

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. 71-2005

To authorize the temporary borrowing of moneys to meet the current expenditures of the City of Toronto for the year 2005.

WHEREAS subsection 407(1) of the *Municipal Act, 2001* ("the Act") provides that a municipality may authorize temporary borrowing of such amount as the council considers necessary to meet, until the taxes are collected and other revenues for the current year are received, the current expenditures of the municipality for the year, including the amounts required for sinking fund, principal and interest falling due within the year upon any debt of the corporation, school purposes, other purposes the municipality is required by law to provide for, and the amount of principal and interest payable by a person or a municipality primarily liable for a debt, if the municipality has guaranteed the debt and the debt is in default; and

WHEREAS subsection 407(2) of the Act, as amended, provides that the total amount which may be borrowed at any one time for the purposes mentioned in subsection 407(1) plus any outstanding amounts of principal borrowed and accrued interest, shall not, except with the approval of the Ontario Municipal Board, exceed from January 1st to September 30th, 50 per cent of the total, and from October 1st to December 31st, 25 per cent of the total estimated revenues of the municipality as set out in the budget adopted for the year; and

WHEREAS subsection 407(3) of the Act provides that until the budget for 2005 is adopted, the limits upon borrowing prescribed by subsection 407(2), shall temporarily be calculated upon the estimated revenues of the municipality as set out in the budget adopted for 2004; and

WHEREAS subsection 407(4) of the Act provides that, for the purposes of subsections 407(2) and 407(3), estimated revenues do not include revenues derivable or derived from borrowings or issues of debentures, a surplus including arrears of taxes, fees or charges, or a transfer from the capital fund, reserve funds or reserves; and

WHEREAS subsection 407(6) of the Act provides that a municipality may delegate the power in subsection 407(1) to the head of council, to the treasurer or to both of them; and

WHEREAS it is deemed necessary by the Council to borrow from time to time in 2005 sums not to exceed the aggregate sum of Five Hundred Million Dollars (\$500,000,000.00) to meet, until the taxes are collected and other revenues for the current year are received, the current expenditures of the City of Toronto for the year 2005; and

WHEREAS the said sum of Five Hundred Million Dollars (\$500,000,000.00) plus any similar borrowings that have not been repaid from time to time during 2005 which remain outstanding is less than 50 per cent

of the total amount of the estimated revenues of the City of Toronto as set forth in the budget adopted for the year 2004;

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

1. The Mayor and Treasurer of the City of Toronto be and they are hereby authorized to temporarily borrow, subject to the limitations in subsections 407(2) of the Act, an amount or amounts not exceeding in all the amount of Five Hundred Million Dollars (\$500,000,000.00) to meet, until the taxes are collected and other revenues for the year 2005 are received, the current expenditures of the City of Toronto for 2005, including the amounts required for sinking fund, principal and interest falling due within the year upon any debt of the City of Toronto, including any debt incurred by any former area municipality and by the former municipality called The Municipality of Metropolitan Toronto, school purposes, other purposes for which the City of Toronto is required by law to provide for, and the amount of principal and interest payable by a person or a municipality primarily liable for a debt, if the City of Toronto has guaranteed the debt and the debt is in default.

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

DAVID R. MILLER,
Mayor

ULLI S. WATKISS
City Clerk

(Corporate Seal)