

REPORT TO BOARD OF TRUSTEES August 27, 2019

Deb Crawford, Director of Education

SUBJECT: Borrowing Resolution to meet Current Expenditures for 2019-20

PREPARED BY: Amy Janssens, Associate Director – Corporate Services & Treasurer

BACKGROUND:

In accordance with Subsection 243(1) of the Education Act (R.S.O. 1990) (the “Act”), the Board considers it necessary to borrow the amount of up to Ten Million Dollars (\$10,000,000) to meet, until current revenue is received, the current expenditures of the Board for the period commencing on September 1, 2019 and ending on August 31, 2020 (the “Period”).

Pursuant to Subsection 243(3) of the Act, the total amount borrowed pursuant to this Resolution together with the total of any similar borrowings and any accrued interest on those borrowings is not to exceed the unreceived balance of the estimated revenues of the Board for the Period.

The amount borrowed for current expenditures is within the Board’s Debt and Financial Obligation Limit as established by the Ministry of Education from time to time.

RECOMMENDATION:

That the St. Clair Catholic District School Board receive the report: *Borrowing Resolution to meet Current Expenditures for 2019-20*, for information.

That the St. Clair Catholic District School Board resolves that:

- 1. The Chair or Vice Chair and the Treasurer are authorized on behalf of the Board to borrow from time to time by way of promissory note, or overdraft, or bankers’ acceptance from Canadian Imperial Bank of Commerce (“CIBC”) authorized for borrowing purposes in accordance with Section 243 of the Act a sum or sums not exceeding in the aggregate amount \$10,000,000 to meet, until current revenue is collected, the current expenditures of the Board for the Period (including the amounts required for the purposes mentioned in Subsection 243(1) and 243(2) of the Act), and to give to CIBC promissory notes or bankers’ acceptances, as the case may be, sealed with the corporate seal of the Board and signed by any two of the Chair or Vice Chair and the Treasurer for the sums borrowed plus interest at a rate to be agreed upon from time to time with CIBC;**
- 2. The interest charged on all sums borrowed pursuant to this Resolution plus any related charges, is not to exceed the interest that would be payable at the prime lending rate of the chartered banks listed in Schedule 1 of the Bank Act (Canada) plus 100 basis points on the date of borrowing;**

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- 3. The Treasurer is authorized and directed to apply in payment of all sums borrowed plus interest, all of the moneys collected or received in respect of the current revenues of the Board;**

- 4. The Treasurer is authorized and directed to deliver to CIBC from time to time upon request a statement showing (a) the total amount of unpaid previous borrowings of the Board for current expenditures together with debt charges, if any, and (b) the uncollected balance of the estimated revenues for the current year or, where the estimates have not been adopted, the estimated revenues of the previous year less any current revenue already collected.**