

Authority: Item: 8, Audit, Finance &
Administration Committee
Report: 12-001 (FCS11079(a))
CM: January 25, 2012

Bill No. 094

CITY OF HAMILTON

BY-LAW NO. 12-094

To authorize the borrowing of monies by way of bank loans in the principal amounts of \$38,000,000 and \$14,740,000

WHEREAS City of Hamilton (the "City") authorized the capital works described in "Schedule "A" and now intends to raise the money required to pay part of the cost of the works by borrowing \$38,000,000 by way of bank loan repayable over a term of 15 years;

AND WHEREAS before authorizing the works described in Schedule "A" Council had its Treasurer update its most recent annual debt and financial obligation limit received from the Ministry of Municipal Affairs and Housing in accordance with the applicable regulation and, the Treasurer determined that the estimated annual amount payable in respect of such works would not cause the City to exceed the updated limit and that the approval of such works by the Ontario Municipal Board was not required;

AND WHEREAS pursuant to By-laws No. 01-242 and No. 01-244, the City authorized the issue of debentures in the principal amount of \$4,523,530 and \$30,000,000, respectively, for the works described therein, of which \$1,931,500 and \$12,808,692, respectively, was authorized to be financed by the issue of refunding debentures over a further term not to exceed five years; and instead of issuing debentures under By-laws No. 01-242 and No. 01-244, debentures were issued under consolidating By-law No. 01-245, which debentures matured on October 25, 2011; and instead of issuing refunding debentures in aggregate principal amount of \$14,740,000, the City intends to borrow \$14,740,000 by way of bank loan repayable over a term of five years for the capital works set forth in Schedule "B";

WHEREAS the City has entered into a Credit Facility Agreement dated March 14, 2012 (the "Credit Facility Agreement") with the Royal Bank of Canada (the "Bank") which provides in part for a 15 year term variable interest rate loan facility of \$38,000,000 and a 5 year variable interest rate loan facility of \$14,740,000, such loans to be evidenced by bankers' acceptances;

AND WHEREAS the City has entered into a Bankers' Acceptance Service Agreement dated March 15, 2012 with the Bank and to facilitate the issuance, endorsement,

To authorize the borrowing of monies by way of bank loans in the principal amounts of \$38,000,000 and \$14,740,000

Page 2 of 3

substitution and replacement of bankers' acceptances from time to time the Bank has requested the City's authorization;

WHEREAS the City has entered into the Master Agreement dated April 18, 2012 (the "Master Agreement"), comprising the International Swaps and Derivatives Association, Inc.'s 2002 Master Agreement and Schedule thereto, which enables the City to enter into interest rate swaps to reduce the interest rate risk and to specify and fix the amount of interest on variable interest rate bank loans.

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 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");

THE COUNCIL OF CITY OF HAMILTON ENACTS AS FOLLOWS:

1. The City is authorized to borrow by way of variable interest rate bank loans evidenced by Bankers' Acceptances (a) \$38,000,000 repayable in equal principal amounts of \$2,533,000 in each of the years 2013 to 2026, inclusive, with a final payment of \$2,538,000 in 2027, for the capital works set out in Schedule "A" and (b) \$14,740,000 repayable in equal principal amounts of \$2,948,000 in each of the years 2013 to 2017, inclusive, for the capital works set out in Schedule "B".
2. The bankers' acceptances shall bear interest on the unpaid balance of the principal amount payable monthly at the 1 month floating bankers' acceptance rate plus stamping fees of 0.61% per annum for the 15 year \$38,000,000 loan and 0.29%

per annum for the 5 year \$14,740,000 loan.

3. The City is authorized to exchange the variable interest rate payable monthly on the bankers' acceptances for a specific and fixed amount payable semi-annually, and to that end to enter into a 15 year interest rate swap in respect of the \$38,000,000 bank loan and a 5 year interest rate swap in respect of the \$14,740,000 bank loan, which swaps shall be entered into with the Bank pursuant to the Master Agreement.
4. To facilitate the issuance, endorsement, substitution and replacement of bankers' acceptances with interest coupons attached, if applicable) in each case for acceptance by the Bank (collectively in this section the "Bankers' Acceptances") (1) any individual officer as designated by the Bank from time to time as a securities officer of the Bank be and hereby is appointed an authorized signatory of the City for the purposes of the issuance, endorsement (if applicable), substitution and replacement of Bankers' Acceptances and any interest coupons that may relate thereto; (2) each such Bank securities officer so appointed as authorized signatory of the City be and hereby is authorized to make use of a mechanical or other device for the purpose of affixing a facsimile of his/her signature as drawer and endorser (if applicable) to any Bankers' Acceptances and any replacements and substitutions thereof; and (3) the Bank be and is hereby authorized and directed to honour, pay and charge to the account of the City all Bankers' Acceptances (and interest coupons if applicable) bearing

To authorize the borrowing of monies by way of bank loans in the principal amounts of \$38,000,000 and \$14,740,000

Page 3 of 3

facsimile signatures of persons having authority to sign Bankers' Acceptances (and interest coupons if applicable) pursuant to the Credit Facility Agreement and such Bankers' Acceptances (and interest coupons if applicable) shall be binding on the City to the same extent as they would have been had they been manually signed and (4) the General Manager, Finance & Corporate Services is authorized and directed to execute and deliver any and all documents, in a form satisfactory to the City Solicitor, the officers executing the same deem necessary and/or desirable to give full effect to the foregoing.

5. For the payment of the principal of and interest on the sums borrowed as and when the same respectively become due and payable there shall be levied and raised in each year of the currency of the debt by a special rate sufficient therefor over and above all other rates on the rateable property in the City, at the same time and in the same manner as other rates, the sums of principal and interest falling due in such year, provided that no greater rate shall be levied in any year for such purpose than is required after taking into account moneys available for such purpose from any other source.

6. Schedules "A" and "B" attached hereto are hereby declared to be and to form part of this By-law.


7. ~~This By-law takes effect on the day of passing. That paragraphs 1-6 of this By-law take effect on the day of passing, being April 25, 2012.~~

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.


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.

7.10. Section 8 and Section 9 of this By-law shall take effect on May 8, 2024.

PASSED this 25th-day of April, 2012.



R. Bratina
Mayor



R. Caterini
City Clerk

CITY OF HAMILTON
Schedule "A" to By-law No. 12-094

Project ID	Project	Budget Approval	Debentures Authorized	Debentures		Outstanding Authorization	Amount to be borrowed by way of bank loan	Term
				Issued to date				
		Year	\$	\$	\$	\$	Years	
	Wastewater Program							
	Red Hill CSO Tank Installation		10,999,204.97	0.00	10,999,204.97	10,999,204.97		15
	Wastewater Treatment Plant - General Improvements		2,136,133.81	0.00	<u>2,136,133.81</u>	<u>2,000,795.03</u>		15
	Total Rate Supported				13,135,338.78	13,000,000.00		
	DC Funded Projects							
	Multi-agency Training Facility (Fire, EMS, Police)					10,400,000.00		15
4030819102	StoneChurch - U James to Garth					1,635,000.00		15
4030880855	Dartnall - Rymal to Dickenson					3,053,568.97		15
4030880861	Wilson and Shaver Roundabout					501,065.09		15
4030980984	Rymal - U Centennial to Dartnall					768,721.96		15
4031080010	Binbrook - Royal Winter to RR56					836,252.55		15
4031080095	Mid Arterial - Mtn Brow - Dundas					942,493.89		15
4031180195	Green Mountain - First to Centennial					870,000.00		15
4030980986	Trinity Church Corridor					<u>5,992,897.54</u>		15
	Total DC Supported					25,000,000.00		
	Total Debt Issue					<u><u>38,000,000.00</u></u>		

CITY OF HAMILTON
Schedule "B" to By-law No. 12-094

Project	Debentures Authorized \$	Debentures Issued under Consolidating By-Law No. 01-245 & previous By-laws \$	Refunding Debentures Authorized To be Issued \$	Amount to be borrowed by bank loan under this By-law \$	Term Years
	By By-law No. 01-242				
Renovations-Macassa and Wentworth Lodges	4,561,191	4,523,530	1,931,350	1,931,350	5
	By By-law No. 01-244				
HA-1999 ROAD RECONSTRUCTION PROGRAM	6,519,000	6,519,000	2,783,329	2,783,329	5
HA- CITY PLACES-DOWNTOWN CAPITAL CONTRIBUTION	1,500,000	1,500,000	640,435	640,435	5
HA. CORPRATE FINANCIAL INFORMATION SYSTEM	1,981,000	1,981,000	845,801	845,801	5
HA- DOWNTOWN HAMILTON IMPROVEMENT PLAN - PHASE II	1,532,000	1,532,000	654,098	654,098	5
HA- CHEDOKE TWIN PAD ARENA REMEDIAL & OPERATIONAL IMPROVEMENTS	250,000	250,000	106,740	106,740	5
HA-CUP-REPAIRS TO MAIN HEATING BOILERS	100,000	100,000	42,696	42,696	5
HA-RISK MANAGEMENT-VARIOUS FACILITIES	110,000	110,000	46,966	46,966	5
HA- WESTDALE BRANCH LIBRARY RENOVATIONS	400,000	400,000	85,392	85,392	5
HA- BARTON BRANCH LIBRARY RENOVATIONS	457,000	457,000	195,119	195,119	5
HA-1997 ROAD RECONSTRUCTION PROGRAM	7,371,000	7,371,000	1,085,494	1,085,494	5
HA- DOWNTOWN PHASE OP FERGUSON AVE MASTER PLAN	780,000	780,000	317,229	317,229	5
HA. HAMILTON HARBOUR WATERFRONT TRAIL-PHASE I	1,000,000	1,000,000	426,957	426,957	5
HA-1996 ROAD RECONSTRUCTION PROGRAM	4,524,000	4,524,000	251,222	251,222	5
HA-TB MCQUESTON PARK	7,353,000	1,030,000	439,766	439,766	5
HA-STEAM MUSEUM PUMP HOUSE RESTORATION	550,000	521,200	222,530	222,530	5
SC - RECONSTRUCTION Of HOMESIDE AVE	390,000	360,000	166,512	166,512	5
SC-RECONSTRUCTION OF ROYCE AVE	320,000	320,000	136,626	136,626	5
SC-RECONSTRUCTION OF MARGARET AVE	660,000	660,000	281,791	281,791	5
SC - RECONSTRUCTION OF DEWITT ROAO ESCARPMENT ACCESS	530,000	530,000	226,286	226,286	5
SC - RECONSTRUCTION OF CHERRYW000 DRIVE AND PIOTT COURT	436,000	436,000	186,152	186,152	5
SC - RECONSTRUCTION OF BLENHEIM AVENUE	150,000	150,000	64,043	64,043	5
SC - RECONSTRUCTION OF CHESTER ROAD	170,000	170,000	72,582	72,582	5
SC.RECONSTRUCTION OF WARWICK ROAD	175,000	179,000	74,717	74,717	5
SC-RECONSTRUCTION OF NORWICH ROAD	165,000	165,000	70,447	70,447	5
SC - RECONSTRUCTION OF DEERHURST ROAD	480,000	485,000	196,399	196,399	5
SC - RECONSTRUCTION OF LAKEVIEW DRIVE/NORTH SERVICE ROAD	275,000	275,000	117,413	117,413	5
SC - RECONSTRUCTION OF TRINITY CHURCH ROAD	1,050,000	1,000,000	448,304	448,304	5
SC-RECONSTRUCTION OF GLOVER ROAD	70,000	70,000	29,886	29,886	5
SC- RECONSTRUCTION OF BATTLEFIELD DRIVE/ALBA TO KING	450,000	450,000	192,130	192,130	5
SC . RECONSTRUCTION OF UPPER WALKER/ALBA TO DOUGLAS	300,000	306,005	128,086	128,086	5
SC .RECONSTRUCTION OF MOUNTAIN AVENUE SOUTH/MAPLE TO TREVOR	175,000	175,005	74,717	74,717	5
SC-RECONSTRUCTION OF TOWN SQUARE	150,000	150,000	64,044	64,044	5
RENNIE STREET LANDFILL REMEDIATION	9,900,000	5,000,000	2,134,783	2,134,783	5
TOTAL	54,834,191	43,479,740	14,740,042	14,740,042	