CITY OF ST. ALBERT

BYLAW 26/2020

OPERATING LINE OF CREDIT BORROWING BYLAW

A Bylaw to establish authority and conditions for an operating line of credit for the City of St. Albert

WHEREAS pursuant to section 251 of the *Municipal Government Act* a municipality may only borrow money if authorized to do so by a borrowing bylaw;

AND WHEREAS section 256 of the *Municipal Government Act* provides that a municipality may borrow money 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 that purpose, does not exceed the amount the municipality estimates will be raised in taxes in the year the borrowing is made;

AND WHEREAS the limit of authorized borrowing under this Bylaw does not exceed the amount the municipality estimates will be raised in taxes in any year the borrowing is made;

NOW THEREFORE the Council of the City of St. Albert ENACTS AS FOLLOWS:

TITLE

1. This Bylaw may be referred to as the "Operating Line of Credit Borrowing Bylaw".

DEFINITIONS

2. In this Bylaw:

    a. "Act" means the *Municipal Government Act,* R.S.A., 2000, c.M-26 and amendments and regulations thereto;

    b. "Borrow" and "Borrowing" refer to any sum of money advanced to the City by a Lender pursuant to the operating line of credit authorized by this Bylaw;

    c. "City" means the municipal corporation of the City of St. Albert;

    d. "Chief Administrative Officer" or "CAO" means the person appointed by Council to the position of Chief Administrative Officer under section 205 of the Act and pursuant to the Chief Administrative Officer Bylaw;

    e. "Council" means the municipal council of the City;

f. “Lender” means a branch in Alberta of a bank, a loan or trust corporation, a credit union or ATB Financial, from which the City Borrows any money pursuant to this Bylaw;

g. “Mayor” means the chief elected official of the City; and

h. “Prime Lending Rate” means the rate of interest per annum established and reported by a Lender to the Bank of Canada from time to time as the reference rate of interest for the determination of interest rates that the Lender charges to customers of varying degrees of credit worthiness in Canada for Canadian dollar loans made by it in Canada.

CONDITIONS OF BORROWING
LINE OF CREDIT

3. The City may establish with a Lender a revolving line of credit facility for Borrowing by drawing sums from time to time for the purpose only of meeting current operating expenditures of the City, provided that the total principal sum owed to the Lender at any one time shall not exceed $20,000,000, repayable upon demand.

4. All Borrowings under this Bylaw shall be on the general credit and security of the City at large.

5. The Chief Administrative Officer and the Mayor are authorized to:

    a. apply to a Lender and obtain a revolving line of credit facility with no fixed term with a credit limit not to exceed $20,000,000; and

    b. execute on behalf of the City promissory notes and other negotiable instruments or other evidence of indebtedness for the line of credit facility as the Lender may require as evidence of and security for all Borrowings under the line of credit.

INTEREST RATE, TERM, AND TERMS OF REPAYMENT

6. All sums Borrowed under this Bylaw shall bear interest at a rate per annum not to exceed the Lender’s Prime Lending Rate minus 1% per annum, calculated on a daily basis and payable monthly.

7. All sums Borrowed under this Bylaw, including principal and interest, shall be due and payable upon demand, subject to annual renewal of the line of credit facility by the Lender.

REPAYMENT

8. Repayment of the principal and interest from any Borrowing shall be from the City's general revenues.

SECURITY

9. The Chief Administrative Officer is authorized to charge or grant security over taxes levied or to be levied in any year and all other revenues of the City.

10. Accounts owing to the City may be assigned to the Lender and charged as security for the repayment of any Borrowing.

SEVERABILITY

11. Should any provision of this Bylaw be declared by a court having jurisdiction to be invalid, then the invalid provision shall be severed and the remainder of this Bylaw shall be in full force and effect.

EFFECTIVE DATE

12. This Bylaw comes into effect when it is passed.

REPEAL OF BYLAW 4/95

13. Bylaw 4/95 is repealed.

READ a First time this 15th day of June 2020

READ a Second time this 31st day of August 2020

READ a Third time this 31st day of August 2020

SIGNED AND PASSED this 1st day of September 2020

C. Heron
MAYOR

CHIEF LEGISLATIVE OFFICER