

The Corporation of the City of North Bay

By-Law No. 2015-113

A By-Law to Authorize the Submission of an Application to the 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. 2015-474 passed by Council at its Regular Meeting held on the 5th day of October, 2015;

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 “**Project**”, collectively the “**Projects**”) in the amount of the respective estimated expenditure set out in column (3) of Schedule “A”;

And Whereas before the Council of the Municipality approved each Project in accordance with section 4 of Ontario Regulation 403/02, 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 Project as set out in column (3) of Schedule “A” (“**Authorized Expenditure**”), the Treasurer calculated the estimated annual amount payable in respect of each Project and determined that the estimated annual amount payable in respect of each Project does not exceed the Updated Limit, and accordingly the approval of the Ontario Municipal Board under the *Ontario Municipal Board Act* (Ontario), as amended, was not required before any such Project was authorized by Council;

And Whereas subsection 405 (1) 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,

- (a) 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;
- (b) the municipality is a lower-tier municipality in a regional municipality and it has approved the work and the upper-tier municipality has approved the issue of debentures for the work; or
- (c) the municipality has approved the issue of debentures for another municipality or a school board under section 404;

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 after December 31, 2003 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 (the “**Application**”);

And Whereas the Municipality has submitted an Application to OILC to request financing in order to meet capital expenditures incurred in connection with the Projects after December 31, 2003 (the “**Post 2003 Expenditures**”) 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 municipality’s 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 Post 2003 Expenditures

for the Projects in the maximum aggregate principal amount of \$10,226,075 substantially in the form of Schedule "B" hereto and forming part of this By-law, with such changes thereon as such authorized official approved.

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 Post 2003 Expenditures for the Projects 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 a Project or as otherwise agreed with OILC, to make temporary borrowings pursuant to section 405 of the Act in order to meet Post 2003 Expenditures, 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 the Treasurer is authorized to sign such certifications as OILC may require in connection with such borrowings in respect of each Project; provided that the amount of borrowings allocated to any Project does not exceed the Authorized Expenditure for such Project and does not exceed the loan amount set out in column (6) of Schedule "A" in respect of such Project.
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 Projects 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 Project does not exceed the Authorized Expenditure for such Project and does not exceed the loan amount set out in column (6) of Schedule "A" in respect of such Project.
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 of the Municipality in respect of the Note and any Debentures, 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, the Clerk and Treasurer are severally 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 and to carry out the issuance of the Note and Debentures and the Treasurer is authorized to affix the Municipality's municipal seal to any such documents and papers.

(b) The proceeds realized in respect of the Note and Debentures, after providing for the expenses related to their issue, if any, shall be apportioned and applied for the respective Projects and for 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 19th Day of October, 2015.

Read a Second Time in Open Council this 19th Day of October, 2015.

Read a Third Time in Open Council and Enacted and Passed this 19th Day of October, 2015.

**The Corporation of the City of North Bay
Schedule "A" to By-Law Number 2015-113**

(1)	(2)	(3)	(4)	(5)	(6)	(7)
By-Law Number	Capital Works Description	Estimated Expenditure	Approved Principal Amount to be Financed Through the Issue of Debentures	Principal Amount of Debentures Previously Issued	Principal Amount of Debentures to be Issued Hereunder	Term of Years of Debentures
2011-90 2012-62 2012-224 2013-148 2014-17 2015-40 2015-98	3104RD and 3104WS – Ferguson Street Reconstruction (McIntyre Street to Chippewa Street)	\$10,800,000	\$10,800,000	\$8,300,000	\$980,000	10
2008-152 2011-96 2014-17 2015-40 2015-98 2015-47	2803RD, 2803SS and 2803WS – Cedar Heights Infrastructure Upgrade – BPS, Water and Sewer on College Drive	\$9,419,006	\$9,204,276	\$4,825,000	\$1,175,000	10
2011-168 2011-218 2014-17 2014-77 2014-95 2014-114 2015-34 2015-40	3300 RD – John Street Bridge	\$2,794,160	\$2,794,160	\$565,000	\$1,900,000	10
2014-17 2015-40 2015-98 2015-106	3407GD – Leachate Management – Future Cells	\$1,350,000	\$1,150,000	\$0	\$1,050,000	10
2014-17 2015-34	3424TR – Transit Pre-Board Auto Announce – AODA Legislation	\$565,466	\$434,484	\$0	\$300,000	10
2013-34 2014-17 2015-40	3513SS – Wastewater Treatment Plant – Grit Removal at Front End	\$6,400,000	\$6,325,914	\$0	\$3,031,775	10
2014-17 2014-108	6151FL – Vehicle and Equipment Replacement Program 2014 On-going	\$1,495,294	\$1,495,294	\$0	\$600,000	10
2014-17	6177PK – Parking Lot Maintenance & Improvements Program 2014 On-going	\$330,000	\$330,000	\$0	\$220,000	10
2014-17	6180TR – Transit Coach Replacement Program 2014 On-going	\$165,500	\$99,300	\$0	\$99,300	10
2015-40	6230TR – Transit Coach Replacement Program 2015 On-going	\$1,050,000	\$1,050,000	\$0	\$870,000	10

**The Corporation of the City of North Bay
Schedule "B" to By-Law Number 2015-113**

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.