

**Bylaw 24-2016 – a bylaw to amend various borrowing bylaws to allow for greater flexibility in borrowing****Report Purpose**

To give second and third reading to Bylaw 24-2016 to amend existing borrowing bylaws to allow flexibility in the type of borrowing from Alberta Capital Finance Authority (ACFA).

**Recommendation**

1. THAT Bylaw 24-2016, a bylaw to amend various borrowing bylaws to allow for greater flexibility in borrowing, including fixed principal payments, be given second reading.
2. THAT Bylaw 24-2016, a bylaw to amend various borrowing bylaws to allow for greater flexibility in borrowing, including fixed principal payments, be given third reading.

**Council History**

June 7, 2016 – Council gave first reading to Bylaw 24-2016.

**Strategic Plan Priority Areas**

**Economy:** Debt is a financing tool that provides the County the ability to invest in capital projects that contribute towards effective and efficient infrastructure to meet the needs of our growing community.

**Governance:** n/a

**Social:** n/a

**Culture:** n/a

**Environment:** n/a

**Other Impacts**

**Policy:** FIN-001-025: Debt Management Policy

**Legislative/Legal:** Section 191 of the Municipal Government Act (MGA), R.S.A. 2000, c.M-26 sets out the requirements for amending existing bylaws including advertising the proposed amendments. The fifteen day petitioning period required by Section 231 of the MGA was provided, and there were no petitions received during this period.

**Interdepartmental:** Financial Services; Legislative and Legal Services

**Summary**

Approval of Borrowing Bylaw 24-2016 will allow existing borrowing bylaws the flexibility to include fixed principal type of payments. This type of borrowing, whereby the principal portion is fixed over the term of the debt and the interest portion reduces with each payment, results in the payments decreasing as the debt is paid down. The advantage of changing the type of repayment plans from equal payment to fixed principal is lower total interest charges over the term of the debt. The annual repayments at the beginning of the loan are higher but continue to reduce in the later years, resulting in a \$2.7 million savings to Strathcona County.

Fifteen existing borrowing bylaws require an amendment to the wording to allow for this change. The affected borrowing bylaws are: Bylaws 92-2007, 94-2007, 40-2008, 19-2011, 65-2011, 59-2012, 60-2012, 34-2013, 26-2014, 44-2014, 45-2014, 14-2015, 27-2015, 48-2015, and 68-2015.

**Enclosure**

1 Bylaw 24-2016 (Document: 8854342)

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Lead Department: Financial Services