

<p><b>5. FINANCING LEASE AGREEMENTS 2016 CONVENTIONS DE CRÉDIT-BAIL 2016</b></p>
--------------------------------------------------------------------------------------

**COMMITTEE RECOMMENDATION**

**That Council receive this report on outstanding Lease Financing Agreements as at 31 December 2016 as required by Ontario Regulation 653/05 as amended and the City's Capital Financing and Debt Policy.**

**RECOMMANDATION DU COMITÉ**

**Que le Conseil prenne connaissance du présent rapport sur les conventions de crédit-bail en cours en date du 31 décembre 2016 comme l'exige le Règlement de l'Ontario 653/05 tel que modifié et la Politique relative au financement et à la dette de la Ville.**

**DOCUMENTATION/DOCUMENTATION**

1. Deputy City Treasurer's report, Corporate Finance, dated 18 May 2017 (ACS2017-CSD-FIN-0014)

Rapport de la Trésorière municipale adjointe, Finances municipales, daté le 18 mai 2017 (ACS2017-CSD-FIN-0014)

**Report to  
Rapport au:**

**Finance and Economic Development Committee  
Comité des finances et du développement économique  
6 June 2017 / 6 juin 2017**

**and Council  
et au Conseil  
14 June 2017 / 14 juin 2017**

**Submitted on May 18, 2017  
Soumis le 18 mai 2017**

**Submitted by  
Soumis par:  
Isabelle Jasmin, Deputy City Treasurer, Corporate Finance / Trésorière  
municipale adjointe, Finances municipales**

**Contact Person  
Personne ressource:  
Mark Martin, Manager Treasury, Gestionnaire Trésorerie  
613-580-2424 ext./poste 21307, [mark.martin@ottawa.ca](mailto:mark.martin@ottawa.ca)**

**Ward: CITY WIDE / À L'ÉCHELLE DE LA VILLE      File Number: ACS2017-CSD-FIN-0014**

**SUBJECT: FINANCING LEASE AGREEMENTS 2016**

**OBJET: CONVENTIONS DE CRÉDIT-BAIL 2016**

#### **REPORT RECOMMENDATION**

**That Finance and Economic Development Committee and Council receive this report on outstanding Lease Financing Agreements as at 31 December 2016 as required by Ontario Regulation 653/05 as amended and the City's Capital Financing and Debt Policy.**

## **RECOMMANDATION DU RAPPORT**

**Que le Comité des finances et du développement économique et le Conseil prennent connaissance du présent rapport sur les conventions de crédit-bail en cours en date du 31 décembre 2016 comme l'exige le Règlement de l'Ontario 653/05 tel que modifié et la Politique relative au financement et à la dette de la Ville.**

## **BACKGROUND**

In accordance with Ontario Regulation 653/05 as amended, Council adopted a Policy on Capital Financing and Debt on 11 April 2007 (ACS2007-CRS-FIN-0007). The City Treasurer is required to provide a report annually to Council on any outstanding lease financing arrangements including the following information:

- estimates of the proportion of the financing leases to the City's total long-term debt and to provide a description of any changes in that proportion to the previous year's report, if any; and
- a statement that in his or her opinion all financing leases were made in accordance with the lease policy and goals as approved by Council.

Consequently this report is submitted on accordance with Council's Policy on Capital Financing and Debt.

## **DISCUSSION**

The following summarizes the significant or material financing lease agreements outstanding at year-end 2016:

Table 1 Financing Leases Outstanding, 31 December 2016 (\$000's)

Project	Amount	Term	Rate of Interest
Office Building	51,960	24 years starting July 2003	6.0%
Paramedic Services Building	18,945	30 years starting December 2005	5.79%
Shenkman Arts Centre	35,364	30 years starting January 2009	4.99%
Total	106,269		

The total principal amount outstanding under Financing Lease Agreements is equivalent to 6.21% of the City's total net long-term debt as at December 31, 2016. For comparison purposes, as at December 31, 2015 the total principal amount outstanding under Financing Lease Agreements was equivalent to 6.81% of the total net long-term debt. The change in this ratio results from the increase in total net long-term debt from the prior year and decrease in the amount of leases outstanding

The Policy on Capital Financing and Debt provides for the City Treasurer to approve non-material leases which are defined as a financing lease in which the annual payments will be less than \$500,000, the term of the lease does not exceed 10 years and as a class does not exceed 1% of the City's net tax levy. No non-material leases were approved by the City Treasurer during 2016

### **RURAL IMPLICATIONS**

There are no rural implications as a result of this report

### **CONSULTATION**

The public consultation process is not applicable

### **COMMENTS BY THE WARD COUNCILLOR(S)**

Not applicable

**ADVISORY COMMITTEE(S) COMMENTS**

Not applicable

**LEGAL IMPLICATIONS**

There are no legal impediments to receiving this report.

**RISK MANAGEMENT IMPLICATIONS**

There are no risk impediments to receiving this report

**FINANCIAL IMPLICATIONS**

It is the opinion of the City Treasurer that the Lease Financing Agreements referred to in this report comply with the lease policy and goals as outlined in the Policy on Capital Financing and Debt as adopted by Council. Lease payments are budgeted in the annual Operating Budget.

**ACCESSIBILITY IMPACTS**

Not applicable.

**TERM OF COUNCIL PRIORITIES**

Not applicable.

**SUPPORTING DOCUMENTATION**

Not applicable

**DISPOSITION**

Following consideration by the Finance and Economic Development Committee, this report will be forwarded to Council for information.