



**TOWN OF FORT FRANCES
ADMINISTRATION & FINANCE DIVISION
TREASURY REPORT 2013/112**

TO: Mayor Avis & Members of Council
FROM: Laurie Witherspoon, Treasurer
DATE: November 20, 2013
SUBJECT: 2010 Capital Loan Term Renewal

BACKGROUND

In December of 2010, the capital long-term debt was financed by way of a CIBC loan (#1819550) at a fixed rate of 3.310% per year for a three (3) year term amortized over eight (8) years or 96 months. The terms of this loan expire on December 30/13, a further amortization of five (5) years or 60 months is required. The loan amount renewal after our last payment scheduled for December 30/13 will be \$467,473.60.

Rob Georgeson, CIBC Financial Advisor has provided interest rates for a 3-year term, 4-year term or a 5-year term. As indicated in the attached e-mail from Mr. Georgeson, there is a 0.10% premium to book rates prior to December 31/13. The rates change on a daily basis and are not locked in until we officially book the rate.

RECOMMENDATION

The Administration & Finance Executive Committee recommends approval of the 2010 Capital Loan #1819550 renewal of a 5-year term for the remaining 60-month amortization.

Council Approval of this Report Will Agree to the recommendation of the Administration & Finance Executive Committee to approve of the 2010 Capital Loan #1819550 renewal of a 5-year term for the remaining 60 month amortization.

The first/next regular instalment payment is due on Dec 24, 2010 and the last regular instalment payment plus any outstanding principal and interest and any other amount due but unpaid with respect to this Facility is due on the Last Regular Scheduled Payment Date.

You may only prepay this Facility in accordance with Schedule A.

Fees:

The fees payable in respect of this Facility are as listed under "GENERAL FEES" at the end of this Letter.

Conditions:

See also "CONDITIONS APPLICABLE TO FACILITIES", below.

Facility D: Term Facility

Loan Amount:
 (rounded to the
 nearest dollar)

\$747,889.00

2010 CAPITAL LOAN #1819550

Purpose:

This Facility is to be used for : Capital infrastructure projects.

Description:

A non-revolving Demand Instalment Loan. Principal that is repaid is not available to be re-borrowed.

Rate:

Interest will be calculated at a fixed rate of 3.310% per year for a 36 month term amortized over 96 months.

**Last Regular Scheduled
 Payment Date:**

Dec 30, 2013

Repayment:

On demand. Until demand, this Facility is repayable as follows:

36 regular monthly payments of \$7,790.51 each, plus accrued interest payable monthly.

The first/next regular instalment payment is due on Jan 30, 2011 and the last regular instalment payment plus any outstanding principal and interest and any other amount due but unpaid with respect to this Facility is due on the Last Regular Scheduled Payment Date.

You may only prepay this Facility in accordance with Schedule A.

Fees:

The fees payable in respect of this Facility are as listed under "GENERAL FEES" at the end of this Letter.

Conditions:

Other Conditions:

- On expiry date Dec 30/13, a further amortization period of 60 months remains at interest rates available at that time.

See also "CONDITIONS APPLICABLE TO FACILITIES", below.

CONDITIONS APPLICABLE TO FACILITIES

Facilities:

The following conditions are applicable to all Facilities:

Registrations:

CIBC may, if it deems necessary in its sole discretion, register a Financing Statement/Financing Change Statement under the Personal Property Security Act (or the equivalent) in the applicable jurisdiction, or file a registration under any relevant legislation and in any government office in relation to any security granted in connection with the Facilities, recording CIBC's security interest, including, without limitation, recording CIBC's security interest in any motor vehicle by registering the Vehicle Identification Number.



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"Georgeson, Rob"
<Rob.Georgeson@cibc.com>

11/13/2013 02:57 PM

To "lwitherspoon@fort-frances.com"
<lwitherspoon@fort-frances.com>

cc

Subject RE: Loan #1819550

Hi Laurie,

If the loan was up for renewal today
The rates would approximately be as follows

- 3yr – 3.4%
- 4yr – 3.8%
- 5yr – 4.18%

If we wanted to book the December 31, 2013 rates today, it charges a 0.10% premium to the above rates.
Otherwise we can book the rates 15 days prior to renewal and there is no premium charged.

And as always this rates change on a daily basis and are not locked in until we officially book the rate.

Thanks

Rob

Rob Georgeson
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Fort Frances, ON
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Email: rob.georgeson@cibc.com

2010 Capital Loan - Term Renewal

Remaining Amortization	Term	Estimated Interest Rates	Total Annual Principal Payment	Estimated Interest Year 1	Estimated Interest Year 2	Estimated Interest Year 3	Total
5 yrs	3 yrs.	3.40%	\$ 93,486.12	\$ 14,435.82	\$ 11,257.29	\$ 8,078.76	\$ 33,771.87
5 yrs	4 yrs	3.80%	\$ 93,486.12	\$ 16,134.18	\$ 12,581.70	\$ 9,029.22	\$ 37,745.10
5 yrs	5 yrs	4.18%	\$ 93,486.12	\$ 17,747.57	\$ 13,839.84	\$ 9,932.12	\$ 41,519.53