

Financing Major Infrastructure Projects

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Becoming “Debt Free”

City essentially became “Debt Free” as a shadow portfolio was established to match outstanding long term debt obligations

In 1998, the City sold Cornwall Street Railway Light and Power Company (Cornwall Electric)

There was also \$25,000,000 from the sale proceeds used to establish the “Progress Fund”

By-laws, By-laws and more By-laws

1997

- Debt Repayment & “pay-as-you go” Capital Budget

2000

- Establishment of a Debt Retirement Fund
- Establishment of the Progress Fund - \$25,000,000 Investment income used for “Quality of Life” items

2001

- Progress Fund Principal cannot be accessed without 100% vote of Council
- Allowable projects that could be funded by income from the Progress Fund

2008

- Investment Income from Progress Fund can only be used for Municipal capital projects

Infrastructure Stimulus Funding

Multi-Sport Facility - \$34 M

**Secondary Waste Water
Treatment Facility - \$55 M**

**Building Canada
Fund**

**Total Projects
Exceed \$96 M**

**Infrastructure
Stimulus Fund**

Splashpad - \$250 K

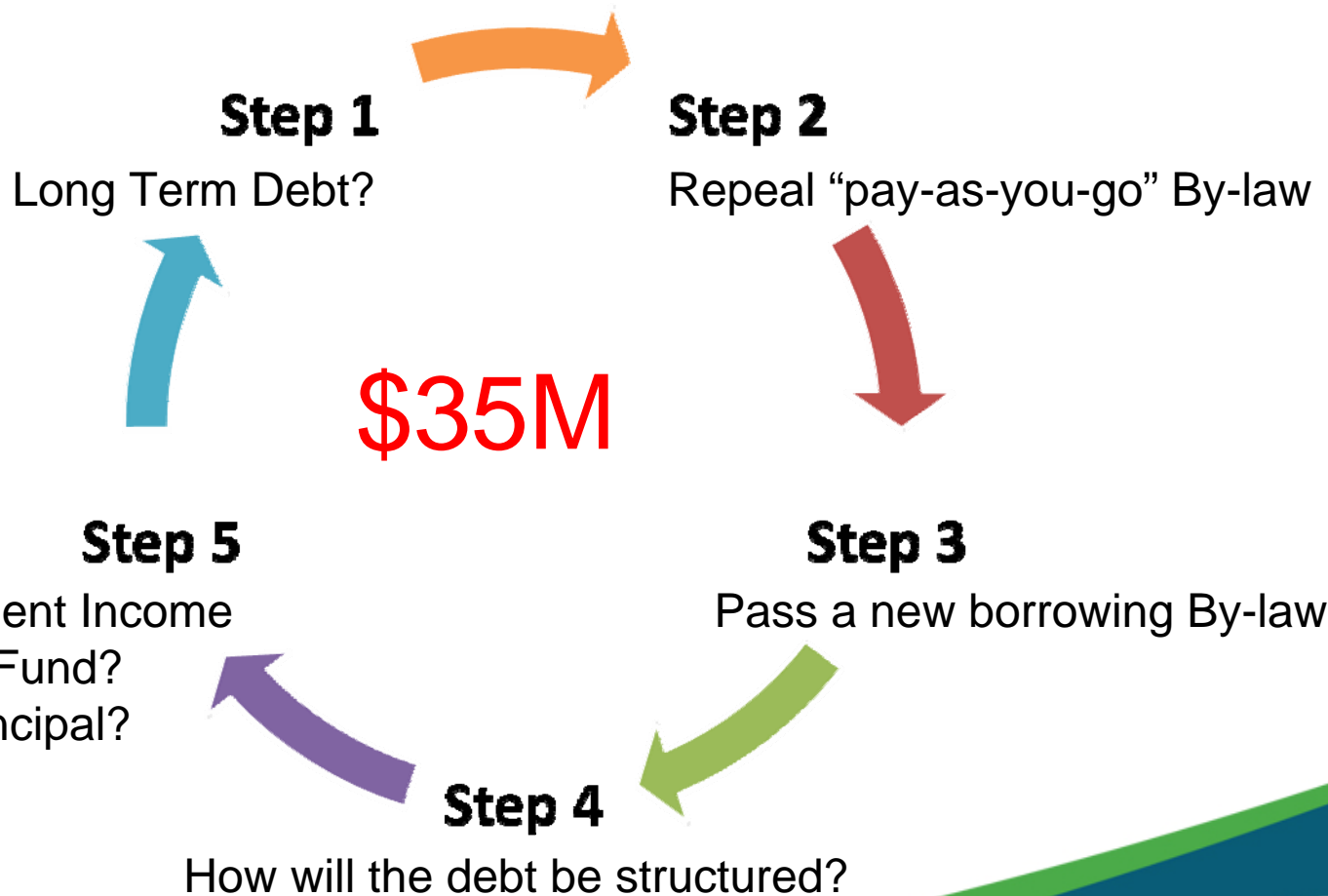
Baseball Park Lighting \$225 K

RInC

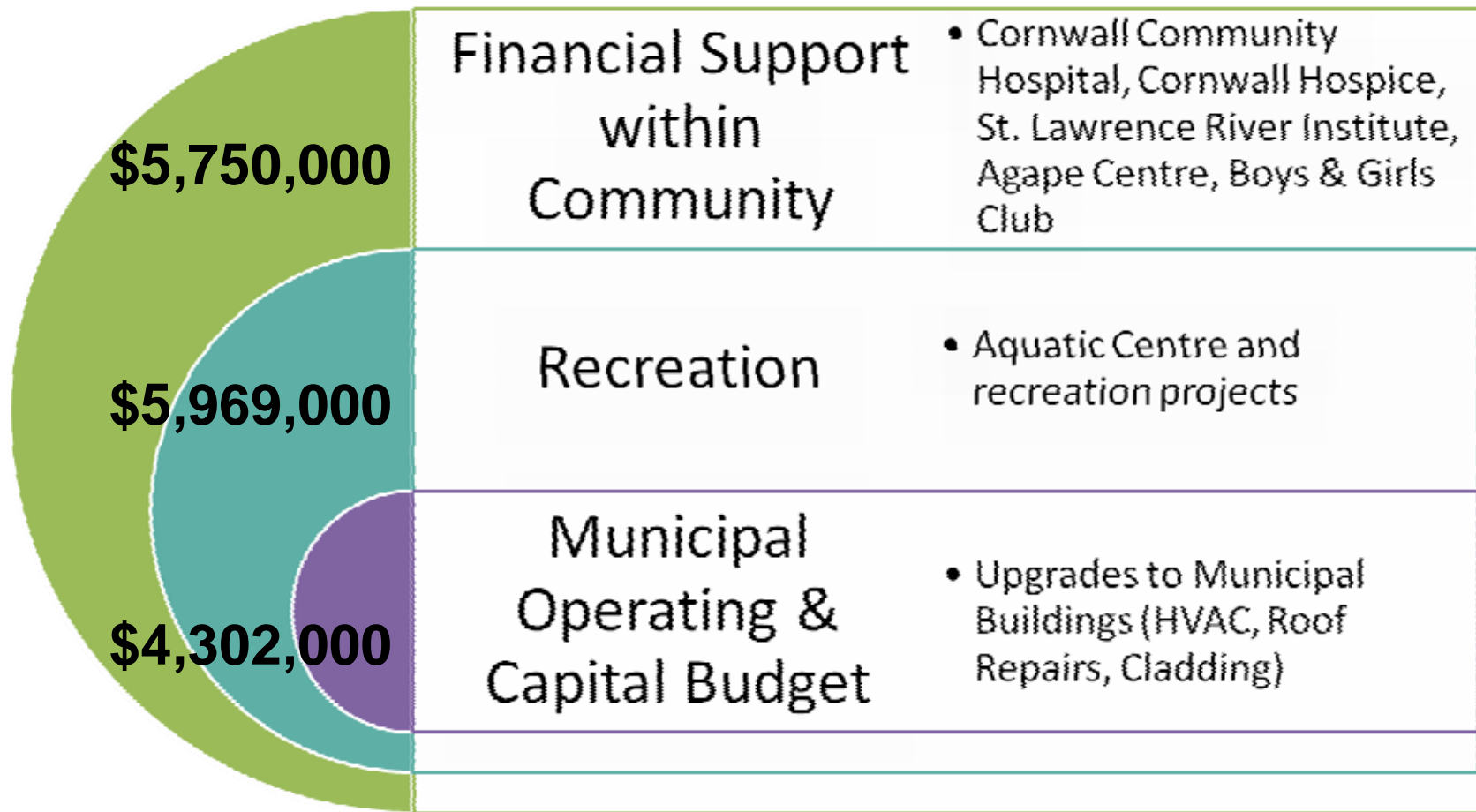
New EMS Headquarters - \$5.1 M

Watermain Project - \$2.1 M

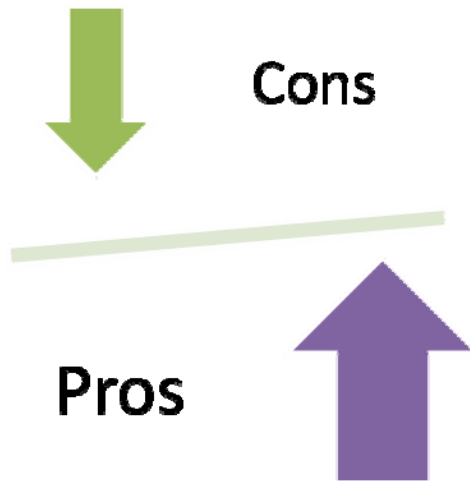
Debt? Here we go again...



Projects Supported by the Progress Fund



Council Discussion & Debate



- Can we afford these projects?
- What about the “pay-as-you-go” philosophy?
- Should the City use the Progress Fund principal?
- If we use the Progress Fund, will it get paid back?
- Is there “*good debt*” vs. “*bad debt*”?
- Should we use all or part of the investment income from the Progress Fund to finance debt payments?