



**FINANCE DEPARTMENT
MEMORANDUM**

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TO: MAYOR J. LEHMAN AND MEMBERS OF COUNCIL

FROM: T. RAYAISSE, PORTFOLIO MANAGER EXT. 4724

NOTED: C. MILLAR, DIRECTOR OF FINANCE AND TREASURER

D. MCALPINE, GENERAL MANAGER OF COMMUNITY AND CORPORATE SERVICES

M. PROWSE, CHIEF ADMINISTRATIVE OFFICER

RE: PUBLIC DEBENTURE ISSUANCE UPDATE

DATE: JUNE 17, 2019

The purpose of this Memorandum is to provide members of Council with an update concerning the long term financing of the Barrie-Simcoe Emergency Services Campus project. As previewed in the memo to Council titled "Public Debenture Issuance For the 2019 Capital Financing Plan", dated June 3, 2019; staff was engaged in the process of launching a public debenture.

Staff is pleased to report that, on June 6, 2019, it successfully priced a ten-year public serial debenture at an all-in cost of borrowing of 2.323%; the lowest municipal borrowing rate in the last two years for similar deals and better than rates achieved by higher rated municipalities during the same time period.

The deal was well received by the capital markets in spite of the recent market volatility caused by heightened global trade tensions. The market confidence validates Standards and Poor's (S&P) assessment of the City of Barrie's (City) financial management. In October 2018, S&P affirmed the City's "AA" credit rating with a stable outlook stating that, "Barrie's creditworthiness benefits from the quality of its financial management, with generally strong political consensus in passing budgets without major amendments or delays and prudent financial policies and practices that demonstrate good transparency and disclosure."

This event marks a milestone for the City in terms of financial growth and maturity. The process was very efficient, transparent and flexible; allowing for the Mayor and staff to confirm live spot benchmark rates during the pricing call.