

**Housekeeping Amendments to 2009 and 2010
Borrowing Limit By-laws**

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| Date: | August 19, 2010 |
| To: | City Council |
| From: | Deputy City Manager & Chief Financial Officer |
| Wards: | All |
| Reference Number: | P:\2010\Internal Services\Cf\Cc10047cf |

SUMMARY

This report requests Council's authority to amend by-law numbers 1326-2008 and 1264-2009 (the "Borrowing Limit By-laws") to clarify the calculation of the City's annual borrowing limits. The amendment will clarify the existing language of the Borrowing Limit By-laws to confirm that the annual borrowing limit shall be reduced in the year during which any agreements for the issue of debentures have been entered into by the amount of debentures specified in such agreements regardless of the year in which the debentures are issued.

RECOMMENDATIONS

The Deputy City Manager and Chief Financial Officer recommends that:

1. Council amend by-laws 1326-2008 and 1264-2009 and to clarify that the annual borrowing limit for 2009 and 2010 shall be reduced in the year during which the Mayor and Deputy City Manager and Chief Financial Officer enter into any agreement for the issue of debentures by the amount of debentures specified in any such agreement regardless of the year in which the debentures are issued.
2. Authority be granted for the introduction of the necessary bills in Council and authorize the appropriate City officials to take the necessary actions to give effect thereto.

Financial Impact

None

BACKGROUND

Annually, City Council adopts a by-law that authorizes the Mayor and the Deputy City Manager and Chief Financial Officer to enter into agreements for the issue of debentures up to a specified dollar limit that is based upon the financing requirements of the City's Capital Budget. The 2009 borrowing limit is set out in By-law No. 1326-2008, and the 2010 borrowing limit is set out in By-law No. 1264-2009.

The Borrowing Limit By-laws do not contemplate the situation where an agreement to issue debentures is entered into at the end of one calendar year and the debentures authorized by the agreement are issued in the following calendar year.

COMMENTS

In 2009, the City entered into agreements to issue two debentures to the Federation of Municipalities (FCM) for loans received by the City under FCM's Green Municipal Fund. However, due to administrative delays as well as the FCM's issuing protocol, the debentures were not approved by the Debenture Committee and issued to FCM until early in 2010. The straddling of two calendar years for the issue of debentures has never previously occurred.

While the Borrowing Limit By-laws do not require that the agreements be entered into during the same calendar year as the related debentures are issued, it is recommended that the Borrowing Limit By-laws for 2009 and 2010 be amended to clarify that the City's annual borrowing limit for the calendar year in which an agreement for the issue of debentures is executed will be decreased by the amount of the debentures that is specified in such an agreement and will be unaffected by the date on which the debentures are issued.

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SIGNATURE

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