

THE CITY OF SPRUCE GROVE

BYLAW C-1087-19

BORROWING BYLAW – LOCAL ROADS PROJECTS 2019

WHEREAS, pursuant to the *Municipal Government Act*, R.S.A., 2000, c.M-26, and amendments thereto, the City of Spruce Grove authorizes the financing, undertaking and construction of local roads projects as authorized by Council;

AND WHEREAS, plans and specifications have been prepared and the total cost of the project is estimated to not exceed \$1,000,000 and the City of Spruce Grove estimates that a debenture not to exceed \$1,000,000 will be applied to the project;

AND WHEREAS, in order to complete the project it will be necessary for the City to borrow a sum not to exceed \$1,000,000 for a period not to exceed 20 years, from the Alberta Capital Finance Authority or another authorized financial institution, by the issuance of debentures and on the terms and conditions referred to in this bylaw;

AND WHEREAS, the estimated lifetime of the project financed under this bylaw is equal to, or in excess of 20 years;

AND WHEREAS, the principal amount of the outstanding debt of the City of Spruce Grove at December 31, 2018 is \$38,464,000 and no part of the principal or interest is in arrears;

AND WHEREAS, all required approvals for the project have been obtained and the project is in compliance with all Acts and Regulations of the Province of Alberta;

NOW THEREFORE, the Council for the City of Spruce Grove, duly assembled hereby enacts as follows:

1. BYLAW TITLE

1.1 This bylaw is called “Borrowing Bylaw – Local Roads Projects - 2019”.

2. DEFINITIONS

2.1 “Act” means the Municipal Government Act, R.S.A., 2000, c.M-26 and amendments thereto.

2.2 “City” means the City of Spruce Grove.

2.3 “Council” means the Mayor and Councillors duly elected pursuant to the provisions of the *Local Authorities Election Act*, R.S.A., 2000, c.L-21.

3. OPERATIVE CLAUSE (S)

3.1 This bylaw authorizes the council to incur indebtedness by the issuance of debenture(s) in an amount not to exceed \$1,000,000 for the purpose of constructing Local Roads Projects.

4. BORROWING

4.1 That for the purpose of constructing local roads projects a sum not to exceed one million (\$1,000,000) be borrowed from Alberta Capital Finance Authority or another authorized financial institution by way of debenture on the credit and security of the City at large, of which the full sum of one million dollars (\$1,000,000) is to be paid by the City at large.

4.2 The sum not to exceed one million dollars (\$1,000,000) is to be paid by the City.

4.3 The Chief Administrative Officer is hereby authorized to issue debenture(s) on behalf of the City for the amount and purpose as authorized by this bylaw, namely the construction of local roads projects.

4.4 The City shall repay the indebtedness according to the repayment structure in effect, namely annual or semi-annual payments of combined principal and interest instalments not to exceed twenty (20) years calculated at a rate not exceeding the interest rate fixed by the Alberta Capital Finance Authority or another authorized financial institution on the date of the borrowing, and not to exceed 6 percent.

4.5 The City shall levy and raise in each year municipal taxes sufficient to pay the indebtedness.

4.6 The indebtedness shall be contracted on the credit and security of the City.

4.7 The net amount borrowed under the bylaw shall be applied only to the project specified by this bylaw.

5. EFFECTIVE DATE

5.1 This bylaw shall come into full force and effect upon being given third reading and duly signed.

First Reading Carried June 24, 2019.

Second Reading Carried _____, 20____.

Third Reading Carried _____, 20____.

Date Signed _____, 20 ____.

Mayor

City Clerk