

BYLAW No. 16/019

A BYLAW OF THE REGIONAL MUNICIPALITY OF WOOD BUFFALO TO AUTHORIZE A BORROWING AND ESTABLISH A LINE OF CREDIT FOR THE PURPOSE OF FINANCING OPERATING EXPENDITURES

WHEREAS Section 251 of the *Municipal Government Act* provides that a municipality may only make a borrowing if the borrowing is authorized by a borrowing bylaw;

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

AND WHEREAS Section 256 of the 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 Regional Municipality of Wood Buffalo (the "Regional Municipality") deems it advisable to borrow to meet the operating expenditures of the Regional Municipality until such time as the current taxes levied or to be levied are collected;

AND WHEREAS, the total amount of taxes to be levied in 2016 by the Regional Municipality is estimated to be the sum of \$762,000,000.00;

AND WHEREAS, the amount of the existing debt of the Regional Municipality at October 25, 2016 is \$306,940,611.61, no part of which is in arrears, and the borrowing of the amount authorized to be borrowed by this Bylaw will not cause the Regional Municipality to exceed its debt limit;

NOW THEREFORE the Regional Municipality of Wood Buffalo, in Council duly assembled, enacts as follows:

PART I – DEFINITIONS AND INTERPRETATION

Short Title

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

Definitions

2. In this Bylaw, words have the meanings set out in the Act, except that:
 - (a) "Act" means the *Municipal Government Act*, RSA 2000, c. M-26;
 - (b) "Chief Administrative Officer" means the chief administrative officer of the Regional Municipality;
 - (c) "Mayor" means the chief elected official of the Regional Municipality;
 - (d) "Regional Municipality" means the municipal corporation of the Regional Municipality of Wood Buffalo.

Rules for Interpretation

3. References in this Bylaw to a statute, regulation or other bylaw refer to the current laws at the time this Bylaw was enacted and as they are amended from time to time, including successor legislation.
4. Headings and sub-headings in this Bylaw are included for convenience only, and shall not be considered in interpreting the substantive content of this Bylaw.
5. The preamble paragraphs that precede the numbered paragraphs of this Bylaw are an integral and necessary part of this Bylaw and not a mere recital.

PART II – BORROWING AUTHORIZATION

Line of Credit

6. The Regional Municipality may borrow from the Royal Bank of Canada sums of money from time to time to meet, until taxes are collected, the current operating expenditures of the Regional Municipality, provided that the total principal sum owed to the Royal Bank of Canada at any one time shall not exceed the sum of FIFTY MILLION (\$50,000,000.00) DOLLARS.
7. All sums borrowed under this Bylaw shall be borrowed on the general credit and security of the Regional Municipality at large.
8. The Chief Administrative Officer and Chief Financial Officer of the Municipality are hereby authorized to:
 - (a) apply to the Royal Bank of Canada and obtain a revolving line of credit facility with a credit limit not to exceed the maximum amount this Bylaw authorizes may be borrowed; and
 - (b) execute on behalf of the Regional Municipality promissory notes and other negotiable instruments or other evidence of indebtedness for the line of credit facility as the Royal Bank of Canada may require as evidence of and security for all sums borrowed.

Interest Rate, Term and Terms of Repayment

9. All sums borrowed under this Bylaw shall bear interest at a rate per annum not to exceed Royal Bank Prime less 50 Basis Points (bps) and such interest will be calculated daily and due and payable monthly on the last day of each and every month.
10. All sums borrowed under this Bylaw, including principal and interest, shall be due and payable in full by September 1, 2019.

Repayment Source

11. Revenue derived from the collection of municipal taxes levied will be used to repay the principal borrowed and interest owing under this Bylaw.

PART III – GENERAL

Severability

12. Every provision of this Bylaw is independent of all other provisions and it is the intention of the Council that if any provision of this Bylaw is declared invalid by a court of competent jurisdiction, all other provisions of this Bylaw shall remain valid and enforceable.

Effective Date

13. This bylaw comes into effect when it is passed.

Read a first time this 25th day of October, 2016

Read a second time this 25th day of October, 2016

Read a third and final time this 25th day of October, 2016

Signed and Passed this 25th day of October, 2016