



REPORT TO

REGULAR BOARD

EDC BORROWING BY-LAW #188

Proverbs 10:9

The man of integrity walks securely, but he who takes crooked paths will be found out.

Created, Draft	First Tabling	Review
August 16, 2016	August 25, 2016	

D. Bilenduke, Senior Coordinator, Finance
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RECOMMENDATION REPORT

Vision:

At Toronto Catholic we transform the world through witness, faith, innovation and action.

Mission:

The Toronto Catholic District School Board is an inclusive learning community rooted in the love of Christ. We educate students to grow in grace and knowledge and to lead lives of faith, hope and charity.



G. Poole

Associate Director of Academic Affairs

A. Sangiorgio

Associate Director of Planning and Facilities

C. Jackson

Executive Superintendent of Business Services and Chief Financial Officer

Angela Gauthier

Director of Education

A. EXECUTIVE SUMMARY

1. The Board has negotiated an agreement with the CIBC for an EDC operating line of credit. The bank requires an authorized Borrowing By-Law from the Board of Trustees before it may proceed.
2. The EDC line of credit is required so the Board may act on the Site Acquisition Plan that will be presented to Trustees in September.

B. PURPOSE

1. The Board of Trustees are required to set an upper limit for short term borrowing by way of a by-law as required by Ontario Regulation 41/10 and section 243 of the Education Act as well as Board policy #F.M. 08 – Effective Financial Management and Control of Operations.

C. BACKGROUND

1. CIBC is the Board's banker of record. The Board maintains a demand operating line of credit to finance short term cash requirements for "current expenditures" only.
2. The TCDSB is qualified to have an EDC by-law in the city of Toronto which enables it to collect funds on new building permits for the purpose of acquiring property for new school construction.
3. The board may acquire property in one of three ways. Expropriation, properties declared surplus by other school boards and agencies or on the open market.
4. The Board has very little influence over when these properties become available, so when they do, the Board must act quickly and have a source of financing readily available.
5. In the past the Board has always had excess funds in its EDC reserve enabling it to purchase EDC properties with cash. This reserve is expected to run out during the next fiscal year and the Board needs to maintain some flexibility and capacity to fulfil the Site Acquisition Plan.

6. CIBC requires that the Board pass an updated By-law in respect of an EDC line of credit (see Borrowing By-Law #188 attached as Appendix A).

D. EVIDENCE/RESEARCH/ANALYSIS

The By-law provides that:

1. That, in accordance with subsections 243(1), 243(2) and 243(3) of the *Education Act, R.S.O. 1990, c.E.2*, as amended and Ontario Regulation 41/10, the Board hereby authorizes the Director of Education, together with the Chair or Vice-Chair of the Board, to borrow from time to time the sums that the Board considers necessary to meet the EDC expenditures of the Board, until the EDC revenue has been received by the Board; and the Director of Education, together with the Chair or Vice-Chair of the Board are hereby authorized and directed for, and on behalf of, the Board, to execute and deliver to its bank or such other parties as may be required, all such documents and instruments, and to do such acts and things as, in their opinion, may be necessary or advisable to carry out the foregoing.
2. That the Director of Education of the Board is hereby authorized and directed to apply in payment of all sums borrowed as aforesaid, together with interest thereon, all the monies comprising the EDC revenue of the Board and (if applicable), the proceeds from the sale of any debentures hereafter received.
3. That the total amounts borrowed on a short-term basis from EDC shall not exceed one hundred sixty million dollars (\$160,000,000) at any one time.

E. METRICS AND ACCOUNTABILITY

1. The Treasurer to the Board will prepare an annual financial report to the Board of Trustees as required by Ontario Regulation 41/10 of the Education Act and policy #F.M. 08 – Effective Financial Management and Control of Operations.
2. The Education Act allows for the by-law term not to exceed the term of the current Trustees.

F. IMPLEMENTATION, STRATEGIC COMMUNICATIONS AND STAKEHOLDER ENGAGEMENT PLAN

1. Each time the Board requests approval from the Trustees to purchase an EDC property the Director will provide to the Board of Trustees the following:
 - i. If the purchase is being made from cash or credit.
 - ii. The surplus/deficit in the EDC account.
 - iii. Other anticipated expenditures over the following year.
 - iv. The status of EDC revenues compared to budgeted revenues.

G. STAFF RECOMMENDATION

That the Board approve Borrowing By-Law #188 attached as Appendix A in the amount of \$160 million for a period not to exceed November 30, 2018.