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DATE 24 May 1996

TO/DEST. Co-ordinator
Corporate Services and Economic Development Committee

FROM/EXP. Finance Commissioner

SUBJECT/OBJET **OC TRANSPO TEMPORARY BORROWING REQUIREMENTS**

DEPARTMENTAL RECOMMENDATION

That the Corporate Services and Economic Development Committee recommend Council approve a by-law be enacted authorizing the Ottawa-Carleton Regional Transit Commission to make arrangements for temporary loans not to exceed \$54,000,000 at any one time.

BACKGROUND

Pursuant to Section 12 (4) (l) of the Regional Municipality of Ottawa-Carleton Act, by-laws may be passed by Regional Council to authorize the Ottawa-Carleton Regional Transit Commission to make arrangements for temporary borrowing to such total amount and subject to such terms and conditions as the by-law may prescribe.

By-law 47 of 1994 enacted by Council on May 25, 1994, authorized the Commission to make arrangements for temporary loans of up to \$36,000,000. However, at its meeting held on March 20, 1996, the Commission approved a standing line of credit covering all of its sources of funds to a maximum of \$54,000,000 and requested approval of Regional Council.

The Commission's decision was based on a "worst case" cash forecast which anticipated a delay in the 1996 provincial budget for transit as well as a continuation of the OPSEU strike beyond June. Although the OPSEU work stoppage has now been resolved, the first instalment of the provincial operating subsidy, amounting to 40% of the annual subsidy, is not expected before the end of June at the earliest. If these funds are delayed beyond the end of June, OC Transpo expects their borrowing requirement to approach \$54,000,000.

OC Transpo's temporary borrowing requirements are normally provided by the Region. Occasionally, funds may not be available if they are required to meet Regional commitments, in which case the Commission borrows from its banker. The Region expects to be able to meet OC Transpo's temporary borrowing requirements over the next few months.

CONCLUSION

It is, therefore, recommended that a by-law be enacted by Council authorizing the Commission to make arrangements for temporary borrowing in accordance with existing legislation.

*Approved by
J.C. LeBelle
Finance Commissioner*

GFM/ls

THE REGIONAL MUNICIPALITY OF OTTAWA-CARLETON

BY-LAW NO. OF 1996

FINANCE: A by-law to provide for temporary borrowings not to exceed Fifty-four Million Dollars (\$54,000,000.00) at any one time by the Ottawa-Carleton Regional Transit Commission.

WHEREAS clause (l) of sub-section 4 of Section 12 of the Regional Municipality of Ottawa-Carleton Act, R.S.O. 1990, Chap. R.14, authorizes the Regional Council to pass a By-law to authorize the Ottawa-Carleton Regional Transit Commission ("the Commission") to make arrangements for temporary borrowings to such total amount as the Council may prescribe.

AND WHEREAS it may be necessary to borrow a sum not to exceed Fifty-Four Million Dollars (\$54,000,000.00) to meet the current and other expenditures of the Commission.

NOW THEREFORE the Council of The Regional Municipality of Ottawa-Carleton ENACTS AS FOLLOWS:

1. TEMPORARY BORROWINGS AUTHORIZED

The Regional Council hereby authorizes the Commission to authorize the arrangements for temporary borrowings for the purposes of the Commission to meet the current and other expenditures of the Commission.

2. LIMIT OF BORROWING

The amount that may be borrowed at any one time as authorized by this by-law together with the total of any similar borrowings that have not been repaid, shall not exceed Fifty-four Million Dollars (\$54,000,000.00).

3. REPORTING

The Treasurer of the Commission will provide a monthly report of the status of the total outstanding loans at the end of each month to the Finance Commissioner of The Regional Municipality of Ottawa-Carleton.

4. EFFECTIVE DATE

This by-law shall be deemed to have come into force and taken effect on the 1st day of January, 1996.

5. REPEAL OF BY-LAW

By-Law 47 of 1994 is hereby repealed.

ENACTED AND PASSED in open Council this day of , 1996.

CLERK

CHAIR