

# The Corporation of the City of North Bay

## By-Law No. 2016-103

### **A By-Law to Authorize the Submission of an Application to Ontario Infrastructure and Lands Corporation (“OILC”) For Financing Certain Ongoing Capital Works of The Corporation of the City of North Bay (the “Municipality”); to Authorize Temporary Borrowing from OILC to Meet Expenditures in Connection With Such Works; and to Authorize Long Term Borrowing for Such Works Through the Issue of Debentures to OILC**

**Whereas** the *Municipal Act, 2001* (Ontario), as amended, (the “**Act**”) provides that a municipal power shall be exercised by by-law unless the municipality is specifically authorized to do otherwise;

**And Whereas** the application to OILC was approved by Resolution No. 2016-449 passed by Council at its Regular Meeting held on the 3<sup>RD</sup> day of October, 2016;

**And Whereas** the Council of the Municipality has passed the by-laws enumerated in column (1) of Schedule “A” attached hereto and forming part of this By-law (“**Schedule “A”**”) authorizing the capital works described in column (2) of Schedule “A” (individually a “**Capital Work**”, collectively the “**Capital Works**”) in the amount of the respective estimated expenditure set out in column (3) of Schedule “A”, subject in each case to the approval by OILC of the financing for such Capital Works that will be requested by the Municipality in the Application as hereafter defined;

**And Whereas** before the Council of the Municipality approved each Capital Work in accordance with section 4 of Ontario Regulation 403/02 (the “**Regulation**”), the Council of the Municipality had its Treasurer update its most recent annual debt and financial obligation limit received from the Ministry of Municipal Affairs and Housing (as so updated, the “**Updated Limit**”), and, on the basis of the authorized expenditure for each Capital Work as set out in column (3) of Schedule “A” (“**Authorized Expenditure**” for any such Capital Work), the Treasurer calculated the estimated annual amount payable in respect of each Capital Work and determined that the estimated annual amount payable in respect of each Capital Work does not exceed the Updated Limit, and accordingly the approval of the Ontario Municipal Board pursuant to the Regulation, was not required before any such Capital Work was authorized by Council;

**And Whereas** subsection 405 (1) of the Act provides, amongst other things, 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 an upper-tier municipality, a lower-tier municipality in a county or a single-tier municipality and it has approved the issue of debentures for the work;

**And Whereas** subsection 401(1) of the Act provides that a municipality may incur a debt for municipal purposes, 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** the Act also provides that a municipality shall authorize long term borrowing by the issue of debentures or through another municipality under section 403 or 404 of the Act;

**And Whereas** OILC has invited Ontario municipalities desirous of obtaining temporary and long term debt financing in order to meet capital expenditures incurred on or after January 1, 2004 in connection with eligible capital projects to make application to OILC for such financing by completing and submitting an application on the form provided by OILC;

**And Whereas** the Municipality has completed and submitted an application to OILC (the “**Application**”) to request financing for the Capital Works by way of long term borrowing through the issue of debentures to OILC and by way of temporary borrowing from OILC pending the issue of such debentures;

**And Whereas** OILC has accepted and has approved the Application;

### **Now Therefore the Council of The Corporation of the City of North Bay Enacts as Follows:**

1. The Council of the Municipality hereby confirms, ratifies and approves the completion by the Treasurer of an Application and the submission by such authorized official of an Application, duly executed by such authorized official, to OILC for the financing of the Capital Works in the maximum aggregate principal amount of \$8,665,000 substantially in the form of Schedule “B” hereto and forming part of this By-law, with such changes thereon as such authorized official may hereafter approve, such execution and delivery to be conclusive evidence of such approval.

2. The Mayor and the Treasurer are hereby authorized to negotiate and enter into, execute and deliver for and on behalf of the Municipality a financing agreement (a "**Financing Agreement**") with OILC that provides for temporary and long term borrowing from OILC in respect of the Capital Works on such terms and conditions as such authorized officials may approve, such execution and delivery to be conclusive evidence of such approval.
3. The Mayor and/or the Treasurer are hereby authorized, pending the substantial completion of each Capital Work or as otherwise agreed with OILC, to make temporary borrowings pursuant to section 405 of the Act in respect of a Capital Work or each Capital Work, as the case may be, on the terms and conditions provided in the Financing Agreement and on such other terms and conditions as such authorized officials may agree, and to sign such evidence of indebtedness as OILC may require (a "**Note**"); and to deliver the Note to OILC, such execution and delivery to be conclusive evidence of such agreement; and the Treasurer is authorized to sign such certifications as OILC may require in connection with such borrowings in respect of each Capital Work; provided that the amount of borrowings allocated to any Capital Work does not exceed the Authorized Expenditure for such Capital Work and does not exceed the related loan amount set out in column (6) of Schedule "A" in respect of such Capital Work.
4. Subject to the terms and conditions of the Financing Agreement and such other terms and conditions as OILC may otherwise require, the Mayor and the Treasurer are hereby authorized to enter into long term borrowing in respect of the Capital Works and to issue debentures to OILC on the terms and conditions provided in the Financing Agreement and on such other terms and conditions as such authorized officials may agree ("**Debentures**"); provided that the principal amount of such Debentures issued in respect of a Capital Work does not exceed the Authorized Expenditure for such Capital Work and does not exceed the loan amount set out in column (6) of Schedule "A" in respect of such Capital Work.
5. In accordance with the provisions of section 25 of the *Ontario Infrastructure and Lands Corporation Act, 2011*, as amended from time to time hereafter, as security for the payment by the Municipality of the indebtedness of the Municipality to OILC under the Note and/or the Debentures, as the case may be (the "**Obligations**"), the Municipality is hereby authorized to agree in writing with OILC that the Minister of Finance is entitled, without notice to the Municipality, to deduct from money appropriated by the Legislative Assembly of Ontario for payment to the Municipality, amounts not exceeding the amounts that the Municipality fails to pay OILC on account of the Obligations and to pay such amounts to OILC from the Consolidated Revenue Fund.
6. For purposes of meeting the Obligations, the Municipality shall provide for raising in each year as part of the general levy, the amounts of principal and interest payable in each year under the Note and any outstanding Debenture, to the extent that such amounts have not been provided for by any other available source including other taxes or fees or charges imposed on persons or property by a by-law of any municipality.
7.
  - (a) The Mayor and/or the Treasurer are hereby authorized to execute and deliver the Note, the Mayor and the Treasurer are hereby authorized to enter into, execute and deliver the Financing Agreement and to cause Debentures to be issued, one or more of the Clerk and Treasurer are hereby authorized to generally do all things and to execute all other documents and papers in the name of the Municipality in order to perform the Obligations of the Municipality under the Financing Agreement, to execute and deliver the Note and to issue the Debentures and the Treasurer is authorized to affix the Municipality's municipal seal to any such documents and papers.
  - (b) The money realized in respect of the Note and the Debentures, including any premium, and any earnings derived from the investment of the money, after providing for the expenses related to the execution and delivery of the Note and to the issue of the Debentures, if any, shall be apportioned and applied to the respective Capital Work and to no other purpose except as permitted by the Act.
8. This By-law takes effect on the day of passing.

Read a First Time in Open Council this 17<sup>th</sup> Day of October, 2016.

Read a Second Time in Open Council this 17<sup>th</sup> Day of October, 2016.

Read a Third Time in Open Council and Enacted and Passed this 17<sup>th</sup> Day of October, 2016.

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Mayor Allan McDonald

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City Clerk Karen McIsaac

**The Corporation of the City of North Bay  
Schedule "A" to By-Law Number 2016-103**

(1)	(2)	(3)	(4)	(5)	(6)	(7)
<b>By-Law Number</b>	<b>Capital Works Description</b>	<b>Estimated Expenditure</b>	<b>Approved Principal Amount to be Financed Through the Issue of Debentures</b>	<b>Principal Amount of Debentures Previously Issued</b>	<b>Principal Amount of Debentures to be Issued Hereunder</b>	<b>Term of Years of Debentures</b>
2011-99 2012-84 2013-207 2015-106 2016-15 2016-33	3108GD – Landfill Site (Merrick) - Leachate Treatment	\$5,842,339	\$5,573,812	\$1,405,103	\$3,900,000	10
2013-34 2014-17 2015-40	3513SS – Wastewater Treatment Plant – Grit Removal at Front End	\$6,400,000	\$6,325,914	\$3,031,775	\$1,500,000	10
2016-15	3510SS – Sanitary Sewer Ski Hill Trunk Sewer Extension	\$4,200,000	\$4,053,668	\$0	\$1,500,000	10
2015-122 2016-15	6262FD – Fire Vehicle and Equipment Replacement Program 2016 On-going	\$1,123,024	\$1,123,024	\$0	\$925,000	10
2014-17 2014-108 2016-57	6151FL – Vehicle and Equipment Replacement Program 2014 On-going	\$1,358,869	\$1,358,869	\$600,000	\$440,000	10
2016-15 2016-57	6265RF – Memorial Gardens Rehab 2016 On-going (Boiler Replacement)	\$525,190	\$421,212	\$0	\$400,000	10

**The Corporation of the City of North Bay  
Schedule "B" to By-Law Number 2016-103**

Ontario Infrastructure and Lands Corporation (OILC)  
Loan Application

Available for viewing in the City Clerk's Office between  
8:30 a.m. to 4:30 p.m.