



Request for Decision

No. 2016 - 09

Agenda Item: Bylaw 1558-16 - Borrowing Bylaw for a New Public Works Shop Facility

Issue

The County of Stettler No. 6 needs to adopt a Borrowing Bylaw to pay for the cost of the new County Public Works Shop Facility and in order to incur indebtedness from the Alberta Capital Finance Authority for this purpose.

Recommendation

That the County of Stettler No. 6 give first reading to Bylaw 1558-16 - Borrowing Bylaw for a New County Public Works Shop Facility.

General

The Council of County of Stettler No. 6, in the Province of Alberta, needs to give first reading to Borrowing Bylaw 1558-16 which will, upon final passage and approval, authorize the proper officers of the said County to borrow monies from Alberta Capital Finance Authority, to pay for the cost of the following infrastructure project: New County Public Works Shop Facility.

The total estimated cost of the foresaid project amounts to \$9,648,526.92. The amount of the project to be borrowed on the credit and security of the municipality at large by a \$7,648,526.92 fixed term debenture. The debenture is to be repayable to the Alberta Capital Finance Authority in sixty (60) equal consecutive semi-annual payments of combined principal and interest, the annual interest not to exceed ten per cent (10%), or the interest rate as fixed from time to time by the Alberta Capital Finance Authority.

After first reading is given notice will be hereby given by the Council of Stettler No. 6 that, unless a petition of the electors for a vote on Bylaw 1558-16 is demanded, as provided for by the terms of Section 231 of the *Municipal Government Act*, the said Council may pass the said borrowing bylaw.

The proposed bylaw may be examined between the hours of 8:30 a.m. and 4:30 p.m. in the office of the CAO, Stettler County Office - 6602-44 Avenue, Stettler, Alberta.

Financial

New Public Works Shop Facility for the County of Stettler No. 6 at the north half of NW 19-38-19 W4M at an estimated cost of \$9,648,526.92.

Capital Reserves	-	2,000,000.00
Debenture	-	<u>7,648,526.92</u>
Total Cost	-	<u>9,648,526.92</u>
Debenture of 30 years		

Set-up short term borrowing from Royal Bank of Canada or another authorized financial institution until construction is complete and is firmed up at Alberta Capital Finance.

Policy/Legislation

Section 251 – *Municipal Government Act*

Borrowing Bylaw:

- 251** (1) A municipality may only make a borrowing if the borrowing is authorized by a borrowing bylaw.
- (2) A borrowing bylaw must set out
- (a) the amount of money to be borrowed and, in general terms, the purpose for which the money is borrowed;
 - (b) the maximum rate of interest, the term and the terms of repayment of the borrowing;
 - (c) the source or sources of money to be used to pay the principle and interest owing under the borrowing.

Operating Expenditures:

- 256** (1) This section applies to a borrowing made for the purpose of financing operating expenditures.
- (2) The amount to be borrowed, together with the unpaid principle of other borrowings made for the purpose of financing operating expenditures, must not exceed the amount the municipality estimates will be raised in taxes in the year the borrowing is made.
- (3) A borrowing bylaw that authorizes the borrowing does not have to be advertised if the term of the borrowing does not exceed 3 years.

Implementation/Communication

Upon receipt of first reading the Bylaw will be advertised for 2 weeks and if passed the Bylaw will be in effect March 9, 2016.

Target Decision Date

February 10, 2016

Prepared By

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Please see attached Bylaw 1558-16 found under the 'Bylaw' section.