

**COUNCIL MEETING**  
**FINANCE DIVISION**

**REPORT FIN-2025-10**  
**April 8, 2025**

**SUBJECT: 2025 Debenture Issuance Authorization**

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**Treasurer**

**APPROVING: Stephanie Nagel, BBA, CGA, CPA, MPA**  
**GM Corporate and Enterprise Services/ CFO**

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**RECOMMENDATION:**

That Council authorizes the Manager of Budgets and Financial Services/ Deputy Treasurer to request the Regional Municipality of Niagara to issue debentures in the amount of **\$9,874,000** in accordance with the terms of the various authorizing By-laws outlined in Appendix I; and further

That Council directs the Manager of Budgets and Financial Services/ Deputy Treasurer to make available certified copies of all applicable By-laws and Ministry of Environment Certificates, if applicable and all other information required in connection thereto to ensure the authorization of the issuance of the debentures in the amount of **\$9,874,000** for the projects outlined in Appendix I; and further

That Council directs the City Clerk to prepare all the necessary and appropriate By-laws for debenture financing arrangements.

**RELATIONSHIP TO STRATEGIC PLAN**

This recommendation is aligned to Council's strategic priority of ensuring "**Economic Growth**" for creating a diverse economy through partnerships and emerging markets to ensure sustainable growth and quality employment.

**EXECUTIVE SUMMARY:**

- Regional Niagara Staff are preparing to issue debt on behalf of all local municipalities this Spring.
- The Treasurer/ Deputy Treasurer is responsible for requesting the authorization of debt for the municipality.
- The Region of Niagara has expanded debenture issuances to two times a year starting in 2025.

- The 2025 debt issuance request amounts to \$9,874,000 and is comprised of various projects approved during the 2023, 2024 and 2025 budget processes as outlined in Appendix I.

### **BACKGROUND:**

Currently, the Region of Niagara issues debenture requests for the City of Welland and the other eleven area municipalities. For the city to receive a reasonable interest rate, the City is dependent on the Region of Niagara for maintaining its debt rating, which is currently a Standard & Poors AA+ rating. This rate can change as the Region's debt level changes. The length of term for the requested debentures will not exceed 10 years.

For 2025, the Region of Niagara has expanded debenture issuances to two times a year, Spring and Fall. This will allow for prudent planning, greater flexibility in spreading out payments, and budgeting.

For the upcoming Fall issuance, staff will come back to Council with an additional request authorizing a debenture issuance, should any of the prior-approved projects that are financed through debentures meet substantial completion. This request would come forward around late Summer.

### **DISCUSSION:**

The 2025 Debenture issue financing request (Appendix I) for the City of Welland is to fund the capital projects and vehicle/equipment acquisitions approved during the 2023, 2024, and 2025 capital budget process approved respectively on February 7, 2023, December 5, 2023, and December 4, 2024.

### **FINANCIAL:**

The debt issuance outlined in Appendix I can be summarized as follows:

- Tax Supported Debentures: up to **\$ 6,880,000**
- Water/Wastewater Supported Debentures: up to **\$ 2,994,000**

Total 2025 debt issuance authorization of **\$9,874,000**

The Deputy Treasurer has confirmed that the estimated Annual Repayment Limit (ARL) factoring in the 2025 debt issuance is 11.76% and is well within the provincially prescribed Annual Repayment Limit (ARL) of 25%.

In addition, the City's current self imposed debit limit for the Water and Wastewater Operating Budgets and the Tax Supported Operating Budget are respectively 12% and 14.5%. The 2025 debt issuance is within the self-imposed debt limit guidelines. Staff continue to monitor both the self-imposed debt limits and ARL to ensure forecasted debt and servicing costs are maintained at an acceptable level of affordability and sustainability.

**ATTACHMENT:**

Appendix I – The Regional Municipality of Niagara- 2025 Debenture Issue  
Financing Request – City of Welland