

Authority: Executive Committee Item 3.3, adopted as amended,  
by City of Toronto Council on February 23 and 24, 2011  
Enacted by Council: February 24, 2011

## **CITY OF TORONTO**

### **BY-LAW No. 331-2011**

#### **To authorize the temporary borrowing of moneys to meet the current expenditures of the City of Toronto for the years 2011, 2012, 2013 and 2014.**

WHEREAS section 7 of the *City of Toronto Act, 2006* (the "Act") provides that the City has the capacity, rights, powers and privileges of a natural person for the purpose of exercising its authority under this or any other Act; and

WHEREAS subsection 8(2) of the Act provides that the City may pass by-laws respecting the financial management of the City and its local boards; and

WHEREAS paragraph 1 of section 245 of the Act provides that, without limiting sections 7 and 8 of the Act, those sections of the Act authorize the City to undertake financial activities related to borrowing and investing money in accordance with such conditions and restrictions as may be prescribed; and

WHEREAS subsection 5(1) of Ontario Regulation 610/06 (the "Regulation") provides that the City 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 City for the year, including the amounts required for sinking and retirement funds, principal and interest falling due within the year upon any debt of the City, school purposes, other purposes that the City 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 has guaranteed the debt and the debt is in default; and

WHEREAS subsection 5(2) of the Regulation provides that the total amount which may be borrowed at any one time 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 City as set out in the budget adopted for the year; and

WHEREAS subsection 5(3) of the Regulation provides that until the budget for the year is adopted, the limits upon borrowing prescribed by subsection 5(2), shall temporarily be calculated upon the estimated revenues of the City as set out in the budget adopted for the previous year; and

WHEREAS subsection 5(4) of the Regulation provides that, for the purposes of subsections 5(2) and 5(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;

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

1. Subject to Section 2, in each of the years 2011, 2012, 2013 and 2014, the Mayor and the Deputy City Manager and Chief Financial Officer are hereby authorized to temporarily borrow to meet the current expenditures of the City of Toronto for the year until such time as the taxes are collected, including the amounts required for the following:
  - (a) sinking and retirement funds;
  - (b) 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;
  - (c) school purposes;
  - (d) other purposes for which the City of Toronto is required by law to provide for; and
  - (e) 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.
  
2.
  - (a) In each of the years 2011, 2012, 2013 and 2014, the total amount borrowed under Section 1 at any one time plus any outstanding amounts of principal borrowed and accrued interest may not exceed:
    - (i) from January 1 to September 30 of the year, 50 per cent of the total estimated revenues of the City as set out in the budget adopted or readopted for the year;
    - (ii) from October 1 to December 31 of the year, 25 per cent of the total estimated revenues of the City as set out in the budget adopted or readopted for the year; and
    - (iii) \$300,000,000.00.
  - (b) Until the budget is adopted in a year, the limits set out in Subsection 2(a) shall be temporarily calculated using the estimated revenues set out in the budget adopted or readopted for the previous year.
  - (c) Estimated revenues in Subsections 2(a) and 2(b) do not include revenues derivable or derived from the following:
    - (i) any borrowing, including through any issue of debentures; or

- (ii) a surplus, including arrears of taxes, fees or charges, or a transfer from the capital fund, reserve funds or reserves.

ENACTED AND PASSED this 24th day of February, A.D. 2011.

FRANCES NUNZIATA,  
Speaker

ULLI S. WATKISS  
City Clerk

(Corporate Seal)