

Authority: Item ____, Audit, Finance &
Administration Committee
Report: 24-013 FCS11079(b)
CM: July 12, 2024

Bill No. 24-__

CITY OF HAMILTON

BY LAW NO. 24-

To Amend By-law 12-094, being a By-law to authorize the borrowing of monies by way of bank loans in the principal amounts of \$38,000,000 and \$14,740,000

WHEREAS pursuant to By-law 12-094, being a By-law to authorize the borrowing of monies by way of bank loans in the principal amounts of \$38,000,000 and \$14,740,000 (the "By-law"), Council for the City of Hamilton authorized the borrowing of (a) \$38,000,000 for the capital works outlines in Schedule "A" of the By-law and (b) \$14,740,000 for the capital works set forth in Schedule "B" of the By-law, which loans would be authorized by Bankers' Acceptances on the terms and conditions as set forth in the By-law;

AND WHEREAS the loan for the original principal amount of \$14,740,000 has been repaid in full;

AND WHEREAS the loan for the original principal amount of \$38,000,000 (the "City Loan") will be repaid in full in 2027 and has an outstanding principal amount of \$10,137,000 as of May 8, 2024;

AND WHEREAS the Office of the Superintendent of Financial Institutions announced its expectation that all federally regulated financial institutions such as the Royal Bank of Canada transition all loan agreements based on CDOR by June 28, 2024 and, as such, the Royal Bank has transitioned the vast majority of Bankers' Acceptances financial products, including the City Loan, to alternative interest rate structures;

AND WHEREAS the City Loan's new primary reference rate, being the Canadian Overnight Repo Rate Average ("CORRA"), replaces the City Loan's previous primary reference rate, Canadian Dollar Offered Rate ("CDOR").

NOW THEREFORE the Council of the City of Hamilton enacts as follows:

1. That By-law 12-094 be amended by deleting paragraph 7 and replacing it with the following:
 7. That paragraphs 1-6 of this By-law take effect on the day of passing, being April 25, 2012.
2. That By-law 12-094 be amended by adding paragraph 8 as follows:
 8. Notwithstanding the terms and conditions set forth in paragraph 1-7 of By-law 12-094, effective as at May 8, 2024, the outstanding City Loan based on Bankers Acceptances and CDOR shall be updated to a variable interest rate bank loan based on CORRA pursuant to the Credit Facility Agreement dated February 28, 2024.
3. That By-law 12-094 be amended by adding paragraph 9 as follows:
 9. Notwithstanding the terms and conditions set forth in paragraphs 1-7 of By-law 12-094, effective May 8, 2024, the City Loan shall be amended to CORRA with a resulting fixed rate maintained at 3.16% pursuant to the Interest Rate Exchange Agreement dated April 17, 2024.
4. That By-law 12-094 be amended by adding paragraph 10 as follows:
 10. Section 8 and Section 9 of this By-law shall take effect on May 8, 2024.

PASSED this ____ day of _____, 2024.

A. Horwath, Mayor

J. Pilon, Acting City Clerk