



## **Borrowing Resolution to Meet Current Operating Expenditures**

**To:** Special Finance, Budget and Enrolment Committee

**Date:** 20 April, 2020

**Report No.:** 04-20-3873

### **Strategic Directions**

- Allocate Human and Financial Resources Strategically to Support Student Needs

### **Recommendation**

It is recommended that in accordance with Section 243 of the Education Act, the Secretary-Treasurer and Chair (or Vice-Chair) be authorized on behalf of the Board to sign the Short-term Borrowing Resolutions, attached to this Report, as Appendix A, with an amount of \$200 million in order to supplement the current borrowing facility of \$50 million to be drawn down as required for operational expenditures, for the period ending 31 October 2020.

### **Context**

The Board approved a borrow resolution on 11 June 2018 and 18 October 2017 to allow staff to borrow funds on a short-term basis to support both the daily operations of the board of \$50 million and permanent improvements relating to capital funding of \$250 million. These borrowing resolutions were approved until 31 October 2020 in the amount of \$300 million. Due to the COVID 19 health crisis some municipal cash flows have been delayed. Staff are requesting additional borrowing ability to ensure sufficient cash flow to meet operational needs during this health crisis. Staff are requesting access to additional short-term borrowing facility until October 31, 2020 in the amount of \$200 million. This will bring the total borrowing facility to \$500 million with \$250 million for operational expenditures and \$250 for capital expenditures.

### **Action Plan and Associated Timeline**

This borrowing resolution becomes effective as of April 22, 2020.

## **Resource Implications**

The cost of the short-term borrowing for permanent improvements includes interest costs incurred, will be fully funded by the Ministry.

## **Communications Considerations**

Not Applicable.

## **Board Policy and Procedure Reference(s)**

Not Applicable.

## **Appendices**

- Appendix A: Short-Term Borrowing Resolution

## **From**

Craig Snider, Executive Officer at [craig.snider@tdsb.on.ca](mailto:craig.snider@tdsb.on.ca) or at 416-395- 8469.

**Toronto District School Board**

**Short-Term Borrowing Resolution**

**A resolution authorizing the borrowing of money to meet the short term needs of operational expenditures of the Toronto District School Board (the “Board”).**

- A. Whereas, in accordance with subsection 243(1) of the Education Act (the “Act”), the Board considers it necessary to borrow short-term for less than one year the amount of up to **\$200 Million** Dollars to meet, until revenue is received, for operational expenditures of the Board for the period ending 31 October 2020 (the “Period”).
- B. Whereas, pursuant to subsection 243(3) of the Act, the total amount borrowed pursuant to this Resolution together with the total of any similar borrowings and any accrued interest on those borrowings is not to exceed the unreceived balance of the estimated revenues of the Board for the Period; and
- C. Whereas, the amount borrowed for a short-term period of less than one year for operational expenditures is within the Board’s Debt and Financial Obligation Limit as established by the Ministry of Education and Training from time to time.

**RESOLVED THAT:**

- 1. The Chair or Vice-Chair and the Director of Education, Secretary/Treasurer are authorized on behalf of the Board to borrow from time to time by way of promissory note, or overdraft, or bankers’ acceptance from the Board’s approved bank (currently Canadian Imperial Bank of Commerce (“CIBC”)) a sum or sums not exceeding in the aggregate **\$200 Million** Dollars to meet, until the revenues are collected, for operational expenditures of the Board for the Period (including the amounts required for the purposes mentioned in Subsection 243(1) and 243(2) of the Act), and to give to CIBC promissory notes or bankers’ acceptances, as the case may be, sealed with the corporate seal of the Board and signed by any two of the Associate Director, Operations and Service Excellence, Chair or Vice-Chair and the Director of Education, Secretary/Treasurer for the sums borrowed plus interest at a rate to be agreed upon from time to time with CIBC;
- 2. The interest charged on all sums borrowed pursuant to this Resolution plus any related charges, is not to exceed the interest that would be payable at the prime

lending rate of the chartered banks listed in Schedule 1 of the Bank Act (Canada) on the date of borrowing;

3. The Director of Education, Secretary/Treasurer or Associate Director, Operations and Service Excellence, is authorized and directed to apply in payment of all sums borrowed plus interest, all of the moneys collected or received in respect of the revenues of the Board;
4. The Director of Education, Secretary/Treasurer or Associate Director, Operations and Service Excellence, is authorized and directed to deliver to CIBC from time to time upon request a statement showing (a) the total amount of unpaid previous borrowings of the Board for current expenditures together with debt charges, if any, and (b) the uncollected balance of the estimated revenues for the current year or, where the estimates have not been adopted, the estimated revenues of the previous year less any current revenue already collected.

We hereby certify that the foregoing is a true and complete copy of a Resolution of the Board in the Province of Ontario, duly passed at a meeting of the Board and that this Resolution is in force and effect as of 1 May 2020. This resolution supplements the existing borrowing resolutions approved by the board and effective as of 31 October 2017 of \$250 million and 29 June 2018 of an additional \$50 million.

DATED this 22<sup>th</sup> day of April, 2020

WITNESS the corporate seal

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Robin Pilkey, Chair

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John Malloy, Director of Education,  
Secretary/Treasurer