

BYLAW 2635/BORR/20

BEING A BYLAW OF THE TOWN OF STONY PLAIN IN THE PROVINCE OF ALBERTA TO AUTHORIZE A BORROWING AND ESTABLISH A LINE OF CREDIT FOR THE PURPOSE OF FINANCING CURRENT OPERATING EXPENDITURES

WHEREAS Section 251 of the *Municipal Government Act*, RSA 2000, c. M-26, and amendments thereto, provides that a municipality may only make a borrowing if the borrowing is authorized by a borrowing bylaw;

AND WHEREAS Section 256 of the *Municipal Government 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 the other borrowings made for this purpose, must not exceed the amount the municipality estimates will be raised in the taxes in the year the borrowing bylaw is made;

AND WHEREAS Section 256 of the *Municipal Government 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 Town of Stony Plain deems it advisable to borrow to meet the operating expenditures of the Town until such time as the current taxes are levied or to be levied are collected;

AND WHEREAS the total amount of the taxes to be levied in 2020 by the Town is estimated to be the sum of \$17,000,000;

AND WHEREAS the amount of the existing debt of the Town of Stony Plain at December 31, 2019 is \$22,755,003, no part of which is in arrears, and the borrowing of the amount authorized to be borrowed by the bylaw will not cause the Town to exceed its debt limit;

NOW THEREFORE, the Council of the Town of Stony Plain, in the Province of Alberta, duly assembled enacts as follows:

1.0.0 Title

1.1.0 This bylaw may be cited as the "Operating Expenditures Borrowing Bylaw".

2.0.0 Definitions

"Act" means the *Municipal Government Act*, RSA 2000, c. M-26, and amendments thereto;

"CAO" means the Chief Administrative Officer of the Town of Stony Plain or the CAO's delegate;

"Town" means the Town of Stony Plain in the Province of Alberta; and

"Mayor" means the Chief Elected Official of the Town.

3.0.0 General

3.1.0 The Town may borrow from the Toronto-Dominion Bank such sums of money as may from time to time be required to meet, until taxes are collected, current operating expenditures and obligations of the Town, provided the total principal amount owed the Toronto-Dominion Bank at any one time shall not exceed the sum of Ten Million (\$10,000,000) Dollars.

3.2.0 All sums borrowed under this bylaw shall be borrowed on the general credit and security of the Town at large.

3.3.0 The Mayor and CAO (hereinafter called the "Signing Authority"), are authorized for and on behalf of the Town:

3.3.1 to apply to the Toronto-Dominion Bank and obtain a revolving line of credit with a credit limit not to exceed the maximum amount this bylaw authorizes may be borrowed; and

3.3.2 execute on behalf of the Town such bills, debentures, promissory notes or similar forms of obligation as the Toronto-Dominion Bank may require as evidence of and security for all sums borrowed hereunder.

- 3.4.0 All sums borrowed pursuant to this bylaw shall bear interest at a rate per annum not to exceed prime rate less three quarters percent charged by the Toronto-Dominion Bank annually and such interest will be calculated daily and due and payable monthly on the last day of each month.
- 3.5.0 All sums borrowed under this bylaw, including principal and interest, shall be due and payable in full within three years of the borrowing.
- 3.6.0 Revenue derived from the collection of municipal taxes levied in 2020 will be used to repay the principal borrowed and interest owing under this bylaw.

4.0.0 Effectiveness and Review

- 4.1.0 If any portion of this bylaw is declared invalid by a court of competent jurisdiction, then the invalid portion must be severed and the remainder of the bylaw is deemed valid.
- 4.2.0 Bylaw 2500/BORR/13 and amendments thereto are hereby repealed.
- 4.3.0 This bylaw shall be reviewed within its third year, being 2023 or as deemed necessary.
- 4.4.0 This bylaw shall take full force and effect upon passage of third and final reading in accordance with Section 213, *Municipal Government Act*, RSA 2000, c. M-26 and amendments thereto.

Read a first time this 27th day of April, AD 2020.

Read a second time this 27th day of April, AD 2020.

Given unanimous consent this 27th day of April, AD 2020.

Read a third time this 27th day of April, AD 2020.



Mayor William Choy



Jen Boleski, CPA, CA
General Manager, Corporate Services