

Authority: Policy and Finance Committee Report No. 2, Clause No. 13,  
as adopted by City of Toronto Council on February 1, 2 and 3, 2005  
Enacted by Council: February 3, 2005

## **CITY OF TORONTO**

### **BY-LAW No. 70-2005**

#### **To authorize temporary borrowing to meet expenditures made in connection with work to be financed by the issue of debentures or bank loan agreements for the year 2005.**

WHEREAS subsection 405(1) of the *Municipal Act, 2001*, as amended, (the “Act”) provides that a municipality may authorize temporary borrowing to meet expenditures made in connection with a work to be financed in whole or in part by the issue of debentures if, the municipality is a single tier municipality and it has approved the issue of debentures for the work; and

WHEREAS subsection 405(4) of the Act provides that a municipality may delegate the power set out in subsection 405(1) to the head of Council, to the treasurer, or to both of them; and

WHEREAS Ontario Regulation No. 276/02 allows a municipality to enter into a bank loan agreement for the purpose of long-term borrowing, and section 7 of Ontario Regulation No. 276/02 provides that a bank loan agreement may be used instead of the issue of debentures to finance a work for which a municipality has authorized temporary borrowing under subsection 405(1) of the Act; and

WHEREAS clause 401(2)(b) of the Act provides that a municipality may incur a debt for the purposes of a school board if the school board exercises jurisdiction in all or part of the municipality and requires permanent improvements as defined in subsection 1(1) of the *Education Act*, whether by borrowing money or in any other way, and may issue debentures and prescribed financial instruments and enter prescribed financial agreements for or in relation to the debt; and

WHEREAS section 404 of the Act provides that a municipality may incur debt and issue debentures for a school board under clause 401(2)(b) only if the school board applies to the municipality and the municipality agrees; and

WHEREAS clause 405(1)(c) of the Act provides that a municipality may authorize temporary borrowing to meet expenditures made in connection with a work to be financed in whole or in part by the issue of debentures if, the municipality has approved the issue of debentures for a school board under section 404; and

WHEREAS subsection 406(1) of the Act provides that a municipality shall authorize temporary borrowing for a school board (the “Board”) if, the municipality has authorized the issue of debentures for the purposes of the school board (the “School Purposes”), the school board requests temporary borrowing for the purposes for which the debentures were authorized, and the council of the municipality considers the terms of the agreement with the lender to be reasonable; and

WHEREAS subsection 406(4) of the Act provides that a municipality may delegate the power set out in subsection 406(1) to the head of Council, to the treasurer, or to both of them;

The Council of the City of Toronto HEREBY ENACTS as follows:

1. When Council has approved an undertaking to be financed in whole or in part by incurring long-term debt for the purposes of the City of Toronto, including the School Purposes of the Board, authority is granted:
  - (a) to the Treasurer to obtain from a bank or person temporary advances from time to time to meet expenditures in connection with the purposes authorized provided that temporary advances in respect of each such purpose shall at no time exceed the gross expenditure approved for such purpose, and to borrow temporarily in respect of such purposes an aggregate amount not to exceed \$600,000,000.00, pending the sale and issuance of debentures or the entering into of bank loan agreements;
  - (b) to the Treasurer to transfer the proceeds of any advance or loan obtained for the Board to the Board; and
  - (c) to the Mayor and the Treasurer to enter into any agreements necessary to give effect to the foregoing.
2. When the Board requests the Treasurer to agree with a bank or person for temporary advances in respect of School Purposes, the money raised for the Board by the City of Toronto by temporary advances shall be undertaken in accordance with the request of the Board, section 1 of this by-law and the provisions of the Act.

ENACTED AND PASSED this 3rd day of February, A.D. 2005.

DAVID R. MILLER,  
Mayor

ULLI S. WATKISS  
City Clerk

(Corporate Seal)