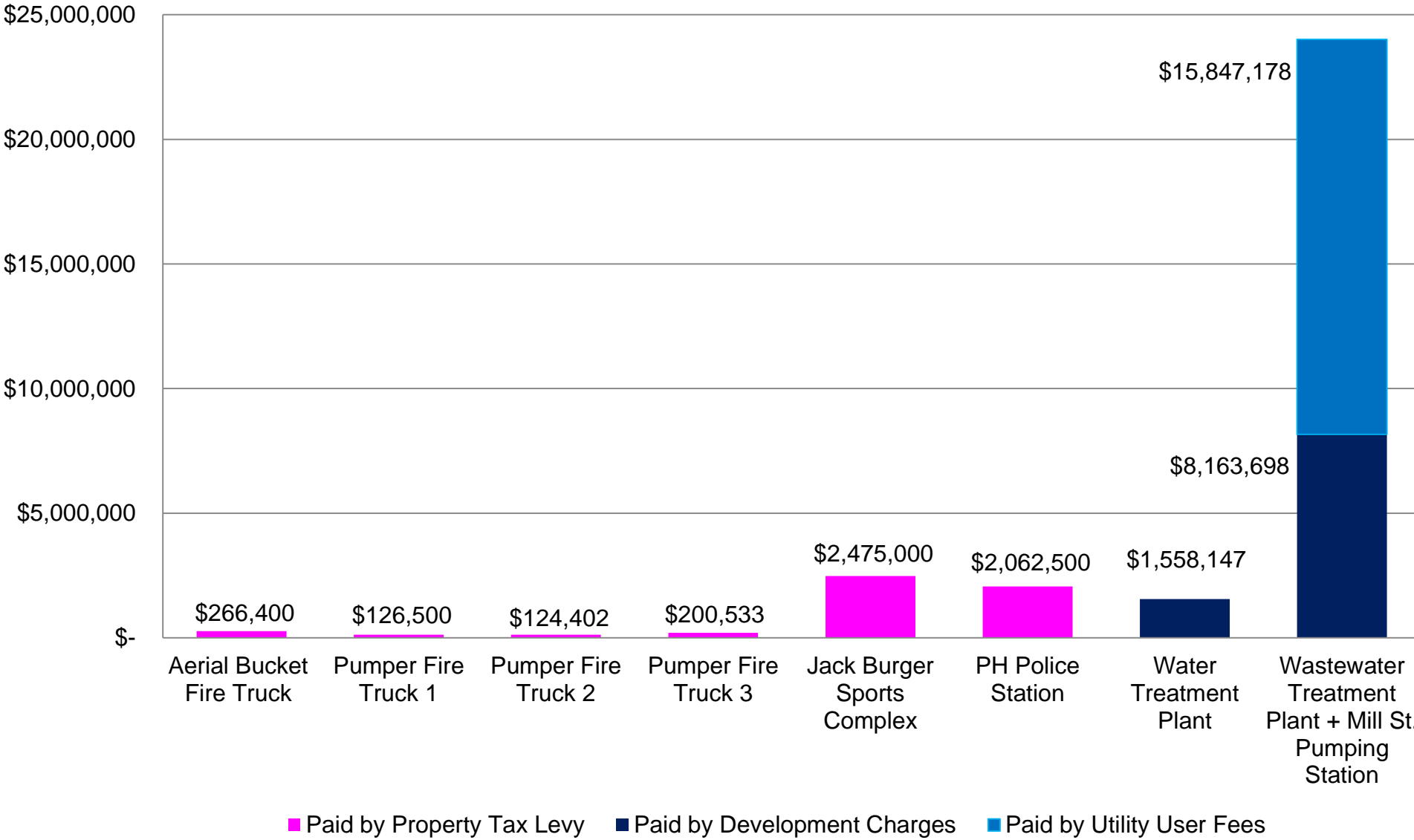
- Utility User Fees
 - Usage fees paid by users of the municipal water and wastewater services. This is not included in property taxes.



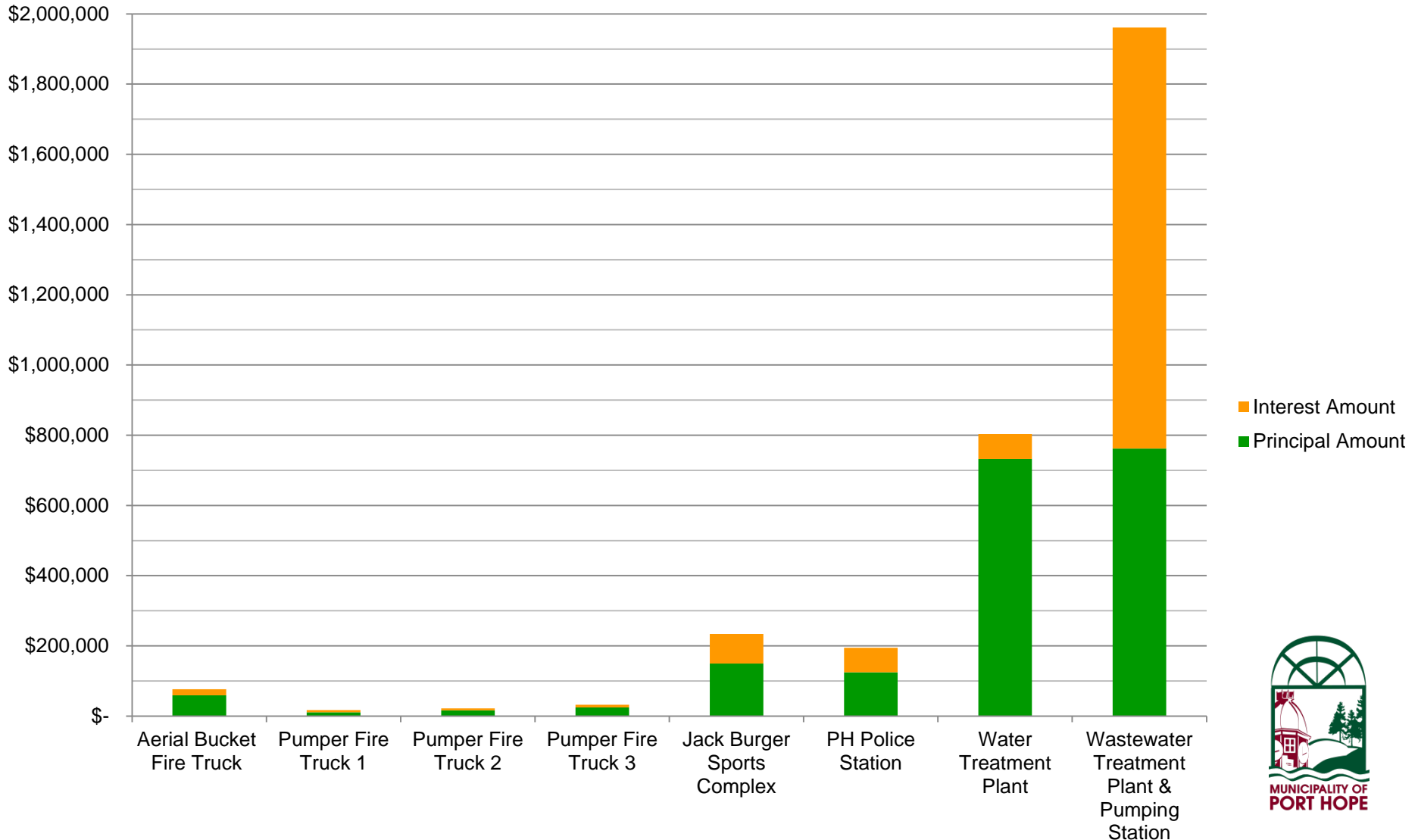
Debenture Balance History



2019 Debenture Balances



2019 Debenture Payments & Interest

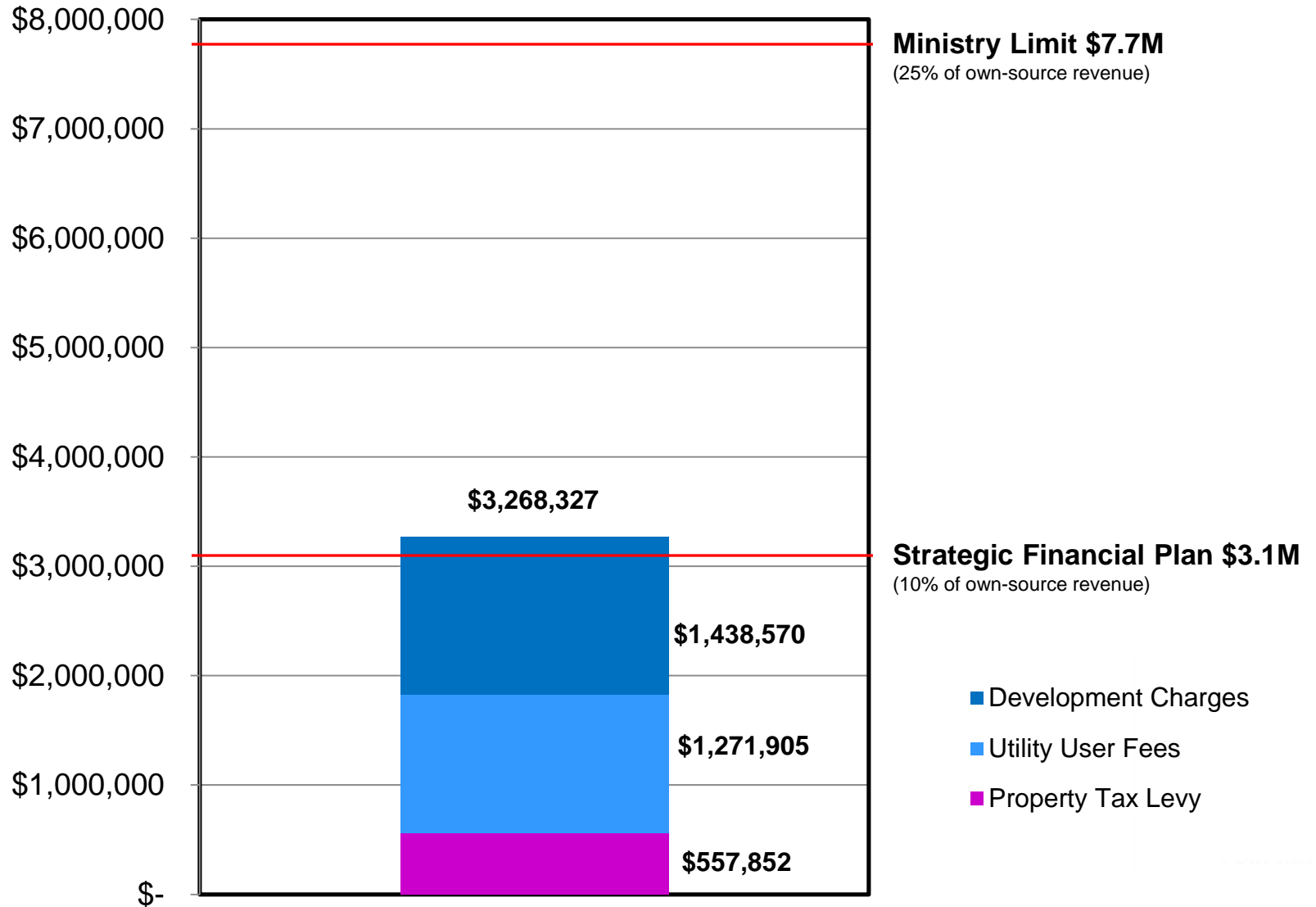


Annual Repayment Limit (ARL)

- The province regulates the amount of debt municipalities issue by setting an ARL of 25% of a municipality's own-source revenues (property taxes, user fees and investment income).
- Port Hope has adopted a goal to achieve a 10% limit as part of the Strategic Financial Plan.
- Port Hope's tax-related 2019 debt payment as a percentage of own-source revenues is 1.82%, and the consolidated 2019 debt payment (including water and wastewater) as a percentage of own-source revenues is 10.65%.



2019 Annual Repayment



Long-Term Debt Elements of the Strategic Financial Plan

- Tax Debt Charges as a percentage of Tax-Own Source Revenues will not exceed 10%.
- Long-term debt financing will be restricted to specific project type
 - Increased/new services to residents for new initiatives
 - New, non-recurring infrastructure requirements
 - Projects which are supported by a business plan that show revenues will cover capital and interest costs
 - Projects where the cost of deferring expenditures exceeds debt servicing costs
 - Project costs not recovered from Development Charges
 - Projects tied to third party matching funding
 - *Note:* these restrictions may have to be phased in to meet short term budget challenges.
- The length of the term of debt will not exceed the useful life of the underlying asset.
- The municipality will monitor and report on all forms of debt annually.

