

**CATEGORY: FINANCIAL MANAGEMENT**  
**SUBCATEGORY: DEBT/INVESTMENT MANAGEMENT**  
**SUBJECT: DEBENTURE ISSUANCE**

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#### **A. PURPOSE**

This policy describes the issuance of debentures.

#### **B. GENERAL**

The Regional Municipality of Peel is guided by the *Municipal Act, 2001* (the “*Municipal Act*”) in the issuance of debentures, and is comprised of local municipalities, being the City of Mississauga, the City of Brampton and the Town of Caledon, and are referred to herein as “area municipalities”.

As provided for in the *Municipal Act*, area municipalities do not have power to issue debentures. Under the provisions of the *Municipal Act*, the powers of The Regional Municipality of Peel (the “Regional Corporation”) are exercised by the Council of the Regional Corporation (the “Regional Council”), which Council has the sole right to issue debentures on the credit of the Regional Corporation for the purposes of the Regional Corporation, of an area municipality and the joint purposes of two or more area municipalities.

#### **C. RESPONSIBILITIES**

1. [By-law Number 50-74](#) authorizes the Chief Financial Officer (CFO) and Commissioner of Corporate Services to give the Regional Corporation’s consent to debenture issue requests from area municipalities providing that:
  - a) such requests will not exceed the particular area municipality’s most recent updated annual debt and financial obligation limit in accordance with *Municipal Act*, Ontario Regulation 403/02 and
  - b) the area Finance Department give particulars of the amount, purpose, term and when the monies would be required, and also supply any other necessary material information.

#### **D. PROCEDURE**

1. The CFO and Commissioner of Corporate Services receives a request from the area municipality to issue debentures. This request is followed by a certified true copy of the area municipality’s by-law authorizing the issuance of debentures for the specified project(s) as well as a certificate signed by the Treasurer of the area municipality stating that such requests will not exceed the area municipality’s most recent updated annual debt and financial obligation limit in accordance with the *Municipal Act*, Ontario Regulation 403/02.

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2. Regional Council authorizes the CFO and Commissioner of Corporate Services to negotiate the issuance of debentures.
3. The CFO and Commissioner of Corporate Services contacts the lead manager to negotiate the issuance of debentures.
4. As approved by **Council Resolution 94-354-9**, with each succeeding debt issue, the lead manager role rotates among the managers in the syndicate (ScotiaMcLeod Inc., CIBC Wood Gundy, RBC Dominion Securities Inc.).
5. The lead manager appoints a legal firm to act as counsel.
6. Regional Council passes a by-law(s) authorizing the issuance of debentures on behalf of the area municipality. The by-law contains the amount, purpose, term and repayment schedule.
7. The by-law(s) are registered at the land registry office.
8. The Regional Clerk signs a declaration and a certificate to the declaration.
9. The CFO and Commissioner of Corporate Services signs the Certificate of Signature and No Litigation, Certificate of Delivery and Borrowing Powers, Certificate of Registrar, Certificate of Payment of the Region, Certificate of the Treasurer and Commissioner of Finance of the Region, Letter of Representations, and the global debenture certificate.
10. The Regional Chair signs the Letter of Representations and the global debenture certificate.
11. The Clerk of the area municipality signs a declaration and a certificate to the declaration.
12. The external legal counsel prepares their legal opinion.
13. On the day of closing, the global debenture certificate is delivered to The Canadian Depository for Securities Limited and the proceeds from the sale are received and distributed to the area municipality.

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| <b>APPROVAL SOURCE:</b>  | <i>By-law 50-74; Council Resolution 94-354-9; By-law 63-2007, By-law 38-2009; ACP 10-04,</i> |
| <b>ORIGINAL DATE:</b>    | April 1974   |
| <b>LAST REVIEW DATE:</b> | July 14, 2009  |
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