

Authority: Executive Committee Item 33.13, adopted as amended,
by City of Toronto Council on August 5 and 6, 2009
Enacted by Council: August 6, 2009

CITY OF TORONTO

BY-LAW No. 702-2009

To adopt a new Municipal Code Chapter 30, Debenture Committee.

WHEREAS pursuant to section 245 of the *City of Toronto Act, 2006* (the “Act”), the City may borrow money in accordance with such conditions and restrictions as may be prescribed; and

WHEREAS pursuant to section 3 of Ontario Regulation 610/06, the City may for its purposes borrow money to obtain or provide long-term financing for any capital work by issuing debentures, issuing revenue bonds and entering bank loan agreements, which borrowing shall be approved by by-law; and

WHEREAS pursuant to subsection 20(1) of the Act, the City may delegate its powers and duties under the Act to a person or body subject to the restrictions set out in the Act; and

WHEREAS pursuant to section 21 of the Act, the City may delegate legislative and quasi-judicial powers to a body having at least two members of whom at least 50 per cent are members of City Council, or individuals appointed by City Council; and

WHEREAS pursuant to subsection 20(3) the City may impose as a condition of a delegation a requirement that the delegate act by by-law; and

WHEREAS City Council wishes to establish a Debenture Committee and delegate to the Debenture Committee the authority, for the purposes of the City to borrow money to obtain or provide long-term financing for any capital work through the issue of debentures, the issue of revenue bonds and the entering into of bank loan agreements, and to enact the necessary by-laws to give effect to such borrowing;

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

1. By-law No. 1326-2008 is amended by deleting sections 2 and 5 thereof, and replacing it with the following:
 - “2. Any agreement or agreements entered into under the authority contained in section 1 may provide that the debentures to be issued may be expressed and be payable in lawful money of Canada and the Mayor and Deputy City Manager and Chief Financial Officer are authorized to enter into any additional agreements, as described in the Regulation, to provide for the reduction of interest rate risk with respect to all or a portion of the interest payable under the debentures, to provide for the reduction of currency risk with regard to the entire amount of principal and interest payable under the debentures or to minimize the cost or risk associated with the debentures due to fluctuations in interest rates.”

- “5. Where the Mayor and the Deputy City Manager and Chief Financial Officer have entered into an agreement or agreements in accordance with section 1, the Deputy City Manager and Chief Financial Officer shall report the terms of the agreement to the Debenture Committee for approval, and no later than the second regular Council meeting next following such approval, shall report the terms of the debenture issuance to Council for information.”
2. Schedule “A” to this By-law is enacted as Chapter 30, Debenture Committee, of The City of Toronto Municipal Code.

ENACTED AND PASSED this 6th day of August, A.D. 2009.

GLORIA LINDSAY LUBY,
Deputy Speaker

ULLI S. WATKISS
City Clerk

(Corporate Seal)

SCHEDULE “A” TO BY-LAW No. 702-2009

Chapter 30

DEBENTURE COMMITTEE

§ 30-1. Establishment of Committee.

A Debenture Committee is established for the City of Toronto.

§ 30-2. Composition.

- A. The Debenture Committee shall consist of four members composed of:
- (1) The Mayor;
 - (2) The Budget Chair;
 - (3) The City Manager; and
 - (4) The Deputy City Manager and Chief Financial Officer.
- B. The Mayor shall be the Chair of the Debenture Committee, and the Budget Chair shall be the Vice Chair of the Debenture Committee.

§ 30-3. Quorum.

The majority of committee members constitute a quorum.

§ 30-4. Term of appointment.

The committee members serve by virtue of their positions and until their successors are appointed.

§ 30-5. Delegation and Responsibilities.

- A. The authority to make final decisions with respect to the following matters, to the extent that the authority has not already been delegated, is delegated to the Debenture Committee:
- (1) The authority, for the purposes of the City, to borrow money or provide long-term financing for any capital work by issuing debentures, issuing revenue bonds, and entering into bank loan agreements in accordance with such terms and conditions as are set out in any agreement for the issue of such debentures, the issue of such revenue bonds or the entering into of such bank loan agreements entered into by the Mayor and Deputy City Manager and Chief Financial Officer in accordance with Council’s annual by-laws delegating the authority to enter into any such agreement up to an annual limit established by Council, all in accordance with the

City's Financing of Capital Works Policy and Goals (the "Financing Policy") and with all legislative requirements; and

- (2) the authority to pass the requisite borrowing by-laws to authorize the issue of any debentures, the issue of any revenue bonds and the entering into of any bank loan agreements approved in accordance with (1) and to authorize any one or more City officers to do all things and execute all other documents, instruments and agreements in order to give effect to the issue of any debentures, the issue of any revenue bonds and the entering into of any bank loan agreements; and
 - (3) the authority to pass the requisite by-law(s) to enter into new arrangements with CDS Clearing and Depository Services Inc. ("CDS") to ensure that CDS accepts new issues of debentures and revenue bonds and maintains existing debentures and revenue bonds as book entry only securities in the CDS system and to authorize any one or more City officers to do all things and execute all other documents, instruments and agreements in order to give effect to the arrangements with CDS; and
 - (4) the authority to pass a by-law to authorize the issue of replacement debenture certificates and revenue bonds on such terms and conditions as the Debenture Committee deems appropriate, including a bond of indemnity as a condition of the issue of replacement debenture certificates and revenue bonds, before the City passes the by-law(s) to authorize the new arrangements with CDS.
- B. City Council cannot exercise authority in respect of the matters delegated to the Debenture Committee pursuant to Subsection A.
- C. The delegation to the Debenture Committee pursuant to Subsection A cannot be revoked prior to the end of the Council term ending in 2010, and may be revoked at any time thereafter.
- D. The Chair and Vice Chair of the Debenture Committee are authorized to sign all borrowing by-laws passed by the Debenture Committee.

§ 30-6. Procedures.

- A. The Debenture Committee shall meet at the call of the Chair.
- B. The Debenture Committee shall be subject to Chapter 27, Council Procedures, as applicable, including the notice and open meeting requirements.

§ 30-7. Staff Support.

The City Clerk provides meeting management support to the Debenture Committee.