THE CITY OF SPRUCE GROVE

BYLAW C-928-15

ARTERIAL ROADS BORROWING BYLAW

WHEREAS, pursuant to the Municipal Government Act, R.S.A., 2000, c.M-26, the City of Spruce Grove (the “City”) wishes to authorize the borrowing of the sum of Twenty-Five Million Dollars ($25,000,000) to finance the construction of a portion of Pioneer Road, Campsite Road and other arterial roads; and

WHEREAS, The City deems it appropriate and in the community interest to authorize the financing of the construction of a portion of Pioneer Road, Campsite Road and other arterial roads (the “Road Project”); and

WHEREAS, Plans and specifications have been prepared and the total cost of the Road Project is estimated not to exceed Twenty-Five Million ($25,000,000) Dollars and to construct the Road Project it will be necessary for the City of Spruce Grove to borrow a sum not to exceed Twenty-Five Million ($25,000,000) Dollars for a period not to exceed twenty-five years (the “Borrowing Period”) from an authorized financial institution on the terms and conditions referred to in this bylaw; and

WHEREAS, the principal amount of the outstanding debt of the City of Spruce Grove at December 31, 2014 is $16,152,000 and no part of the principal or interest is in arrears;

AND WHEREAS, after the borrowing of the amount hereby authorized to be borrowed, the City will not have exceeded the debt limit established for the City pursuant to the Municipal Government Act;

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

1. **BYLAW TITLE**

   1.1 This bylaw is called “the Arterial Roads Borrowing Bylaw”.

2. **DEFINITIONS**

2.2 “City” means the City of Spruce Grove.

2.3 “Council” means the Mayor and Aldermen of the City duly elected pursuant to the provisions of the *Local Authorities Election Act*, R.S.A., 2000, c.L-21.

3. **BORROWING**

3.1 That the City may borrow from the Canadian Imperial Bank of Commerce (the “Bank”) a non-revolving Canadian dollar Demand Instalment Loan, to be advanced from the Bank in a sum or sums not exceeding the aggregate amount of Twenty-Five Million ($25,000,000) Dollars (the “Arterial Roads Loan”) which the Council deems necessary for the purpose of constructing the Road Project and the City agrees to pay:

a) interest on the Arterial Roads Loan, or on so much thereof as remains from time to time unpaid, at the Bank’s prime interest rate per annum in effect from time to time plus 0.000% per annum, as well after as before maturity, default and judgment, with interest on overdue interest at the same rate as the principal;

b) stamping fees in respect of any such bankers’ acceptances accepted by the Bank from time to time, at such rate or rates as may be agreed to from time to time by the Mayor and City Manager of the City on behalf of the City; and

c) any fees (including the fees to operate the City’s account maintained at the Bank), or other amounts as provided for in the credit agreement, to be signed by the City and the Bank (the “Other Amounts”),

provided that, pursuant to Section 251(2)(b) of the Municipal Government Act, neither the interest rate in respect of such direct loans nor the yield in respect of such bankers’ acceptances (after giving effect to applicable stamping fees payable in respect thereof) shall in any event exceed a maximum rate of 30% per annum.

3.2 That the sum or sums so borrowed by the City forming all or part of the Arterial Roads Loan shall be paid by way of the payments covenanted and agreed in a credit agreement to be signed by the City and the Bank, and shall be paid in full by the City to the Bank on or before March 31, 2038, or earlier if the Bank’s demand therefore is made.

3.3 That the source of money to be used to repay the money borrowed hereunder, inclusive of all principal, interest thereon (and amounts payable in respect of such bankers’ acceptances) and the Other Amounts, shall include all amounts received now or hereafter by the City by way of taxes
and penalties on taxes assessed and/or levied by the City in previous years together with penalties thereon, the whole of the taxes, assessed or to be assessed and/or levied over the Borrowing Period, plus penalties thereon and all other revenues received by the City from time to time from any source whatsoever; and the same shall be applied as far as necessary to the repayment of moneys borrowed hereunder, plus interest and Other Amounts payable in respect thereof, but the Bank shall not be restricted to the said taxes, penalties and other revenues for the payment of the money borrowed as aforesaid, or be bound to wait for repayment of such money and interest and Other Amounts until such taxes, penalties and other revenues can be collected.

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 a 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 Arterial Roads Loan shall rank pari-passu with all other debt and obligations of the City, unless the Bank consents in writing to the contrary.

3.5 That the sum or sums so borrowed by the City pursuant to this bylaw may be evidenced and secured by a credit agreement, the debits and credits made to the operating account maintained by the City with the Bank, and by such other agreements, account authorities, ledgers, loan statements or instruments as may be required or maintained by the Bank.

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 Arterial Roads Loan with the Bank as provided for in this by-law, 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 by-law and binding on the City, and any such previously signed account authorities, instrument or agreement including, without limitation, the credit agreement dated January 7, 2016, signed by the Bank and the Mayor and City Manager on behalf of the City, are hereby ratified.

3.7 That nothing contained herein shall waive, prejudicially affect or exclude any right, power, benefit or security by statute, common law or otherwise given to or implied in favour of the said Bank.
4. **EFFECTIVE DATE**

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

First Reading Carried 11 April 2016

Second Reading Carried 9 May 2016

Third Reading Carried 9 May 2016

Date Signed 11 May 2016

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Mayor

__________________________
City Clerk