

**Subject: Debenture Committee Terms of Reference**

**File Number: ACS2023-OCC-CCS-0158**

**Report to Debenture Committee on 30 November 2023**

**and Council 6 December 2023**

**Submitted on November 28, 2023 by Caitlin Salter MacDonald, Manager, Council and Committee Services, Office of the City Clerk**

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**Ward: Citywide**

**Objet : Mandat du Comité sur les débetures**

**Numéro de dossier : ACS2023-OCC-CCS-0158**

**Rapport présenté au Comité sur les débetures le 20 novembre 2023**

**Rapport soumis le 28 novembre 2023**

**et au Conseil le 6 décembre 2023**

**Soumis le 2023-11-28 par Caitlin Salter MacDonald, Gestionnaire des Services au Conseil municipal et aux comités, Bureau du Greffier municipal**

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**Quartier : À l'échelle de la ville**

#### **REPORT RECOMMENDATION**

**That the Debenture Committee recommend Council approve its Terms of Reference, as outlined in this report and attached as Document 1.**

#### **RECOMMANDATION DU RAPPORT**

**Que le Comité sur les débetures recommande au Conseil d'approuver son**

**mandat, tel qu'il est énoncé dans le présent rapport et dans le document 1 ci-joint**

## **BACKGROUND**

At its meeting of December 7, 2022, Ottawa City Council considered a report titled [2022-2026 Council Governance Review \(ACS2022-OCC-GEN-0030\)](#). In approving this report, Council approved the revised Terms of Reference for Standing Committees, Sub-Committees and the Transit Commission be submitted in draft form to the respective Committees/Commission at their first meeting in 2023 for consideration and recommendation to Council for approval. Accordingly, this report is presented to the Debenture Committee for its consideration and approval at its first meeting of the Term of Council.

## **DISCUSSION**

As part of the 2022-2026 Council Governance Review report, Council approved the Committee structure for the 2022-2026 Term of Council, including the continuation of the Debenture Committee.

Council also approved that, in addition to their existing authority to jointly add debenture by-laws to a Debenture Committee meeting agenda for approval, the Chief Financial Officer/Treasurer and City Manager also have the authority to jointly add debenture by-laws to a City Council meeting agenda for approval provided that notice is given at least 48 hours prior to the Council meeting.

In addition, the report outlined various “housekeeping” amendments to reflect current practices and mirror the provisions outlined in the *Procedure By-law* with respect to notice and agendas.

Full details of these changes are outlined in the [2022-2026 Council Governance Review Report](#).

The draft Terms of Reference for the Debenture Committee are attached at Document 1.

## **FINANCIAL IMPLICATIONS**

There are no financial implications to approving this report.

## **LEGAL IMPLICATIONS**

There are no legal impediments to approving the recommendations in this report.

## **CONSULTATION**

As part of the preparation for the 2022-2026 Council Governance Review report and associated recommendations on committee mandates, the City Clerk consulted with Members of the 2018-2022 and 2022-2026 Terms of Council, the Senior Leadership Team, as well as staff that work most closely with the legislative process.

## **DELEGATION OF AUTHORITY IMPLICATIONS**

Section 12 of the [Delegation of Authority By-law](#) (2023-67) authorizes the Chief Financial Officer / Treasurer to proceed with one or more debt issues at any time during a calendar year during the term of Council provided that:

- the actual debt charges in the calendar year are within the Council approved operating budget for that year;
- Council has been advised of any resulting impact on budgets in future years; and
- the project debt authority has been previously approved by Council.

The Chief Financial Officer / Treasurer and the City Manager are jointly authorized to place any debenture by-law required for debt issued during the term of Council pursuant to subsection directly on the Agenda of the Debenture Committee or City Council.

As outlined in the Terms of Reference, the exercise of delegated authority by the Debenture Committee is reported to Council for information as part of the Disposition of Items Approved by Committees/Commission Under Delegated Authority on the next available Council agenda.

## **SUPPORTING DOCUMENTATION**

Document 1 – Draft Debenture Committee Terms of Reference. Changes from the previous Terms of Reference are underlined for ease of reference.

## **DISPOSITION**

Upon approval of the report by Council, the Terms of Reference will become the mandate and governing authority for the Community Services Committee and will be published to Ottawa.ca by the Office of the City Clerk

## Document 1

### Terms of Reference

#### Debenture Committee

#### MANDATE

The Debenture Committee meets as needed to improve the City's access to financial markets and increase the potential for savings in its debt service costs for projects where debt has already been approved by Council.

#### MEMBERSHIP

Membership of the Debenture Committee shall consist of the Mayor (Chair), the Vice-Chair, Finance and Corporate Services Committee (Vice-Chair), the City Manager and the Chief Financial Officer/ Treasurer.

The Committee members serve by virtue of their positions and until a successor is appointed.

#### GENERAL AND SPECIFIC RESPONSIBILITIES

The Debenture Committee shall be delegated the authority to make final decisions with respect to the following matters to the extent that the authority has not already been delegated:

1. the authority to enact debenture by-laws to authorize the issuance of debentures where the project debt authority has been approved by Council and the Chief Financial Officer/Treasurer has proceeded with one or more debt issues pursuant to Section 12 or proceeded with one or more bank loans, or entered into bank loan agreements, interest rate exchange agreements, promissory notes or bond forward agreements pursuant to Section 13 as they apply to debt issues as further described in Schedule "B" of the *Delegation of Authority By-law*;
2. the authority to enact temporary borrowing by-laws for current operations in accordance with Section 407 of the *Municipal Act, 2001* to authorize short-term borrowing for the purpose of meeting current expenditures in any year until such time as the taxes are collected and other revenues are received and to authorize any one or more members of the Debenture Committee to do all things and execute any loan or other agreements required to give effect to any temporary borrowing;

3. the authority to enact the required by-law(s) to enter into new arrangements with CDS Clearing and Depository Services Inc. ("CDS") to ensure that CDS accepts new debenture issues and maintains existing City debentures in the CDS system and to authorize any one or more members of the Debenture Committee to do all things and execute all documents, instruments and agreements in order to make these arrangements effective;
4. the authority to enact a by-law authorizing the City to issue replacement debenture certificates if and when required, to replace defaced, lost, mysteriously or unexplainably missing, stolen, destroyed or in other instances such as dematerialized debenture certificates on such terms and conditions considered appropriate including a bond of indemnity as a condition of issuing replacement debenture certificates; and
5. the City Clerk or Deputy Clerk and the Head of Council or presiding officer at the meeting at which the by-law(s) are passed are required to sign temporary borrowing by-laws and confirmation by-laws at the Debenture Committee pursuant to Subsection 249(1)(b) of the *Municipal Act, 2001*, and also in accordance with the Procedure By-law.

### **NOTICE AND AGENDA**

**Pursuant to Subsection 73(4) of the Procedure By-law, the City Treasurer and the City Manager shall jointly have the right to add debenture by-laws for approval, to a Debenture Committee Agenda provided that notice of the meeting to all Members of Council and the public is provided at least 48 hours prior to the meeting. In the event an additional by-law is to be listed on a Debenture Committee agenda, and notice is given subsequent to the issuance of the meeting agenda, a revised agenda will be issued, and a public service announcement will be made.**

**Meeting agendas shall also be provided to Members and the public a minimum of 48 hours in advance of the Debenture Committee meeting.**

### **AUTHORITY, DECISION-MAKING AND REPORTING RELATIONSHIP**

The Debenture Committee shall meet at the call of the Chair. A quorum shall be one half of all members, with at least one of those members being an elected official.

The Debenture Committee shall be subject to the provisions of the Procedure By-law save and except that the Chief Financial Officer/Treasurer and the City Manager shall

jointly have the right to add debenture by-laws for approval to a Debenture Committee agenda, provided that notice of at least 48 hours prior to the meeting is given to all Members of Council and the public.

**Additionally, in accordance with Section 12 of the Delegation of Authority By-law and Subsection 29(7) of the Procedure By-law, the Chief Financial Officer/Treasurer and City Manager have the authority to jointly add debenture by-laws to a City Council meeting agenda for approval provided that notice is given at least 48 hours prior to the Council meeting.**

The Debenture Committee shall report to Council regarding the exercise of its delegated authority as part of the Disposition of Items Approved by Committees/Commission Under Delegated Authority on the next available Council agenda.