

MEDIA RELEASE

Aug. 17, 2016

West St. Paul buys back debenture

Purchase will save the community nearly \$600,000 in interest payments:
Henley

The R.M. of West St. Paul is pleased to advise residents that Mayor and Council have reduced costs to Municipal ratepayers by purchasing back \$1.7 million of its \$4.5 million debenture, which was obtained in 2013 for the construction of the Main Street Sewer Trunk Line.

The debenture purchase will save ratepayers \$597,552.77 over the 20-year life of the debenture, as that interest will not be required to be paid. This will reduce the total Municipal debt by 19.9 percent of all long-term debt.

“In 2013 as Mayor, I presented to the community that we were committed to delivering a permanent wastewater solution in the most affordable manner possible,” said Mayor Bruce J. Henley. “With this announcement, it confirms to all ratepayers in the community we are delivering on that promise.”

The \$1.7 Million Debenture redemption is part of the Municipality’s commitment to fund sewer and water capital improvement through development fees and revenues, while minimizing the costs to the existing taxpayers of the Municipality.

On Aug. 11, 2016, West St. Paul Council approved the purchase of \$1.7 million of the \$4.5 million debenture. This debenture purchase reduces the original borrowing for this project by 37 percent, leaving the Municipality with a debt of \$2.8 million.

The original \$4.5 million debenture was authorized through By-Law 2013-05 in 2013. The \$1.7 million component is noted in Series A of By-Law 2015-06. The debenture buyback was authorized by West St. Paul Council resolution 2016-385.