

THE CITY OF SPRUCE GROVE

**BYLAW C-1118-20**

**OPERATING LINE OF CREDIT BORROWING BYLAW AMENDMENT**

WHEREAS, pursuant to the *Municipal Government Act*, RSA, 2000, c. M-26 and amendments thereto, Council for the City of Spruce Grove has passed Bylaw C-1058-18 to authorize temporary borrowing by way of a revolving thirty million dollar (\$30,000,000) demand operating line of credit for the purpose set out in that bylaw;

AND WHEREAS, a council has the power to amend enacted bylaws;

AND WHEREAS, the Council for the City of Spruce Grove wishes to amend Bylaw C-1058-18 to authorize the City of Spruce Grove to increase the limit on the existing revolving demand operating line of credit with Canadian Imperial Bank of Commerce to thirty million dollars (\$30,000,000);

AND WHEREAS, after borrowing the amount hereby authorized to be borrowed, the total borrowings to meet the City's expenditures and obligations over each of the fiscal years comprising the Borrowing Period, will not exceed the amount of taxes levied or estimated to be levied over the Borrowing Period;

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

1. Bylaw C-1058-18 is amended as follows:

1.1 By deleting in section 2.8 the following in strikethrough and replacing it with the following in bold:

"2.8. "Revolving Operating Line of Credit" means the revolving ~~\$5,000,000~~ **\$30,000,000** (five-thirty million dollar) demand line of credit authorized by this bylaw."

1.2 By deleting in section 3.1 the following in strikethrough and replacing it with the following in bold:

"3.1. That the City may borrow from the Bank, either by way of direct revolving advances from the Bank or, if so permitted by the Bank, by way of bankers' acceptances accepted by the Bank (or any combination thereof), a sum or sums by which the ultimate demand revolving debt of the City to the Bank shall not exceed the principal amount of ~~five-thirty~~ million dollars (~~\$5,000,000~~ **\$30,000,000**), which the Council deems necessary

for the purpose of meeting current annual operating expenditures and obligations of the City for each of the fiscal years over the Borrowing Period until such time as the taxes levied or to be levied therefore can be collected in each fiscal year and paid to the Bank, and the City agrees to pay.”

- 1.3 By deleting in section 3.4 the following in strikethrough and replacing it with the following in bold:

“3.4. That the funds borrowed pursuant to this bylaw are borrowed on the general credit and security of the City of Spruce Grove at large, and save for any debt now or hereafter transacted by the City, that is secured by purchase money security interest (“PMSI”) now or hereafter granted by the City to acquire and use personal property, all amounts payable by the City to the Bank in respect of the City’s ~~\$5,000,000~~ **\$30,000,000** Revolving Operating Line of Credit shall rank pari-passu with all other debt and obligations of the City, unless the Bank consents in writing to the contrary.”

- 1.4 By deleting in section 3.6 the following in strikethrough and replacing in with the following in bold:

“3.6. That the Mayor and City Manager of the City are hereby authorized to execute and deliver to the Bank, for and on behalf of the City, such account authorities, instruments and agreements, including credit agreements, as may be required by the Bank for the City to avail and evidence the City’s ~~\$5,000,000~~ **\$30,000,000** Revolving Operating Line of Credit with the Bank as provided for in this bylaw, or any other borrowing from the Bank, and upon the execution and delivery of any such account authority, instrument or agreement by the Mayor and City Manager on behalf of the City, any such account authority, instrument or agreement shall conclusively be deemed to be the account authorities, instrument or agreement authorized by this bylaw and binding on the City, and any such previously signed account authorities, instruments or agreements including, without limitation, the credit agreement dated ~~November 30, 2017~~ **November 4, 2019**, signed by the Bank, and the Mayor and the City Manager on behalf of the City, are hereby ratified.”

## **2. EFFECTIVE DATE**

- 2.1 This bylaw shall come into force and effect when it receives third reading and is duly signed.

First Reading Carried 14 April 2020

Second Reading Carried 11 May 2020

Third Reading Carried 11 May 2020

Date Signed 20 May 2020

\_\_\_\_\_  
Mayor

\_\_\_\_\_  
City Clerk

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