

THE CITY OF VAUGHAN

BY-LAW

BY-LAW NUMBER 067-2014

A by-law to authorize certain capital works of the Corporation of the City of Vaughan (the “Lower-tier Municipality”); to authorize the submission of an application to the Ontario Infrastructure and Lands Corporation (“OILC”) for financing such works and certain other ongoing works; to authorize temporary borrowing from OILC to meet expenditures made in connection with such works; and to authorize long term borrowing for such works through the issue of debentures by the Regional Municipality of York (the “Upper-tier Municipality”) 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 it is now deemed to be expedient to authorize for the municipal purposes of the Lower-tier Municipality the new capital works described in column (1) of Schedule “A” (individually a “**Project**”, collectively the “**Projects**”) attached hereto and forming part of this By-law (“**Schedule “A”**”) in the amount of the respective estimated expenditure set out in column (2) of Schedule “A”, subject in each case to approval by OILC of the financing for such Projects that will be requested by the Lower-tier Municipality in the Application as hereinafter described;

AND WHEREAS before the Council of the Lower-tier Municipality approved each Project, in accordance with section 4 of Ontario Regulation 403/02, the Council of the Lower-tier 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 “**Prior Updated Limit**”), and, on the basis of the authorized expenditure for each Project as set out in column (2) of Schedule “A” (referred to hereinafter as the “**Authorized Expenditure**” for each such Project) 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 Prior 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 403(1) of the Act provides that a by-law of an upper-tier municipality authorizing the issuing of debentures for the purposes or joint purposes of one or more of its lower-tier municipalities may require those lower-tier municipalities to make payments in each year to the upper-tier municipality in the amounts and on the dates specified in the by-law;

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 subsection 401(3) of the Act provides that a lower-tier municipality in a regional municipality does not have the power to issue debentures and accordingly the Lower-tier Municipality intends that the Upper-tier Municipality will issue debentures in respect of the Projects and will request that the Upper-tier Municipality do so;

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 subsection 403(7) of the Act provides that all debentures issued under a by-law passed by an upper-tier municipality under section 403 are direct, joint and several obligations of the upper-tier municipality and its lower-tier municipalities;

AND WHEREAS OILC has invited Ontario municipalities desirous of obtaining temporary and long term debt financing in order to meet capital expenditures incurred in connection with eligible capital projects to

make application to OILC for such financing by completing and submitting an application in the form provided by OILC (the “**Application**”);

AND WHEREAS the Lower-tier Municipality requested the Upper-tier Municipality to issue debentures for the Projects and in this connection the Upper-tier Municipality and the Lower-tier Municipality submitted an application (hereinafter the “**Application**”) to OILC to request financing in order to meet capital expenditures incurred in connection with the Projects (the “**Project Expenditures**”) by way of long term borrowing pursuant to section 403 of the Act through the issue of debentures to OILC and by way of temporary borrowing pursuant to section 405 of the Act;

AND WHEREAS OILC has accepted and has approved such Application;

AND WHEREAS the Upper-tier Municipality has agreed to issue debentures for the Projects to OILC in the maximum aggregate principal amount of \$9,056,000 (the “**Debentures**”); and OILC has indicated that pending the issue of the Debentures it will provide financing by way of temporary advances to the Lower-tier Municipality in respect of the Projects;

AND WHEREAS the Lower-tier Municipality will enter into a financing agreement with OILC pursuant to the terms of which OILC will provide temporary advances to the Lower-tier Municipality in respect of the Projects;

NOW THEREFORE THE COUNCIL OF THE CORPORATION OF THE CITY OF VAUGHAN ENACTS AS FOLLOWS:

1. The Council of the Lower-tier Municipality hereby confirms, ratifies and approves the completion by the Treasurer of the Application and the submission by such authorized official of the Application, to OILC, in cooperation with the Upper-tier Municipality, for the financing of the Projects by way of temporary borrowing from OILC, pending the issue of Debentures, in the maximum aggregate principal amount of \$9,056,000 substantially in the form of Schedule “B” attached hereto and forming part of this By-law, with such changes thereon as such authorized official approved.
2. The Clerk and/or the Treasurer are hereby authorized to negotiate and enter into, execute and deliver for and on behalf of the Lower-tier Municipality a financing agreement (a “**Financing Agreement**”) with OILC that provides for temporary borrowing from OILC in respect of 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 Clerk 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 respect of such Project, 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 Clerk and/or Treasurer is authorized to sign such certifications as OILC may require in connection with such borrowings in respect of the Projects; 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 (5) of Schedule "A" in respect of such Project and does not exceed the loan amount set out in column (5) of Schedule "A" in respect of such Project as appropriate.
4. In accordance with the provisions of section 25 of the *Ontario Infrastructure and Lands Corporation Act, 2011* (Ontario), as security for the payment by the Lower-tier Municipality of any indebtedness of the Lower-tier Municipality to OILC incurred under the Note, and as security for the payment by the Lower-tier Municipality of any indebtedness of the Lower-tier Municipality to the Upper-tier Municipality in respect of Debentures issued for any Projects, the Lower-tier Municipality is hereby authorized to agree in writing with OILC that the Minister of Finance is entitled to deduct from money appropriated by the Legislative Assembly of Ontario for payment to the Lower-tier Municipality amounts not exceeding the amounts that the Lower-tier Municipality fails to pay to OILC on account of the outstanding indebtedness evidenced by the Note issued by the Lower-tier Municipality to OILC and on account of the outstanding indebtedness evidenced by Debentures issued by the Upper-tier Municipality to OILC for any Projects, and to pay such amounts to OILC from the Consolidated Revenue Fund.
5. For the purposes of meeting the obligations of the Lower-tier Municipality in respect of the Note and any Debentures issued by the Upper-tier Municipality to OILC for any Projects, the Lower-tier Municipality shall provide for raising in each year as part of the general lower-tier levy the amounts of principal and interest payable in each year under the Note or any such Debentures, 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 Clerk and/or the Treasurer are hereby authorized to execute and deliver the Note, the Clerk and/or the Treasurer are hereby authorized to enter into, execute and deliver the Financing Agreement, the Clerk and/or the Treasurer are hereby severally authorized to generally do all things and to execute all other documents and papers in the name of the Lower-tier Municipality in order to perform the obligations of the Lower-tier Municipality under the Financing Agreement and the Note, and the Clerk is authorized to affix the Lower-tier Municipality's municipal seal to any such documents and papers.
- (b) The proceeds realized in respect of the Note after providing for the expenses related to its execution and delivery, if any, shall be apportioned and applied to the respective Projects and to no other purpose except as permitted by the Act.

7. This By-law takes effect on the day of passing.

Enacted by City of Vaughan Council this 6th day of May, 2014.

Hon. Maurizio Bevilacqua, Mayor

Jeffrey A. Abrams, City Clerk

Authorized by Item No. 2 of Report No. 6
of the Finance, Administration and Audit Committee
Adopted by Vaughan City Council on
May 6, 2014.

Schedule "A"
 By-law Number XXX-2014
 The Corporation of the City of Vaughan
 2014 Debenture Requirement

(1)	(2)	(3)	(4)	(5)	(6)
Project Number/Description of Capital Work	Estimated Expenditure	Debt Authorized	Debt Issued to Date	Estimated Requirement	Authorizing Document
EN-1868-12 2012 Pavement Mgmt Program-PH1	2,686,000	2,686,000		2,083,513	By-law#14-2012 2012 Capital Budget Approval
EN-1870-12 2012 Pavement Mgmt Program-PH3	3,349,600	3,349,600		2,277,078	By-law#14-2012 2012 Capital Budget Approval
EN-1887-12 Bridge Rehab-Dick Bridge Humbe	669,500	669,500		590,956	By-law#14-2012 2012 Capital Budget Council Approval
					By-law#16-2013/By-law#108-2013 2013 Operating/Capital Budget Council Approved
EN-1785-10 2010 Pavement Mgmt Program	4,641,000	3,966,000		3,964,311	June 25 2013 Report to Council: Approved
EN-1704-08 08 Pavement Mgmt Program	6,592,000	6,592,000	6,290,261	2,960	By-law#3-2010 2010 Capital Budget Approval
EN-1723-08 Road Upgrade - Lester B. Pears	695,300	216,300		128,018	By-law#59-2009 2008 Capital Budget Approval
EN-1654-07 2007 Pavement Mgmt Program	9,208,000	8,178,000	7,986,743	7,500	By-law#196-2007 2007 Capital Budget Approval
EN-1650-07 COMRIF-Baldwin Ave Culvert	600,000	310,000	248,375	750	By-law#57-2012Apr 17 2012 Report to Council: Approved
					By-law#196-2007 2007 Capital Budget Approval
					By-law#292-2009 Dec 14 2009 Report to Council: Approved
	28,441,400	25,967,400	14,525,379	9,055,085	

Schedule "B"

ONTARIO INFRASTRUCTURE AND LANDS CORPORATION (OILC) LOAN APPLICATION

Application ID: 14016 Program Year: 2014/2015
Application Submit Date: May-06-2014

A. GENERAL INFORMATION - Borrowing Municipality

Name: The Regional Municipality of York ID: 19000
Address: 17250 Yonge Street City: Newmarket
Postal Code: L3Y 6Z1
Name of Treasurer(or equivalent): Bill Hughes Title: Commissioner of Finance and Regional Treasurer
Telephone Number: 905-895-1231 x 1600 Fax No.: 905-836-0299
Email: bill.hughes@york.ca

GENERAL INFORMATION - Lower Tier Municipality

Name: Vaughan C ID: 19028
Address: 2141 Major Mackenzie Dr W City: Vaughan
Postal Code: L6A 1T1
Name of Treasurer(or equivalent): Mr. John Henry Title: Commissioner of Finance and City Treasurer
Telephone Number: 905-832-8585 x 8348 Fax No.: 905-738-1397
Email: john.henry@vaughan.ca

B. CONTACT INFORMATION

Questions regarding the information contained in the application form should be addressed to:

Name: Bonny Tam Title: Finance and Reserve Specialist
Telephone: 905 830 4444 x 1642 Fax No.: 905 895 6079
Email: bonny.tam@york.ca

C. PROJECT SUMMARY INFORMATION

<u>No.</u>	<u>Project Name</u>	<u>Category</u>	<u>Type</u>	<u>Loan Amount</u>
1	2014 Debenture Financing	Municipal Roads Infrastructure		\$9,056,000.00
Total Loan Amount				\$9,056,000.00

Schedule "B"

ONTARIO INFRASTRUCTURE AND LANDS CORPORATION (OILC) LOAN APPLICATION

Project Details - Municipal Roads Infrastructure

Project Name 2014 Debenture Financing
Category Municipal Roads Infrastructure
Construction Start Date Jan-03-2012
Construction End Date Dec-31-2013

Please indicate below if any aspect of the project pertains to:

Energy Conservation: Yes No

The Municipal Eco Challenge Fund (MECF) is a three year, \$20 million grant and \$200 million loan initiative to help municipalities reduce Green House Gas (GHG) emissions from their infrastructure.

Please indicate whether the loan is for a project that will reduce energy consumption or GHG emissions from a municipally-owned facility (building, arena, etc.).

Yes No

Is this project also being considered for an MECF grant?

Yes No

Please provide :

An estimate of the reduction in energy consumption or GHG emissions as a result of the project.

tbc

or

A short description of the energy conservation benefits.

The various road projects include road reconstruction, and resurfacing. The energy conservation benefit of the road reconstruction and resurfacing projects was a significant improvement in road smoothness which is directly related to reduced energy requirements contributing to cleaner air and reduced green house gas emissions.

Address of the project:

Various locations throughout the City.

Type of work (e.g. new construction, renovation of existing facilities, redevelopment, deferred maintenance, etc.):

Rehabilitation maintenance

Description of the project:

2014 Debenture Issuance is comprised of the following projects:

EN-1868-12 2012 Pavement Mgmt Program - PH1 - \$2,083,513.08 - Road rehabilitation

Schedule "B"

ONTARIO INFRASTRUCTURE AND LANDS CORPORATION (OILC) LOAN APPLICATION

EN-1870-12 2012 Pavement Mgmt Program - PH3 - \$2,277,077.69 - Road rehabilitation
EN-1887-12 Bridge Rehab-Dick Bridge - \$590,956.06 - Bridge Rehabilitation
EN-1785-10 2010 Pavement Mgmt Program - \$3,964,310.51 - Road rehabilitation
EN-1704-08 2008 Pavement Mgmt Program - \$2,960.40 - Road rehabilitation
EN-1723-08 Road Upgrade - Lester B. Pears - \$128,017.86 - Road rehabilitation
EN-1654-07 2007 Pavement Mgmt Program - \$7,499.55 - Road rehabilitation
EN-1650-07 COMRIF - Baldwin Ave Culvert - \$750.00 - Culvert rehabilitation
2014 DEBENTURE ISSUE TOTAL - \$9,056,000.000

Additional comments:

Full details of the projects will be sent separately.

What is the life span of the project in years? (i.e. the physical asset)

30

Please identify your Ministry contact (If applicable)

Ministry:

Contact Name:

Contact Phone:

Schedule "B"

ONTARIO INFRASTRUCTURE AND LANDS CORPORATION (OILC) LOAN APPLICATION

D. DEBT AND REPAYMENT SUMMARY

Financial Information Returns (FIR)

Please be aware that OILC will be unable to complete the processing of your application until you have filed your most current FIR with the Ministry of Municipal Affairs and Housing. If you have not filed your FIR, you should submit your application to OILC and send your FIR to MMAH as soon as possible.

ARL

Please provide a copy of the Borrower's most recent ARL issued by MMAH.

Existing Borrowing:

Please provide the following details on the existing debt, including capital leases and unsecured debt.

Loan #	Loan Purpose	Initial Amount Borrowed	Amount Outstanding as per Most Recent Audited Financials	Annual Interest Rate (%)	Date Borrowed (mm/dd/yy)	Maturity Year	Summary of Existing Pledges, Conditions, Covenants	Payment Type	Periodic Amount Payable	Payment Frequency
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Please elaborate on re-financing plans and options for any existing "interest only" debt, if applicable

Please see latest FIR.

Existing Encumbrances:

Does the Borrower have any existing liens, pledges and any other encumbrances on existing assets?

Yes No

If yes, please provide details:

Schedule "B"

ONTARIO INFRASTRUCTURE AND LANDS CORPORATION (OILC) LOAN APPLICATION

OILC Loan Repayment Information

Please indicate the source(s) of revenue you plan to use to repay the OILC Loan.

Contribution to OILC Loan Payments (%)

Source

Taxation	100.00
User Fees	
Service Charges	
Development Charges	
Connection Fees	
Subsidies	
Other	
Total	100.00

Description of Other Source

Audited Financial Statements

A copy of the most recent audited financial statements must be attached with this loan application.

Schedule "B"

ONTARIO INFRASTRUCTURE AND LANDS CORPORATION (OILC) LOAN APPLICATION

E. LITIGATION

Is there any litigation threatened or existing which would affect any projects or substantially impair the Borrower's ability to pay debt service costs on its general obligation indebtedness? Please indicate Yes or No.

Yes No

Please complete the Certificate of Litigation template found under the Forms menu.

F. NON-REPAYMENT OF LOANS OR DEBENTURES

In the last 10 years has the Borrower ever failed to make a loan or debenture repayment on time to any lender, including to the Provincial Government?

Yes No

If yes, please provide details. If necessary, attach details.

G. PROVINCIAL GRANTS AS SECURITY

Pursuant to OILC's enabling legislation, the Minister of Finance may deduct funds from provincial grants to the Borrower appropriated by the Legislative Assembly of Ontario for payment to OILC to satisfy any outstanding unpaid amounts owed by the Borrower to OILC.

H. ATTACHMENTS

Please ensure all required documents are submitted with the signed application. OILC requires originals as noted below to be mailed or couriered. Also, please retain a copy of all documents submitted to OILC for your records.

- Loan Application Signature Page signed and dated by the appropriate individual (original to be submitted)
- Certified and sealed copy of OILC template By-Law authorizing project borrowing and applying for a loan (original with seal)
- Certificate of Treasurer Regarding Litigation using the OILC template (original, signed & sealed)
- Updated Certified Annual Repayment Limit Calculation (original)
- OMB approval if exceeding debt repayment limit, if applicable
- Capital Plan if applicable
- Project management letter

Schedule "B"

ONTARIO INFRASTRUCTURE AND LANDS CORPORATION (OILC) LOAN APPLICATION

- I acknowledge and agree that all of the above referenced documents must be submitted in the form required by OILC and understand that the application will not be processed until such documents have been fully completed and received by Infrastructure Ontario.

Please note: OILC retains the right to request and review any additional information or documents at its discretion.

- I acknowledge that I have read and understood the Project Management and Best Practices Reporting Requirements

Confidential Information

OILC is an institution to which the *Freedom of Information and Protection of Privacy Act* (Ontario) applies. Information and supporting documents submitted by the Borrower to process the loan application will be kept secure and confidential, subject to any applicable laws or rules of a court or tribunal having jurisdiction.