

**TOWN OF BON ACCORD
BY-LAW 2013-07
BORROWING BY-LAW**

THIS BYLAW AUTHORIZES THE COUNCIL OF THE TOWN OF BON ACCORD TO INCUR INDEBTEDNESS BY THE ISSUANCE OF DEBENTURE(S) IN THE AMOUNT OF \$455,000 FOR THE PURPOSE OF REDUCING DEBT FINANCING COSTS OF CURRENT ASSET AND INFRASTRUCTURE LOANS.

WHEREAS:

The Council of the Town of Bon Accord has decided to issue a by-law pursuant to Sections 257 and 261 of the *Municipal Government Act* to authorize the re-financing of current asset and infrastructure related loans per the attached Schedule A.

Demand Loans held with current bank lender are at a lending rate of Prime, re-financing of these specific loans will result in a debenture of \$455,000.

In order to reduce lending costs it will be necessary for the Municipality to borrow the sum of \$455,000, for a period not to exceed five 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.

The estimated lifetime of the assets financed under this by-law is equal to, or in excess of twenty years.

The principal amount of the outstanding debt of the Municipality at December 31, 2012 is \$1,161,098 and no part of the principal or interest is in arrears.

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 OF THE MUNICIPALITY DULY ASSEMBLED, ENACTS AS FOLLOWS:

1. That for the purpose of reducing financing debt on current asset and infrastructure related loans (per Schedule A), the sum of FOUR HUNDRED AND FIFTY FIVE THOUSAND DOLLARS (\$455,000) be borrowed from the Alberta Capital Finance Authority or another authorized financial institution by way of debenture on the credit and security of the Municipality at large, of which amount the full sum of \$455,000 is to be paid by the Municipality at large.
2. The proper officers of the Municipality are hereby authorized to issue debenture(s) on behalf of the Municipality for the amount and purpose as authorized by this by-law, namely the By-Law 2013-07, Borrowing By-law.

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3. The Municipality shall repay the indebtedness according to the repayment structure in effect, namely semi-annual or annual equal payments of combined principal and interest instalments not to exceed five (5) 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 three point zero (3.0) percent.
4. The Municipality shall levy and raise in each year municipal taxes sufficient to pay the indebtedness.
5. The indebtedness shall be contracted on the credit and security of the Municipality.
6. The net amount borrowed under the by-law shall be applied only for the purpose as specified by this by-law.

This by-law comes into force on the date it is passed.

READ A FIRST TIME THIS 18th DAY OF JUNE, 2013.

Mayor Randolph Boyd

Chief Administrative Officer Vicki Zinyk

READ A SECOND TIME THIS 18th DAY OF JUNE, 2013.

Mayor Randolph Boyd

Chief Administrative Officer Vicki Zinyk

READ A THIRD TIME THIS 18th DAY OF JUNE, 2013.

Mayor Randolph Boyd

Chief Administrative Officer Vicki Zinyk