By-law Number 2019-042

A by-law to approve the submission of an application to Ontario Infrastructure and Lands Corporation (“OILC”) for the long-term financing of certain capital work(s) of the Corporation of the County of Bruce (the “municipality”); and to authorize the entering into of a rate offer letter agreement pursuant to which the municipality will issue 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 Council of the Municipality has authorized the capital work described in column (2) of Schedule “A” (“Capital Work”) in the amount of the respective estimated expenditure set out in column (3) of Schedule “A”, subject in each case to approval by OILC of the long-term financing for such Capital Work requested by the Municipality in the Application as hereinafter defined;

AND WHEREAS before the Council of the Municipality approved the Capital Work in accordance with section 4 of Ontario Regulation 403/02 (the “Regulation”), the Treasurer of the Municipality calculated an updated limit in respect of its then 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 estimated expenditure for the Capital Work as set out in column (3) of Schedule “A” (the “Authorized Expenditure” for any such Capital Work), the Treasurer calculated the estimated annual amount payable in respect of the Capital Work and determined that the estimated annual amount payable in respect of the Capital Work did not cause the Municipality to exceed the Updated Limit, and accordingly the approval of the Local Planning Appeal Tribunal pursuant to the Regulation, was not required before any such Capital Work was authorized by the Council of the Municipality;

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 long-term debt financing in order to meet capital expenditures incurred on or after the year that is five years prior to the year of an application in connection with eligible capital works to make application to OILC for such financing by completing and submitting an application in the form provided by OILC;

AND WHEREAS the Municipality has completed and submitted an application to OILC, requesting financing for the Capital Work by way of long-term borrowing through the
issue of debentures to OILC, substantially in the form of Schedule “B” hereto and forming part of this By-law (the “Application”);

AND WHEREAS OILC has accepted and has approved the Application;

AND WHEREAS at least 5 business days prior to the passing of the debenture by-law in connection with the issue of Debentures as defined below, OILC will provide the Municipality with a rate offer letter agreement substantially in the form of Schedule “C” hereto and forming part of this By-law (the “Rate Offer Letter Agreement”);

The Council for the Corporation of the County of Bruce enacts By-law 2019-042 as follows:

1. The Council of the Municipality hereby confirms, ratifies and approves the execution by the Treasurer of the Application and the submission by such authorized official of the Application, duly executed by such authorized official, to OILC for the long-term financing of the Capital Work in the maximum principal amount of $2,226,449, with such changes thereon as such authorized official may hereafter, approve such execution and delivery to be conclusive evidence of such approval.

2. The Warden and the Treasurer are hereby authorized to execute and deliver for and on behalf of the Municipality the Rate Offer Letter Agreement under the authority of this By-law in respect of the Capital Work on such terms and conditions as such authorized officials may approve, such execution and delivery to be conclusive evidence of such approval.

3. Subject to the terms and conditions of the Rate Offer Letter Agreement, the Warden and the Treasurer are hereby authorized to long-term borrow for the Capital Work and to issue debentures to OILC on the terms and conditions provided in the Rate Offer Letter Agreement (the “Debentures”); provided that the principal amount of the Debentures issued in respect of the Capital Work, does not exceed the Authorized Expenditure for such Capital Work and does not exceed the related loan amount set out in column (4) of Schedule “A” in respect of such Capital Work.

4. In accordance with the provisions of section 25 of the Ontario Infrastructure and Lands Corporation Act, 2011, as amended from time to time hereafter, the Municipality is hereby authorized to agree in writing with OILC that the Minister of Finance is entitled, without notice 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 to OILC on account of any unpaid indebtedness of the Municipality to OILC under the Debentures (the “Obligations”) and to pay such amounts to OILC from the Consolidated Revenue Fund.

5. For the 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 Debentures issued pursuant to the Rate Offer Letter Agreement, to the extent that the 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.

6. a. The Warden and the Treasurer are hereby authorized to execute and deliver the Rate Offer Letter Agreement, and to issue the Debenture. The Treasurer is 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 terms and conditions that apply to the Municipality as set out in the Rate Offer Letter Agreement and to perform the Obligations of the Municipality under the Debentures, and the Clerk is authorized to affix the Municipality’s municipal seal to any such documents and papers.
b. The money realized in respect of the Debentures, including any premium, and any earnings derived from the investment of that money, after providing for the expenses related 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.

c. This by-law shall come into force and effect on the date it is passed by Council.

Passed this 1st day of August, 2019

Mitch Twolan
Warden

Donna Van Wyck
Clerk