

Authority: Notice of Motion by Mayor Lastman, seconded by Councillor Ootes,
as adopted by City of Toronto Council on December 16 and 17, 1998
Enacted by Council: December 16, 1998

CITY OF TORONTO

BY-LAW No. 887-1998

To authorize the issue of sinking fund debentures to the amount of \$125,000,000.00 for the purpose of City of Toronto.

WHEREAS the *Municipality of Metropolitan Toronto Act* (the “Metro Act”), prior to January 1, 1998, provided that, subject to the limitations and restrictions contained in the *Metro Act* and in the *Ontario Municipal Board Act*, (the “OMB Act”) the council of The Municipality of Metropolitan Toronto (the “Metropolitan Corporation”) could borrow money for the purposes of the Metropolitan Corporation including the purposes of the Toronto Transit Commission (the “TTC”) and of the Metropolitan Toronto Library Board, any area municipality, the joint purposes of any two or more area municipalities, and any board of education in the Metropolitan Area (as that term was defined in the Metro Act) whether under the Metro Act or any general or special Act and could issue debentures therefor on the credit of the Metropolitan Corporation; and

WHEREAS effective January 1, 1998 the *City of Toronto Act, 1997* incorporated a new municipality under the name City of Toronto which for all purposes, stands in the place of the Metropolitan Corporation and the six former area municipalities under the *Metro Act*; and

WHEREAS the *City of Toronto Act, 1997* provides that all assets, liabilities, rights, interests, approvals, status, registrations, entitlements and contractual benefits and obligations of the Metropolitan Corporation and of the six former area municipalities on December 31, 1997 are on January 1, 1998, vested in and become assets and liabilities of City of Toronto; and

WHEREAS subsection 2(7) of the *City of Toronto Act, 1997* provides that every by-law or resolution of the council of the Metropolitan Corporation and of the councils of the six former area municipalities which were in force immediately before the dissolution of all such municipalities under section 28 of the *City of Toronto Act, 1997* are deemed to be a by-law or resolution of the council of the new City of Toronto; and

WHEREAS prior to January 1, 1993, section 65 of the OMB Act provided that no act, matter or thing in respect of which debentures would be issued could be undertaken until the approval of the Ontario Municipal Board (the “OMB”) had been given in respect thereof; and

WHEREAS prior to January 1, 1993, the purpose described in Column 1 of Schedule “A”, hereto attached (hereinafter called “Schedule “A””) was authorized by the council of the Metropolitan Corporation and the council of the Metropolitan Corporation authorized increased cost amounts and additional debenture authorities in respect of such purpose, all with the approval of the OMB under section 65 of the OMB Act (or any predecessor section thereof) pursuant to the orders of the OMB, the file numbers and dates under which such orders (the “Orders”) were issued are set forth in Column 4 of Schedule “A”; and

WHEREAS effective January 1, 1993, the *Municipal Act* provided that a municipality could borrow or incur a debt for municipal purposes and could issue debentures for the money borrowed or for the debt without the approval of the OMB under section 65 of the OMB Act if the municipality did not thereby exceed its updated debt and financial obligation limit; and

WHEREAS subsequent to January 1, 1993 the council of the Metropolitan Corporation authorized, pursuant to the authorizing by-laws set out in Column 4 of Schedule "A", increased cost amounts and additional debenture authorities in respect of the purpose described in Column 1 of Schedule "A"; and

WHEREAS the Metropolitan Corporation had, prior to January 1 of each year (commencing January 1, 1993 and ending December 31, 1997), received from the Ministry of Municipal Affairs and Housing its annual debt and financial obligation limit and the Treasurer of the Metropolitan Corporation had updated such limit in accordance with the applicable regulation prior to the authorization of each additional cost amount and each additional debenture authority in respect of the purpose described in Column 1 of Schedule "A" since January 1, 1993, and such Treasurer determined that the estimated annual amount payable in respect of each such additional cost amount and additional debenture authority did not cause the Metropolitan Corporation to exceed the updated limit with the result that the council of the Metropolitan Corporation, in accordance with the applicable legislation, authorized each such additional cost amount and debenture authority without the approval of the OMB under section 65 of the OMB Act; and

WHEREAS the Orders and the authorizing by-laws set out in Column 4 of Schedule "A" authorized the issue of debentures for the purpose described in Column 1 of Schedule "A" and unutilized debenture authority remains outstanding under each Order and authorizing by-law in an amount which, when combined with the amounts of unutilized debenture authority under other Orders or authorizing by-laws set out in Column 4 in respect of such purpose, constitute an aggregate amount at least equal to the amount set out in Column 2 of Schedule "A"; and

WHEREAS subsection 31(a) of the *City of Toronto Act, 1997 (No. 2)* provides that City of Toronto may contribute to the capital costs of the TTC where the approval of the OMB is first obtained; and

WHEREAS on November 30, 1998 the OMB by its order issued under File No. E980009 approved City of Toronto's contribution to the capital costs of the TTC for the purpose described in Column 1 of Schedule "A" in the amount of \$125,000,000.00; and

WHEREAS City of Toronto and its predecessor, the Metropolitan Corporation, have complied with all of the provisions of the aforesaid Acts relating to the borrowing of money for the purpose described in Column 1 of Schedule "A", the making of the aforesaid contribution to the capital costs of the TTC and the issue of debentures to provide the amount set out in Column 2 of Schedule "A"; and

WHEREAS it is deemed necessary to issue debentures on the credit of City of Toronto in the principal amount of \$125,000,000.00 in order to provide the amount set out in Column 2 of Schedule "A" after providing for the discount, if any, and expenses incidental to the negotiation and sale of the debentures, such debentures to be payable within the terms of years set out in Column 5 of Schedule "A" as required by the Orders or by the authorizing by-laws referred to in Column 4 which terms of years do not exceed the lifetime of the purpose described in Column 1 of Schedule "A"; and

WHEREAS it is expedient that the said debentures bear interest at the rate set out in section 3 hereof payable semi-annually with the principal amount of such debentures repayable on the 18th day of December, 2018.

The Council of City of Toronto HEREBY ENACTS as follows:

1. The borrowing of the said sum of \$125,000,000.00 for the purpose described in Column 1 of Schedule "A" and the issue of sinking fund debentures therefor on the credit of City of Toronto to be repaid on the day hereinafter fixed are hereby authorized.

2. The Mayor and Treasurer of City of Toronto are hereby authorized to cause any number of sinking fund debentures to be made for such sums of money as may be required for the purpose aforesaid in global and definitive forms not exceeding in the whole the said sum of \$125,000,000.00 and the said debentures shall be sealed and signed in accordance with the provisions of the *Municipal Act*. The said debentures shall initially be issued in global fully registered form as five certificates, each in the principal amount of \$25,000,000.00 in the name of the nominee of The Canadian Depository for Securities Limited, (hereinafter called "CDS"), being CDS & Co., with provision for payment of principal and interest by cheque sent by post to the registered address of the registered holder or, if authorized in writing, by electronic transfer (hereinafter called the "Global Debentures"). Any of the said debentures issued in definitive form may, with council approval, be countersigned in writing by officials so designated by council.

3. The said debentures shall all be dated the 18th day of December, 1998 and shall be issued within two years after the day on which this By-law is passed and as to both principal and interest shall be expressed and be payable in lawful money of Canada. The said debentures shall be issued for a term of twenty years bearing interest at the rate of 5.60 per cent per annum and shall be payable on the 18th day of December, 2018 and in each year during such twenty year period, the sum of \$7,000,000.00 shall be payable for interest on the said debentures and the sum of \$4,197,718.75 shall be deposited by the said Treasurer, or an authorized official of City of Toronto, in the sinking fund for the payment of the principal of the said debentures at maturity as required by the provisions of the *Municipal Act*.

4. The said debentures shall bear interest at the rate aforesaid from the date thereof, which interest shall be payable semi-annually in arrears on June 18 and December 18 in each year commencing on June 18, 1999. Interest shall be payable to the date of maturity and shall be payable both before and after default and judgment. Any amounts payable by City of Toronto as interest on overdue principal and interest in respect of the said debentures shall be paid out of current revenues.

5. In limited circumstances (as set out in the letter of representations referred to in subsection 7(1) of this By-law), the Global Debentures shall be exchangeable for debentures in definitive fully registered form in denominations of \$1,000.00 and any multiples thereof upon surrender of the Global Debentures to the Treasurer of City of Toronto. The definitive debentures in respect of the said debentures shall aggregate the same principal amount as the principal outstanding balance of the Global Debentures which relate to the said debentures as at the date of exchange, shall bear the same interest rate and maturity date, shall bear all unmatured interest obligations and shall be the same substantially in every respect to the Global Debentures as they relate to the said debentures. In issuing definitive debentures, no change shall be made in the amount which would otherwise be payable in each year in respect of the said debentures under the Global Debentures. The definitive debentures shall be in fully registered form, payable as to principal in lawful money of Canada at any branch in Canada of the bank designated in the definitive debentures with provision for payment of interest by cheque sent by post to the registered address of the registered holder or, if authorized in writing, by electronic transfer.

6. There shall be raised in each year during the twenty year period from the date of the said debentures the said sum of \$7,000,000.00 for interest on the said debentures together with the said sum of \$4,197,718.75 for deposit in the said sinking fund for the payment of the principal of the said debentures at maturity and in each such year, for the purpose described in Column 1 of Schedule "A", the said two sums shall be levied and raised by a special rate sufficient therefor, on all the rateable property in the City of Toronto to the extent that the sums have not been provided for by special rates imposed on persons or property made specially liable for them by a by-law of the council of the City of Toronto or its predecessor, Metropolitan Corporation. The said sum of \$4,197,718.75 for the deposit in the said sinking fund shall, in accordance with the provisions of the *Municipal Act* and sections 104 and 105 of the *City of Toronto Act, 1997 (No. 2)*, be deposited with a bank listed in Schedule I or II to the *Bank Act* (Canada) or a trust corporation that is registered under the *Loan and Trust Corporations Act*, or subject to the *Credit Unions and Caisses Populaires Act*, with a credit union as defined in that Act, and such amount shall be so deposited on or before the anniversary date in each year of the currency of the said debentures.

7. (1) The said Mayor and Treasurer are hereby authorized to complete the sale of the said debentures in accordance with an agreement dated the 2nd day of December, 1998, with CIBC Wood Gundy Securities Inc., RBC Dominion Securities Inc. and ScotiaMcLeod Inc. The entering into of a letter of representations addressed to CDS is hereby authorized in such form as the Mayor and Treasurer, on the advice of the City Solicitor, may approve. The Mayor and Treasurer are hereby authorized to complete the sale of the said debentures in accordance with the terms of the agreement and the letter of representations and generally to do all things and execute all documents and other papers in the name of City of Toronto in order to complete the sale of the said debentures contemplated by the said agreement, the letter of representations and this By-law and the seal of City of Toronto shall be affixed to all such documents and papers, including the agreement and the letter of representations.

(2) The proceeds of the sale or hypothecation of the said debentures, after providing for the discount, if any, and the expenses of the negotiation and sale thereof, shall be applied for the purpose described in Column 1 of Schedule "A" and for no other purpose except as permitted by the *Municipal Act* and the *City of Toronto Act, 1997 (No. 2)*.

8. The debentures to be issued hereunder may contain or have endorsed upon them a provision to the following effect: “This debenture, or any interest therein, shall not, after a certificate of ownership has been endorsed thereon by the Treasurer of City of Toronto (or by such other person authorized by By-law of City of Toronto to endorse such certificate of ownership), be transferable except by entry by the Treasurer (or by such other person so authorized), in the Debenture Registry of City of Toronto at the City of Toronto.”

ENACTED AND PASSED this 16th day of December, A.D. 1998.

MEL LASTMAN,
Mayor

NOVINA WONG,
City Clerk

(Corporate Seal)

City of Toronto By-law No. 887-1998

SCHEDULE "A" TO BY-LAW NO. 887-1998

1	2	3	4		5
Purpose	Amount \$	Term Repayment Years	Ontario Municipal Board Orders/ Authorizing By-laws		Maximum Term of Years Approved by OMB/Council
			No.	Date	
City of Toronto					
Toronto Transit Commission					
Rapid Transit Expansion Program for the Sheppard Subway, Yonge Street to Don Mills Road	<u>123,537,500</u>	20	E860549	May 29, 1986	20
			E860549	October 30, 1986	20
			E860549	October 26, 1987	20
			E860549	January 10, 1990	20
			E860549	June 1, 1990	20
			E860549	August 9, 1991	20
			E920303	May 14, 1992	20
			B\L 22-93	March 3, 1993	20
			B\L 46-94	April 20, 1994	30
Total City of Toronto	<u><u>123,537,500</u></u>				