

BYLAW 15-2020

OPERATING EXPENDITURES BORROWING BYLAW

Section 251 of the Municipal Government Act provides that a municipality may only borrow money if the borrowing is authorized by bylaw; and

Section 256 of the Municipal Government Act provides that a borrowing bylaw that in for the purpose of financing operating expenditures does not need to be advertised if the term of the borrowing does not exceed three years; and

Section 256 further requires that a borrowing to finance operating expenditures must not be in an amount greater than the amount the municipality expects to raise in taxes; and

Section 252 provides that any borrowing must not cause a municipality to exceed its debt limit; and

Council believes that it is prudent to have a revolving line of credit, or a similar financial instrument, in place in order to provide financing of operating expenditures, and to allow strategic financial planning by permitting the payment of operating expenditures from borrowed money;

Therefore Council enacts:

PART I – PURPOSE, DEFINITIONS AND INTERPRETATION

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| Purpose | 1 The purpose of this bylaw is to allow the County to establish a line of credit in order to borrow money to meet operating expenditures. |
| Citation | 2 This bylaw is cited as the Operating Expenditures Borrowing Bylaw. |
| Definitions | <p>3 In this bylaw:</p> <p>(a) "Chief Commissioner" means the chief administrative officer of the County, or delegate;</p> <p>(b) "County" means the municipal corporation of Strathcona County, a specialized municipality established under the authority of the <i>Municipal Government Act</i>, RSA 2000, c M-26 and Order in Council 761/95;</p> <p>(c) "debt limit" means the County's debt limit as determined by the <i>Debt Limit Regulation</i>, Alta Reg 255/2000;</p> <p>(d) "Municipal Government Act" means the <i>Municipal Government Act</i>, RSA 2000, c M-26;</p> <p>(e) "principal limit" means the maximum amount of money that the County is permitted to borrow under this bylaw, excluding interest;</p> <p>(f) "violation ticket" means a ticket issued pursuant to the <i>Provincial Offences Procedure Act</i>, RSA 2000, c P-34.</p> |

- Interpretation
- 4 The following rules apply to interpretation of this bylaw:
- (a) Headings, titles, margin notes, and preambles in this bylaw are for ease of reference only;
 - (b) Gender-specific words, phrases, and references are intended to be gender-neutral, and the singular includes the plural as the context requires;
 - (c) Every provision of this bylaw is independent of all other provisions and if any provision of this bylaw is declared invalid by a Court, all other provisions of this bylaw remain valid and enforceable; and
 - (d) References to bylaws and enactments in this bylaw include amendments and replacement bylaws and enactments, and regulations and orders thereunder.

PART II – BORROWING

- Authorization to Borrow Money
- 5 The County may borrow money, from a Canadian bank or other similar Canadian financial institution, to meet the current operating expenditures of the County.
- 6 (1) The maximum amount of money that may be borrowed under this bylaw must not exceed one hundred and twenty-five million Canadian dollars (\$125,000,000.00), exclusive of interest, at any time
- (2) The County may borrow in one lump sum, or in more than one smaller sums, so long as the principal limit is not exceeded at any time.
- 7 An amount borrowed under this bylaw must not cause the County to exceed its debt limit.
- 8 An amount borrowed under this bylaw, together with the unpaid principal of other borrowings made to finance operating expenditures, must not exceed the amount the County estimates will be raised in taxes in the year the borrowing is made.
- 9 All amounts borrowed under this bylaw are to be borrowed on the general credit and security of the County.
- Authority of the Chief Commissioner
- 10 The Chief Commissioner is authorized to:
- (a) apply for a revolving line of credit, or similar credit instrument, not to exceed the principal limit set out in this bylaw;
 - (b) provide evidence of security for all amounts borrowed; and
 - (c) determine when to borrow money to pay operating expenditures.

Maximum Interest Rate	11 The maximum interest rate must not exceed the Toronto-Dominion Bank's prime lending rate, or the prime lending rate of any other bank or financial institution that the County may subsequently choose as its main lending institution.
Term of the Borrowing	12 All sums borrowed under this bylaw, including principal and interest, must be repaid within two years of the borrowing.
Source of Repayment	13 The County will repay the borrowed sums, including principal and interest amounts, from general revenue.
Repeal	14 Bylaw 54-2006 is repealed.

FIRST READING: _____

SECOND READING: _____

THIRD READING: _____

SIGNED THIS ____ day of _____, 20__.

MAYOR

DIRECTOR, LEGISLATIVE AND LEGAL
SERVICES