

Council Chambers
City Hall, Saskatoon, Sask.
Monday, January 29, 2007
at 4:10 p.m.

MINUTES OF SPECIAL MEETING OF CITY COUNCIL

PRESENT: His Worship the Mayor, in the Chair;
Councillors Clark, Dubois, Heidt, Hill, Neault,
Paulsen, Penner, Pringle and Wyant
City Manager Richards;
City Solicitor Dust;
General Manager, Corporate Services Bilanski;
General Manager, Community Services Gauthier;
General Manager, Infrastructure Services Totland; and
City Clerk Mann.

ADMINISTRATIVE REPORT NO. 3-2007

Section B – CORPORATE SERVICES

**B1) Debenture Bylaw 8575 and
TCU Place Loan Authorization Bylaw, 2007, No. 8576
(File No. 1750-1)**

- RECOMMENDATION:**
- 1) that the offer of RBC Capital Markets Inc. and CIBC World Markets Inc. (City's fiscal agents) be accepted and that His Worship the Mayor and the City Clerk be authorized to execute same;
 - 2) that City Council consider Debenture Bylaw No. 8575 which conforms to the terms and conditions of the sale, and specifically authorizes a \$9,645,000 one to fifteen-year serial debenture issue to be dated February 14, 2007;
 - 3) that City Council consider TCU Place Loan Authorization Bylaw, 2007 No. 8576 which outlines the specific terms of principal and interest repayment for TCU Place's share of the debenture issue;
 - 4) that the General Manager, Corporate Services Department, the City Solicitor, and the City Treasurer be instructed to take all such steps as may be necessary so as to give effect to the debenture issue and sale; and,

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- 5) that the City Solicitor be instructed to prepare the appropriate loan agreement with TCU Place and that His Worship the Mayor and the City Clerk be authorized to execute same.

BACKGROUND

At its meeting held on December 18, 2006, City Council authorized the General Manager, Corporate Services Department, to accept the terms of a \$9,645,000 debenture sale from the City's fiscal agency, subject to the approval of the appropriate Debenture Bylaw. The total borrowing requirement was comprised of TCU Place's share of \$7,730,000 and the City's share of \$1,915,000. Proceeds of the debenture borrowing will be used to replenish specific civic reserves. In 2005 and 2006, civic reserves were used as a source of interim funding to finance construction of the TCU Place expansion. A substantial amount of the interim financing was packaged as a loan to TCU Place to pay for their portion of construction costs. The Loan Authorization Bylaw essentially outlines the specific terms of loan repayment as it applies to TCU Place's share of the debenture issue. TCU Place is repaying its share of the debenture through incremental revenues flowing from the expansion.

REPORT

The Investment Committee has held ongoing discussions with the City's fiscal agents with respect to debenture issuance. The City's fiscal agents had indicated that borrowing costs remain at very attractive levels despite the recent increase in interest rates. Interest rates remain close to historical lows. Furthermore, the City's fiscal agents commented that the market demand for high-quality, municipal issues remain relatively strong.

On January 24, 2007, the General Manager, Corporate Services Department, with the support of the Investment Committee, accepted an offer from the City's fiscal agents to purchase \$9,645,000 par value City of Saskatoon debentures at an all-in-cost of 4.67%. The debenture issue, to be dated February 14, 2007, is structured as a one to fifteen-year serial issue with principal amounts maturing each year, February 14, 2008 to February 14, 2022, inclusive. The interest rates for the debenture issue range from a minimum of 4.20% to 4.70%

Due to the need for a timely submission of the appropriate documentation to finalize this transaction, the General Manager, Corporate Services Department, requested the City Solicitor to draft the required Debenture Bylaw and Loan Authorization Bylaw for City Council's consideration and approval at today's special Council meeting.

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PUBLIC NOTICE

The required public notice was given as outlined in Clause B2, Administrative Report No. 23-2006.

Moved by Councillor Paulsen, Seconded by Councillor Penner,

THAT the recommendation be adopted.

CARRIED.

INTRODUCTION AND CONSIDERATION OF BYLAWS

Bylaw 8575

Moved by Councillor Paulsen, seconded by Councillor Penner,

THAT permission be granted to introduce Bylaw No. 8575, being “A bylaw of The City of Saskatoon to raise by way of loan on debentures the sum of Nine Million Six Hundred and Forty-Five Thousand (\$9,645,000.00) Dollars to pay a portion of the cost to build an expansion to TCU Place in the City of Saskatoon, and to loan money to The Centennial Auditorium & Convention Centre Corporation to pay for its portion of the cost to build an expansion to TCU Place in the City of Saskatoon.” and to give same its first reading.

CARRIED.

The bylaw was then read a first time.

Moved by Councillor Paulsen, seconded by Councillor Wyant,

THAT Bylaw No. 8575 be now read a second time.

CARRIED.

The bylaw was then read a second time.

Moved by Councillor Paulsen, Seconded by Councillor Pringle,

THAT Council go into Committee of the Whole to consider Bylaw No. 8575.

CARRIED.

Council went into Committee of the Whole with Councillor Paulsen in the Chair.

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Committee arose.

Councillor Paulsen, Chair of the Committee of the Whole, made the following report:

That while in Committee of the Whole, Bylaw No. 8575 was considered clause by clause and approved.

Moved by Councillor Paulsen, Seconded by Councillor Neault,

THAT the report of the Committee of the Whole be adopted.

CARRIED.

Moved by Councillor Paulsen, Seconded by Councillor Hill,

THAT permission be granted to have Bylaw No. 8575 read a third time at this meeting.

CARRIED UNANIMOUSLY.

Moved by Councillor Paulsen, Seconded by Councillor Heidt,

THAT Bylaw No. 8575 be now read a third time, that the bylaw be passed and the Mayor and the City Clerk be authorized to sign same and attach the corporate seal thereto.

CARRIED.

Bylaw 8576

Moved by Councillor Paulsen, seconded by Councillor Penner,

THAT permission be granted to introduce Bylaw No. 8576, being “The TCU Place Loan Authorization Bylaw, 2007” and to give same its first reading.

CARRIED.

The bylaw was then read a first time.

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Moved by Councillor Paulsen, seconded by Councillor Wyant,

THAT Bylaw No. 8576 be now read a second time.

CARRIED.

The bylaw was then read a second time.

Moved by Councillor Paulsen, Seconded by Councillor Pringle,

THAT Council go into Committee of the Whole to consider Bylaw No. 8576.

CARRIED.

Council went into Committee of the Whole with Councillor Paulsen in the Chair.

Committee arose.

Councillor Paulsen, Chair of the Committee of the Whole, made the following report:

That while in Committee of the Whole, Bylaw No. 8576 was considered clause by clause and approved.

Moved by Councillor Paulsen, Seconded by Councillor Neault,

THAT the report of the Committee of the Whole be adopted.

CARRIED.

Moved by Councillor Paulsen, Seconded by Councillor Hill,

THAT permission be granted to have Bylaw No. 8576 read a third time at this meeting.

CARRIED UNANIMOUSLY.

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Moved by Councillor Paulsen, Seconded by Councillor Heidt,

THAT Bylaw No. 8576 be now read a third time, that the bylaw be passed and the Mayor and the City Clerk be authorized to sign same and attach the corporate seal thereto.

CARRIED.

Moved by Councillor Paulsen,

THAT the meeting stand adjourned.

CARRIED.

The meeting adjourned at 4:12 p.m.

Mayor

City Clerk