

Bylaw No. 1154-2023

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A BYLAW TO AUTHORIZE A BORROWING AND ESTABLISH AN OPERATING LINE OF CREDIT FOR THE PURPOSE OF FINANCING OPERATING EXPENDITURES OF THE MUNICIPALITY.

WHEREAS: Section 251 of the *Municipal Government Act* provides that a municipality may only make a borrowing if the borrowing is authorized by a borrowing bylaw;

AND WHEREAS: Section 256 of the Act provides that a municipality may make a borrowing for the purpose of financing operating expenditures of the municipality provided that the amount to be borrowed, together with the unpaid principal of other borrowings made for this purpose, must not exceed the amount the municipality estimates will be raised in taxes in the year the borrowing is made.

AND WHEREAS: Section 256 of the Act further provides that a borrowing bylaw does not have to be advertised if the term of the borrowing does not exceed 3 years;

AND WHEREAS, the Council of the City of Leduc (the "City") deems it appropriate to borrow funds to the extent required to meet the City's operating requirements

AND WHEREAS, the total amount of the municipal tax levy in 2023 by the City is estimated to be the sum of \$55,700,000.00;

AND WHEREAS, the City's existing debt, as at December 31, 2022, is \$78,875,512, no part of which is in arrears, and the borrowing of the amount authorized to be borrowed by this Bylaw will not cause the City to exceed its debt limit;

NOW THEREFORE, City Council, duly assembled, enacts as follows:

PART I: DEFINITIONS AND INTERPRETATION

Short Title

1. This Bylaw may be cited as the "Operating Expenditures Borrowing Bylaw, 2023".

Definitions

2. In this Bylaw, words have the meanings set out in the Act, except that:
 - a) "Act" means the *Municipal Government Act*, RSA 2000, c. M-26;
 - b) "Bank" means a Schedule 1 Canadian Chartered Bank;

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- c) "City Manager" means the City's chief administrative officer, or delegate;

PART II: BORROWING AUTHORIZATION

Line of Credit

3. The City may borrow from a Bank, in the form of a line of credit, sums of money from time to time to meet operating requirements provided that the total principal sum owed at any one time shall not exceed the sum of THIRTY MILLION (\$30,000,000.00) DOLLARS.
4. All sums borrowed under this Bylaw shall be borrowed on the general credit and security of the City at large.
5. The City Manager is hereby authorized to:
 - a) apply to a Bank and obtain a revolving line of credit facility with a credit limit not to exceed the maximum amount this Bylaw authorizes may be borrowed; and
 - b) execute on behalf of the City such promissory notes and other negotiable instruments or other evidence of indebtedness for the line of credit facility as the Bank may require as evidence of and security of all sums borrowed.

Interest Rate, Term and Terms of Repayment

6. All sums borrowed under this Bylaw shall bear interest at a rate per annum not exceeding Prime Lending Rate plus ten percent (10%) established from time to time by the Bank, and such interest shall be calculated and due and payable monthly.
7. All sums borrowed under this Bylaw, including principal and interest, shall be due and payable within three (3) years from the date that this Bylaw comes into force.

Repayment Source

8. Revenue derived from the collection of municipal taxes levied will be used to repay the principal borrowed and interest owing under this Bylaw.

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Severability

9. Every provision of this Bylaw is independent of all other provisions and it is the intention of the Council that if any provision of this Bylaw is declared invalid by a court of competent jurisdiction, all other provisions of this Bylaw shall remain valid and enforceable.

Repeal of Bylaw 1053-2020

10. Bylaw 1053-2020 is repealed upon this Bylaw 1154-2023 coming into force.

READ A FIRST TIME IN COUNCIL THIS 17TH DAY OF APRIL, 2023.

READ A SECOND TIME IN COUNCIL THIS 8TH DAY OF MAY, 2023.

READ A THIRD TIME IN COUNCIL THIS 8TH DAY OF MAY, 2023.

“Original Signed”

MAYOR

May 8, 2023

“Original Signed”

Date

CITY CLERK