

BYLAW 1583/22
SHORT-TERM DEBT BORROWING BYLAW
STURGEON COUNTY, ALBERTA

A BYLAW OF STURGEON COUNTY TO AUTHORIZE THE COUNCIL OF STURGEON COUNTY TO INCUR SHORT-TERM INDEBTEDNESS FOR THE PURPOSE OF BRIDGE FINANCING CAPITAL AND OPERATING EXPENDITURES

WHEREAS, the Council of Sturgeon County has decided to issue a borrowing bylaw pursuant to section 251 of the *Municipal Government Act*, RSA, 2000, c.M-26;

AND WHEREAS, section 256 of the *Municipal Government Act*, RSA, 2000, c.M-26 authorizes short-term debt, without advertising, for the purpose of financing operating expenditures if the term of the borrowing is less than 3 years;

AND WHEREAS, section 257 of the *Municipal Government Act*, RSA, 2000, c.M-26 authorizes short-term debt, without advertising, for the purpose of financing capital expenditures if the term of the borrowing is less than 5 years;

AND WHEREAS, the audited principal amount of outstanding debt of Sturgeon County at December 31, 2020 is \$34,229,692 and no part of the principal or interest is in arrears;

AND WHEREAS, the borrowing of any amount under this Bylaw will not cause the County to exceed the debt limit established in the *Municipal Government Act*, RSA, 2000, c.M-26;

NOW THEREFORE, the Council of Sturgeon County, in the Province of Alberta, duly assembled, hereby enacts as follows:

1. Title

- 1.1. This Bylaw may be referred to as the “Short-term Debt Borrowing Bylaw”.

2. Purpose

- 2.1. The purpose of this Bylaw is to authorize bridge financing operating and capital expenditures.

3. Definitions

- 3.1. In this Bylaw:
- (a) “Act” means the *Municipal Government Act*, RSA 2000, c. M-26, any associated regulations, and any amendments or successor legislation.
 - (b) “Administration” means the administrative and operational arm of the Municipality, comprised of the various departments and business units and including all employees who operate under the leadership and supervision of the CAO.

- (c) "CAO" means the Chief Administrative Officer of the Municipality, or their delegate.
- (d) "Council" means the Council of Sturgeon County;
- (e) "County" means Sturgeon County;
- (f) "Mayor" means the Chief Elected Official of Sturgeon County;
- (g) "Municipality" means the municipal corporation of Sturgeon County.

4. General

- 4.1. For the purpose of bridge financing operating and capital expenditures, Sturgeon County may borrow, from time to time, from an authorized Financial Institution, by way of revolving line of credit or other short-term credit facility, up to the principal sum of Twenty-five Million Dollars (\$25,000,000.00).
- 4.2. All sums borrowed under this Bylaw shall be repaid in accordance with the repayment structure negotiated with the Financial Institution, namely monthly, semi-annual or annual payments of combined interest and principal, and not to exceed a term of three (3) years.
- 4.3. All sums borrowed under this Bylaw shall bear interest at a rate per annum established from time to time by the Financial Institution, not to exceed **nine** percent (9%), and such interest shall be calculated, due, and payable monthly.
- 4.4. The Mayor and Chief Administrative Officer of Sturgeon County are hereby authorized, on behalf of the Sturgeon County:
 - a. To apply to a Financial Institution to obtain a revolving line of credit or other short-term credit facility, with a credit limit not to exceed the maximum amount this Bylaw authorizes; and
 - b. To execute and deliver to the Lender such account authorities, instruments and agreements, as may be required by the Lender for Sturgeon County to avail, and evidence Sturgeon County's loans and credit with the Lender as provided for in this Bylaw, and upon the execution and delivery of any such account authority, instrument or agreement, any such account authority, instrument or agreement shall be conclusively deemed to be authorized by this Bylaw and binding on Sturgeon County.
- 4.5. The source or sources of money to be used to repay the principal and interest owing under the borrowing from the Financial Institution are municipal taxes and utility levies.
- 4.6. The indebtedness shall be contracted on the credit and security of Sturgeon County.
- 4.7. The net amount borrowed under this Bylaw shall be applied only for bridge financing Council approved operating and capital expenditures.

- 4.8. Nothing contained in this Bylaw shall waive, prejudicially affect or exclude any right, power, benefit or security by statute, common law or otherwise given to or implied in favour of the Financial Institution.
- 4.9. This Bylaw shall repeal Bylaw 1512/20.
- 4.10. Should any provision of this Bylaw be invalid, then the invalid provision shall be severed, and the remainder of this Bylaw shall remain in effect.
- 4.11. This Bylaw shall come into force and take effect upon being passed.

Read a first time this 22nd day of March 22, 2022.

Read a second time this. __ day of _____, 20__.

Read a third time this __ day of _____, 20__.

Alanna Hnatiw
MAYOR

Reegan McCullough
COUNTY COMMISSIONER (CAO)

DATE SIGNED