

TOWN OF MORINVILLE
PROVINCE OF ALBERTA

BYLAW 3/2010
Debenture Bylaw

A BYLAW IN THE TOWN OF MORINVILLE, IN THE PROVINCE OF ALBERTA to authorize the Council of the Town of Morinville to incur indebtedness by the issuance of debenture(s) in the amount of \$3,000,000 for the purpose of constructing a Community Cultural Centre.

WHEREAS:

The Council of the Municipality has decided to issue a by-law pursuant to Section 257 of the *Municipal Government Act* to authorize the financing, undertaking and completion of the Community Cultural Centre.

Plans and specifications have been prepared and the total cost of the project is estimated to be \$12,000,000 and the Municipality estimates the following grants and contributions will be applied to the project:

Capital Reserves	\$1,000,000
Provincial Grants	\$8,000,000
Debenture(s)	<u>\$3,000,000</u>
Total Cost	<u>\$12,000,000</u>

In order to complete the project it will be necessary for the Municipality to borrow the sum of \$3,000,000, for a period not to exceed 5 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 project financed under this by-law is equal to, or in excess of 40 years.

The principal amount of the outstanding debt of the Municipality at December 31, 2009 is \$996,671 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 constructing the Community Cultural Centre the sum of Three Million DOLLARS (\$3,000,000) 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 \$3,000,000 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 construction of the Community Cultural Centre.
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 six (6) percent.
4. The Municipality shall levy and raise in each year municipal taxes sufficient to pay the indebtedness.

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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 to the project specified by this by-law.

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


8. SEVERABILITY

8.1 If any Section or parts of this bylaw are found in any court of law to be illegal or beyond the power of Council to enact, such Section or parts shall be deemed to be severable and all other Section or parts of this bylaw shall be deemed to be separate and independent there from and to be enacted as such.

Read a first time this 9th day of February, 2010.

Read a second time this 23rd day of February, 2010.

Read a third time and finally passed this 23rd day of February, 2010.



R. Lloyd Bertschi
Mayor



Edie Doepker
Chief Administrative Officer