



City of Ottawa Ontario

Information Memorandum For Short Term Promissory Notes

This Information Memorandum does not in any way obligate the City of Ottawa to accept an offer to purchase the Short Term Promissory Notes. No person has been authorized to give any information or to make any representation not contained in this Information Memorandum and, if given or made, such information or representation must not be relied upon as having been authorized.

July 10, 2019

CITY OF OTTAWA, ONTARIO

The City of Ottawa, Ontario (the “City”), Canada’s Capital City, is a municipal corporation, created effective January 1, 2001, by amalgamating The Regional Municipality of Ottawa-Carleton and each of its eleven area municipalities, the City of Cumberland, the City of Gloucester, the Township of Goulbourn, the City of Kanata, the City of Nepean, the Township of Osgoode, the City of Ottawa, the Township of Rideau, the Village of Rockcliffe Park, the City of Vanier and the Township of West Carleton (the “Old Municipalities”), by the *City of Ottawa Act, 1999*, S.O. 1999, C. 14, Schedule E (the “*City of Ottawa Act*”). Pursuant to the *City of Ottawa Act*, all the assets and liabilities on December 31, 2000 including all rights, interests, approvals, status, registrations, entitlements and contractual benefits and obligations of the Old Municipalities were, on January 1, 2001, vested in and became assets and liabilities of the new City. The City is currently governed by the *City of Ottawa Act* and the *Municipal Act, 2001*, S.O. 2001, c. 25, as amended, (the “*Municipal Act*”), both Acts of the Province of Ontario. The City has been the capital of Canada since 1866. The City consists of 23 different wards governed by a City Council consisting of 24 elected officials – 23 Councilors and the Mayor.

City Council appointed the City Manager to provide leadership and direction to all administrative departments and staff. City Council also appointed a City Auditor who is independent from administrative staff and assists Council in its oversight of the City Manager’s administration and accountability for public funds. Additionally, a City Clerk is responsible for managing Council’s legislative process and for delivering open, accessible and impartial government to Ottawa residents, City Council and the City.

The City co-ordinates a number of shared administrative services with the National Capital Commission, a Canadian Crown corporation responsible for planning, development, conservation and improvement of Canada’s Capital Region.

The City consistently ranks in the top 20 livable Cities in the world according to the Mercer Worldwide Quality of Living Survey rankings, is known for its affordable housing, museum and recreational attractions, educational facilities, and low crime rates. The Rideau Canal, which runs through the heart of the City and constitutes a main tourist attraction, is a designated UNESCO site.

The Federal Public sector is the largest employer in the City providing a stable employment base. The local economy is also supported by its strong financial, high tech, tourism, hospital, educational and, transportation sectors.

On December 20, 2018, Moody’s Ratings Services affirmed the City’s AAA long-term issuer credit rating. The rationale supporting this rating highlighted the City’s strong financial management, budgetary performance, and outstanding liquidity position. On December 20, 2018, Moody’s Ratings Services issued the City’s short-term issuer credit rating of Prime-1 (P-1).

The principal office of the City is located at 110 Laurier Avenue, Ottawa, Ontario Canada, K1C 5X7. More details, including the City’s recent Annual Report, may be obtained from the website at www.ottawa.ca. The materials on such website do not form part of this Information Memorandum.

DESCRIPTION OF THE SHORT TERM PROMISSORY NOTES

Purpose:	The net proceeds from the sale of the short-term promissory notes (the Notes) will be used by the City for general operating expenditures pursuant to the provisions of the Municipal Act.
Principal Amount:	The aggregate principal amount of Notes to be outstanding at any one time is \$500,000,000 in Canadian currency.
Denominations:	Multiples of \$1,000, subject to a minimum of \$100,000, in Canadian currency.
Issuing Agent:	Royal Bank of Canada (the Issuing Agent) pursuant to the Note Issuance Service Agreement dated December 20, 2018 between the City and the Issuing Agent.
Form of Notes:	<p>The Notes will be issued in “book entry only” form through participants (Participants) in CDS Clearing and Depository Services Inc. (CDS) debt clearing service, which Participants include securities brokers and dealers, and banks and trust companies. Indirect access to the CDS book entry system is also available to other institutions (Indirect Participants) that maintain custodial relationships with a Participant, either directly or indirectly.</p> <p>No physical Notes will be issued and no holder of a Note will be entitled to a certificate or other instrument from the City or CDS evidencing that person’s interest in ownership of such Note, or will be shown on the records maintained by CDS except through an agent of the holder who is a Participant or an Indirect Participant of CDS.</p> <p>The City will cause the Notes to be delivered to, and registered in the name of, CDS or its nominee. The City understands that each purchaser of a Note will receive a customer confirmation of purchase from the registered dealer from whom such Note is purchased in accordance with the practices and procedures of that registered dealer.</p>

Neither the City nor the registered dealers will assume liability for: (a) any aspect of the records relating to the beneficial ownership of the Notes held by CDS or the payments relating thereto; (b) maintaining, supervising, or reviewing any records relating to the Notes; or (c) any advice or representation made by or with respect to CDS including those contained in this Information Memorandum and relating to the rules governing CDS or any action taken by CDS or at the direction of its Participants.

Maturities:	Up to 365 days from issue date.
Rates of Interest:	Available upon request.
Delivery:	The Notes will be delivered to the Issuing Agent, as custodian for CDS.
Payment:	At maturity, payment of principal and interest will be made in accordance with CDS's procedures.
Liquidity:	The City has established credit lines and a large portfolio of liquid assets that are sufficient to meet payment of the maximum aggregate principal amount of the Notes at maturity.
Eligibility:	Eligibility of the Notes for investment by certain purchasers is governed by general restrictions and prudent investment standards set out in statutes or regulations applicable to those purchasers and, in certain cases, subject to additional requirements relating to investment policies or goals.
Restrictions:	The Notes will not be sold outside Canada or to any person who is not resident in Canada, or to any person purchasing for resale to, or for the account or benefit of, any person who is not resident in Canada.
Rating:	The following rating was issued as of December 20, 2018 and remains unchanged as of the date hereof. It is subject to change without notice: Moody's Prime-1 (P-1) / AAA

July 10, 2019

City of Ottawa
City Manager's Office, Finance Department,
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Ottawa, ON K2G 6J8

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Partner
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Dear Ladies and Gentlemen:

RE: City of Ottawa – Issue of Short Term Promissory Notes

We have acted as counsel to the City of Ottawa (the "City") in connection with the authorization and proposed issue and sale in all provinces of Canada by the City of negotiable short term unsecured promissory notes (the "**Notes**") having maturity dates not more than 365 days from their respective dates of issue and issued in multiples of \$1,000, subject to a minimum of \$100,000, in lawful money of Canada. The Notes will be issued in "book entry only" form only through participants in CDS Clearing and Depository Services Inc. Each Note will also have the terms more particularly described and referred to in the City's information memorandum dated July 10, 2019 (the "**Information Memorandum**"), with respect to the proposed sale of the Notes, of which this opinion forms part, and will be in the form of the specimen form of the Notes included in the Information Memorandum. The City has limited the aggregate principal amount of the Notes which may be outstanding at any time to \$500,000,000 in Canadian currency.

We have considered such questions of law, examined such statutes and regulations, public records, certified copies or records of the City, certificates and other documents and made such investigations as we have considered necessary or desirable to enable us to express the opinions given. We have also examined and relied upon the following:

1. Temporary Borrowing By-law No. 2019-268;
2. Report to Finance and Economic Development Committee held on June 5, 2018 and to Council held on June 13, 2018, confirmed by By-law No. 2018-208;
3. Capital Financing and Debt Policy, as amended;
4. Delegation of Authority By-law No. 2018-397;
5. Information Memorandum dated July 10, 2019;
6. certificate of the Clerk of the City (City Clerk) dated July 10, 2019; and
7. certificates of the Treasurer of the City dated July 10, 2019.

In our examinations, we have assumed the legal capacity of all individuals, the genuineness of all signatures, the authenticity of all documents submitted to us as originals, the conformity to authentic original documents of all documents submitted to us as certified, notarial or true copies or facsimiles thereof and the veracity of all information contained in such documents.

We have further assumed that: (i) there has been no cease trade order or similar order made by a court or regulatory authority having jurisdiction preventing trades in any of the City's securities; and (ii) the City is not engaged in the business of trading in securities or holding itself out as engaging in the business of trading in securities.

We have also assumed that any agent acting in connection with the offer and sale of the Notes is registered under any applicable securities laws and has complied with such applicable securities laws and with the provisions of its registration, if applicable, in connection with such offer and sale.

Our opinions in paragraphs 1 through 4 below are limited to the laws of the provinces of Canada and the federal laws of Canada applicable therein.

With respect to the opinion expressed in paragraph 3, the enforceability of the Notes may be limited by (i) the special jurisdiction and powers of the Local Planning Appeal Tribunal over financially troubled municipalities under the *Municipal Affairs Act* (Ontario); (ii) equitable principles, including the principle that equitable remedies such as specific performance and injunction may only be granted in the discretion of the court of competent jurisdiction; (iii) the equitable or statutory power of the court having jurisdiction to stay proceedings before it and the execution of judgements; (iv) with respect to the rate at which interest is payable under the Notes, the *Interest Act* (Canada), the *Criminal Code* (Canada) and similar provincial legislation which limits the rate at which interest can be payable; and (v) the applicable laws regarding limitations of actions and the rate at which interest is payable on a judgment debt.

The opinions set out herein are given as at the date hereof and reliance on such opinions after the date hereof must be on the assumption that there has been no change in the law or in the facts on which the opinions are based; we expressly disclaim any obligation to advise any person to whom this opinion is addressed of any matters (including without limitation any facts or circumstances or any subsequently enacted, published or reported laws, regulations or judicial decisions having retroactive effect) which may come to our attention after the date hereof and which may affect any of the opinions set out herein.

Based upon and subject to the foregoing, we are of the opinion that:

1. The City is a body corporate existing under the *Municipal Act, 2001* (Ontario).
2. The City has all necessary legal power to create and issue the Notes and all necessary actions have been taken by the City to authorize the borrowing of money through the sale of the Notes and the creation, issue and delivery of the Notes.
3. The Notes, in the specimen form set forth in the Information Memorandum when (i) duly executed, either manually or by electronic signature, by each of the Mayor and the Treasurer, and (ii) delivered by or on behalf of the City for value, will constitute valid and binding obligations of the City enforceable in accordance with their terms.
4. The City may, either directly or through agents, provided that such agents are registered in an appropriate category pursuant to applicable securities legislation that would permit them to effect, or otherwise be exempt from registration in respect of, distributions or trades in the

Notes, offer and sell the Notes in each of the provinces of Canada without filing any prospectus or other documents with applicable securities regulatory authorities in Canada.

The opinions set out in this letter are given solely for the benefit of the addressee in connection with the transactions referred to and may not, in whole or in part, be relied upon by any other person except that any dealer or selling agent appointed by the City may rely on this opinion solely for the purposes of performing its obligations under any dealer or selling agent agreement with the City in respect of the proposed issue and sale by the City of the Notes.

Yours truly,

WeirFoulds LLP

WeirFoulds LLP

13379052.1

BY-LAW NO. 2019 - 268

A by-law of the City of Ottawa to authorize the temporary borrowing of monies to meet the current expenditures of the City of Ottawa and to repeal By-law No. 2018-398 and By-law No. 2019-188.

WHEREAS the Council of the City of Ottawa may, pursuant to Section 407 of the *Municipal Act, 2001*, S.O. 2001, c. 25, as amended, (the "*Municipal Act*"), enact a by-law to authorize temporary borrowing of the amount Council considers necessary to meet the current expenditures of the City of Ottawa, hereinafter called the "City", until the taxes are collected and other revenues are received for the year, including the amounts required in the year for sinking and retirement funds, principal and interest due on any debt of the City, school purposes and other purposes the municipality is required by law to provide for;

AND WHEREAS subsection (2) of Section 407 of the said *Municipal Act* provides that the amount that may be borrowed at any one time for the purposes as aforesaid together with any similar borrowings that have not been repaid, shall not exceed from January 1st to September 30th, 50 per cent of the total, and from October 1st to December 31st, 25 per cent of the total of the estimated revenues of the City as set forth in the estimates adopted for the year;

AND WHEREAS subsection (3) of Section 407 of the said *Municipal Act* provides that until such estimates are adopted, the limitations upon borrowing prescribed above shall temporarily be calculated using the estimated revenues of the City as set forth in the estimates adopted for the previous year;

AND WHEREAS subsection 407(4) of the said *Municipal Act* provides that, for the purposes of subsections 407(2) and 407(3), estimated revenues do not include revenues derivable or derived from borrowings or issues of debentures, a surplus including arrears of taxes, fees or charges, or a transfer from the capital fund, reserve funds or reserves;

THEREFORE the Council of the City of Ottawa enacts as follows:

TEMPORARY BORROWING

1. The Mayor and the Treasurer of the City are hereby authorized to borrow from time to time from any person who is willing to loan the same for the purpose of meeting the current expenditures of the City, including the amounts required for sinking and retirement funds, principal and interest due on any debt of the City, school purposes, other purposes the municipality is required by law to provide for and the amount of principal and interest payable by a person or municipality primarily liable for a debt, if the City has guaranteed the debt and the debt is in default until the taxes are collected and other revenues are received.

LIMIT ON BORROWING

2. The amount that may be borrowed at any one time as authorized by Section 1 hereof, together with the total of any similar borrowings that have not been repaid, shall not exceed, during the period from January 1 to September 30, fifty per cent (50%) of the total, or during the period from October 1 to December 31, twenty-five per cent (25%) of the total of the estimated revenues of the City as set forth in the budget adopted for the year, provided that in no case shall the amount exceed five hundred million dollars (\$500,000,000.00).

CALCULATION OF ESTIMATES

3. Until such estimates are adopted, the limitations upon borrowing prescribed by Section 2 hereof shall temporarily be calculated upon the estimated revenues of the City as set forth in the budget adopted for the previous year.

REVENUES NOT INCLUDED IN CALCULATION

4. For the purposes of Sections 2 and 3, estimated revenues do not include revenues derivable or derived from,
(a) arrears of taxes, fees or charges, or
(b) a payment from a reserve fund of the municipality, whether or not the payment is for a capital purpose.

INTEREST

5. The amount borrowed as authorized by Section 1 shall bear interest at such rate or rates as may be agreed upon.

LOAN AGREEMENTS

6. The City shall draw and deliver from time to time loan agreements and such other agreements as may be required to evidence and secure the said borrowings as authorized by this by-law.

EXECUTION OF BORROWING INSTRUMENTS

7. Any loan agreement or other agreement made under the authority of this by-law shall be signed by the Mayor and the Treasurer of the City and sealed with the seal of the City.

LENDER FURNISHED WITH BY-LAW AND STATEMENT

8. At the time that any amount is borrowed under Section 1, the Treasurer shall furnish to the lender a copy of this by-law and a statement showing the nature and amount of the estimated revenues of the current year not yet collected, or where the

estimated revenues have not been adopted, a statement showing the nature and amount of the estimated revenues of the City as set forth in the estimates adopted for the next preceding year, and also showing the total of any amounts borrowed under Section 1, that have not been repaid.

REPAYMENT

9. All sums of money borrowed under the authority of this by-law shall be repaid to the person from whom the same were borrowed, as soon as may be after the taxes are collected and other revenues are received for the current year.

REPEAL

10. By-law No. 2018-398 entitled, "A by-law of the City of Ottawa to authorize the temporary borrowing of monies to meet the current expenditures of the City of Ottawa for the years 2019, 2020, 2021, 2022", and By-law No. 2019-188 entitled, "A by-law of the City of Ottawa to authorize the temporary borrowing of monies to meet the current expenditures of the City of Ottawa and to repeal By-law No. 2018-398" are hereby repealed.

SHORT TITLE

11. This by-law may be cited as the "Temporary Borrowing By-law".

ENACTED AND PASSED this 10th day of July, 2019.



CITY CLERK



MAYOR



Serial No.
00001

CITY OF OTTAWA

INTEREST BEARING NOTE / DISCOUNT

ISSUE

DUE DATE

THIS IS A DEPOSITORY NOTE SUBJECT TO THE DEPOSITORY BILLS AND NOTES ACT.

CITY OF OTTAWA, FOR VALUE RECEIVED WILL PAY TO CDS & CO.

ON DUE DATE THE SUM OF
\$

DOLLARS

PLUS INTEREST AT

PER CENT PER ANNUM PAYABLE

ON MATURITY IN FAWFUL MONEY OF CANADA ON PRESENTATION AND SURRENDER
OF THIS NOTE AT THE MAIN BRANCH OF ROYAL BANK OF CANADA IN TORONTO,
CANADA



CITY OF OTTAWA

PER _____

PER _____