

Bylaw No. 949-2017

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A BYLAW OF THE CITY OF LEDUC IN THE PROVINCE OF ALBERTA, TO BORROW MONEY TO AUTHORIZE A BORROWING AND ESTABLISH AN OPERATING LINE OF CREDIT FOR THE PURPOSE OF FINANCING 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;

NOW WHEREAS, the Council of the City of Leduc (the "Municipality") deems it advisable to borrow to meet the operating expenditures of the City of Leduc until such time as the current taxes levied or to be levied are collected;

AND WHEREAS, the total amount of the municipal tax levy in 2017 by the City of Leduc is estimated to be the sum of \$43,000,000.00;

AND WHEREAS, the amount of the existing debt of the City of Leduc at June 1, 2017 is \$54,373,583, 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 of Leduc to exceed its debt limit;

NOW THEREFORE the City of Leduc, in 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".

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;

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- b) "Bank" means a Schedule 1 Canadian Chartered Bank;
- c) "City Manager" means the chief administrative officer of the City of Leduc, or their delegate;

PART II: BORROWING AUTHORIZATION

Line of Credit

- 3. The City of Leduc may borrow from a Bank sums of money from time to time to meet, until taxes are collected, the current operating expenditures of the City of Leduc, provided that the total principal sum owed at any one time shall not exceed the sum of FIVE MILLION (\$5,000,000.00) DOLLARS.
- 4. All sums borrowed under this Bylaw shall be borrowed on the general credit and security of the City of Leduc at large.
- 5. The City Manager for the City of Leduc 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 of Leduc 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 equal to the Prime Lending Rate 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 years from the date that this bylaw comes into force.

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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.

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.

PART III: ENACTMENT

This Bylaw shall come into force and effect when it receives Third Reading and is duly signed.

READ A FIRST TIME IN COUNCIL THIS 26TH DAY OF JUNE, 2017.

READ A SECOND TIME IN COUNCIL THIS 26TH DAY OF JUNE, 2017.

READ A THIRD TIME IN COUNCIL AND FINALLY PASSED THIS 26TH DAY OF JUNE, 2017.

"Original Signed"

Greg Krischke
MAYOR

"Original Signed"

Sandra Davis
CITY CLERK

June 26, 2017

Date Signed