

TOWN OF MORINVILLE
PROVINCE OF ALBERTA

Bylaw 17/2008

A Bylaw of the town of Morinville, in the Province of Alberta, for the establishment of Temporary Borrowing Authority and Conditions of Borrowing.

WHEREAS, Sections 251 and 256 of the *Municipal Government Act* authorizes municipalities to make a borrowing for the purpose of financing operating expenditures, subject to certain conditions;

NOW THEREFORE, the Municipal Council of the Town of Morinville duly assembled, enacts as follows:

Title

1. This bylaw may be referred to as the, "Temporary Borrowing Bylaw."

Authorization for Borrowing

2. Pursuant to the provisions of Section 251 of the Act, Council hereby authorizes the Chief Administrative Officer (CAO), or the CAO's delegate, to borrow from time to time from a Lender, by means of overdraft, promissory note or similar forms of obligation, such money as may be required for the purpose of financing operating expenditures of the Town, subject to the conditions herein.

Definitions

3. **In this Bylaw:**
 - a. "Act" means the *Municipal Government Act*, R.S.A. 2000, c. M-26 as may be amended from time to time or any legislation which replaces the Act and includes any regulation to the Act or to any replacement legislation;
 - b. "Borrowing or Borrowings" shall refer to any and all financing advanced pursuant to this Bylaw;
 - c. "Town" means the Town of Morinville, 10125 – 100th Avenue, Morinville, Alberta, T8R 1L6;
 - d. "Council" means the duly elected officers of the Town of Morinville and the Chief Elected Officer;
 - e. "Lender" means a branch in Alberta of a bank, credit union or a treasury branch from which the Town borrows any money pursuant to this Bylaw;
 - f. "Prime Lending Rate" means the rate of interest per annum established and reported by the Lender to the Bank of Canada from time to time as the reference rate of interest for the determination of interest rates that the Lender charges to customers of varying degrees of credit worthiness in Canada for Canadian dollar loans made by it in Canada.

Conditions of Borrowing

4. The money obtained by the Town from a borrowing shall be used for the purpose of financing operating expenditures.
5. The total amount borrowed shall not exceed the amount the Town estimates will be raised in taxes in the year the borrowing is made and, in any event, shall not exceed \$1,000,000.00 outstanding at any one time.

6. All borrowing shall be at a rate of interest, which does not exceed the Lender's Prime Lending Rate, provided that, in any event, the Prime Lending Rate does not exceed a maximum rate of interest of 20% percent.
7. The term of repayment for any one Borrowing shall be one year from the date that the advance of such Borrowing is made.
8. Repayment of the principal and interest from a borrowing shall be from the Town's general revenues.

Security

9. The Chief Administrative Officer or the Chief Administrative Officer's delegate is hereby authorized to charge or grant security over all of the taxes levied or to be levied in any year and all other revenues of the Town.
10. All accounts owing to the Town may be assigned to the Lender and charged as security for the repayment of any borrowing.
11. Without limiting the generality of the foregoing, the Chief Administrative Officer, or the Chief Administrative Officer's delegate, is hereby authorized to execute and deliver any security, notes or other documentation required by the Lender

Severability Section

12. If any Section or Sections of this Bylaw or parts thereof are found in any court of law to be illegal or beyond the power of Council to enact, such Section or Sections or parts thereof shall be deemed to be severable and all other Sections or parts of the Bylaw shall be deemed to be separate and independent therefrom and to be enacted as such.

READ a first time this 10th day of June, A.D., 2008.

READ a second time this 10th day of June, A.D., 2008.

READ a third and final time this 10th day of June, A.D. 2008.

R. Lloyd Bertschi
Mayor

Milad Asdaghi
Chief Administrative Officer