



Borrowing Resolution to Meet Operating and Capital Expenditures

To: Finance, Budget and Enrolment Committee

Date: 15 September, 2020

Report No.: 09-20-3942

Strategic Directions

- Allocate Human and Financial Resources Strategically to Support Student Needs

Recommendation

It is recommended that in accordance with Section 243 of the Education Act, the Secretary-Treasurer and Chair (or Vice-Chair) be authorized on behalf of the Board to sign the Short-term Borrowing Resolutions, as outlined in Appendix A, to:

1. Approve the borrowing facility of \$250 million to support the Board's daily operating requirements, for the period ending October 31, 2022; and
2. Approve the borrowing facility of \$250 million to support permanent improvements relating to capital priorities, school condition improvement, child care capital and other capital programs as approved by the Ministry of Education, for the period ending October 31, 2022.

Context

On April 22, 2020, the Board approved an increase to the short term borrowing facility for operating requirements, from the original amount of \$50 million to \$250 million. This increase was implemented in response to cash flow changes, as a result of COVID-19 related site closures and educational property tax payment deferrals.

The approved change brought the total borrowing facility for operational expenditures to \$250 million, in addition to the borrowing facility for capital expenditures of \$250 million. The current borrowing resolution for operational expenditures is set to expire on

October 31, 2020, and the borrowing resolution for capital expenditures is set to expire on December 31, 2020.

Although TDSB did not have to access any of the short term borrowing for operational expenses this past year, given the uncertainties with the economy and the ongoing health crisis, it is recommended that TDSB maintain its borrowing facility amounts until October 31, 2022. This will significantly reduce the risk of insufficient cash flows, in the event of another major outbreak, or if there are other unanticipated operational changes.

Action Plan and Associated Timeline

This borrowing resolution becomes effective on October 1, 2020.

Resource Implications

The cost of the short-term borrowing for permanent improvements includes interest costs incurred, and will be fully funded by the Ministry.

Communications Considerations

Not applicable.

Board Policy and Procedure Reference(s)

Not applicable.

Appendices

- Appendix A: Short Term Borrowing Resolution

From

Marisa Chiu, Interim Executive Officer, at Marisa.Chiu@tdsb.on.ca or at 416 395 3563.