

MUNICIPAL BORROWING BYLAW
For the Purpose Specified in Section 256 of the Municipal Government Act
Bylaw No. 03:2014

WHEREAS the Council of the Town of Irricana (hereinafter called the "Corporation") in the Province of Alberta, considers it necessary to borrow certain sums of money for the purpose of:

(Insert description of purpose in general terms.)

To assist with the day to day operating expenses.

NOW THEREFORE pursuant to the provisions of the Municipal Government Act, it is hereby enacted by the Council of the Corporation as a By-law that:

1. The Corporation borrow from Alberta Treasury Branches ("ATB") up to the principal sum of \$490,000.00 repayable upon demand at a rate of interest per annum from time to time established by ATB, and such interest will be calculated daily and due and payable monthly on the last day of each and every month.
2. ~~Prior to demand the Corporation make, on account of the borrowing, payments of \$ each, or as may subsequently be agreed with ATB in writing, for a term of years.~~
3. The Chief Elected Officer and the Chief Administrative Officer are authorized for and on behalf of the Corporation:
 - (a) to apply to ATB for the aforesaid loan to the Corporation and to arrange with ATB the amount, terms and conditions of the loan and security or securities to be given to ATB;
 - (b) as security for any money borrowed from ATB
 - (i) to execute promissory notes and other negotiable instruments or evidences of debt for such loans and renewals of all such promissory notes and other negotiable instruments or evidences of debts;
 - (ii) to give or furnish to ATB all such securities and promises as ATB may require to secure repayment of such loans and interest thereon; and
 - (iii) to execute all security agreements, hypothecations, debentures, charges, pledges, conveyances, assignments and transfers to and in favour of ATB of all or any property, real or personal, moveable or immovable, now or hereafter owned by the Corporation or in which the Corporation may have any interest, and any other documents or contracts necessary to give or to furnish to ATB the security or securities required by it.

(Delete and initial clause 2, if loan is a revolving line of credit.)

4. The source or sources of money to be used to repay the principal and interest owing under the borrowing from ATB are:

(Insert source of repayment.)

Taxes, Reserves, or Grants

5. The amount to be borrowed and the term of the loan will not exceed any restrictions set forth in the Municipal Government Act.
6. In the event that the Municipal Government Act permits extension of the term of the loan and in the event the Council of the Corporation decides to extend the loan and ATB is prepared to extend the loan, any renewal or extension, bill, debenture, promissory note, or other obligation executed by the officers designated in paragraph 3 hereof and delivered to ATB will be valid and conclusive proof as against the Corporation of the decision of the Council to extend the loan in accordance with the terms of such renewal or extension, bill, debenture, promissory note, or other obligation, and ATB will not be bound to inquire into the authority of such officers to execute and deliver any such renewal, extension document or security.
7. This Bylaw comes into force on the final passing thereof.

Certificate

WE HEREBY CERTIFY that the foregoing Bylaw was duly passed by the Council of the Corporation therein mentioned at a duly and regularly constituted meeting thereof held on the _____ day of _____ at which a quorum was present, as entered in the minutes of the said Council, and that the Bylaw has come into force and is still in full force and effect.

WITNESS our hands and the seal of the Corporation this _____ day of

_____.

Seal

Chief Elected Official

Chief Administrative Officer

Completing Form 7115 - Municipal Borrowing Bylaw

Heading

Signing officers must complete the heading of the form ("Section ___ of the Municipal Government Act" or "Bylaw No. ___" to ensure they are aware of all conditions and restrictions set forth in the Municipal Government Act. Refer to clause 5 of form. Depending on the loan purpose, officers should enter the following section of the Municipal Government Act in this space.

- For Operating expenditures, enter section 256
- For Short-term capital borrowing, enter section 257
- For Long-term capital borrowing, enter section 258
- For Interim financing - capital projects, enter section 259
- For Special projects, enter section 260
- For Refinancing, enter section 261
- For Interim financing of joint project, enter section 262
- For Local improvements, enter section 263

Name of Municipality

- Enter legal name of municipality.

Loan Purpose

- Enter purpose of the loan in general terms.

Clause 1

- Loan Amount

Clause 2 - Loan for Operating Expenditures

- Delete Clause 2 of the bylaw
- Ensure both officer signing the form initial the deletion

Clause 2 - Loans for Capital Expenditures

- Enter: The frequency of principal payments. For example, monthly, quarterly, semi-annual, or annual.
- Enter: The payment amount. If payments are equalized, enter the equalized payment. If payments are principal plus interest, enter only the principal payment.
- The loan term should not exceed 1 year.

Clause 4 - Source of Repayment

Insert the source of repayment. Use the following guidelines:

- Operating Expenditures - For example, enter: taxes, reserves, or grants.
- Short-Term Capital Borrowing - For example, enter: business tax, property tax, well drilling equipment tax, reserves, or grants.
- Long-Term Capital Borrowing - For example, enter: business revitalization zone tax, reserves, or grants.
- Interim Financing - Capital Projects - Enter: payout from long-term capital loan.
- Special Works - For example, enter: special tax.
- Refinancing - For example, enter: property tax, business tax, reserves, or grants.
- Interim Financing of Joint Project - For example, enter: share of joint venture with _____ County.
- Local Improvements - For example, enter: local improvement tax.

Clause 5 - Compliance to Municipal Government Act: Interpretation

- The onus is on the municipality to comply with the Municipal Government Act and its regulations.
- ATB can rely on the bylaw 30 days after the municipality passed the bylaw.
- If a bylaw appears to be outside restrictions established by the Municipal Government Act, contact your lender, who will contact their Credit department for direction.

Certificate And Signing

- Officers must complete and sign the certificate on the date the meeting is held to pass the bylaw. by:
- Execution of the form:
 - Signed by the Chief Elected Official
 - Signed by the Chief Administrative Officer
 - Sealed with the municipality's corporate seal
 - All signing parties must initial any changes.