

BYLAW 10/17

A BYLAW OF FLAGSTAFF COUNTY TO AUTHORIZE THE SHORT-TERM BORROWING OF MONIES TO PURCHASE CERTAIN LANDS FOR FUTURE GRAVEL EXTRACTION

WHEREAS Section 251 of the *Municipal Government Act* ("Act") provides that a municipality may only make a borrowing if the borrowing is authorized by a borrowing bylaw;

AND WHEREAS Section 257 of the Act provides that a municipality may make a short-term borrowing for the purpose of financing a capital property if the term of the borrowing is 5 years or less;

AND WHEREAS Section 257 of the Act further provides that a borrowing bylaw does not have to be advertised if the term of the borrowing does not exceed 5 years;

AND WHEREAS the Council of Flagstaff County (the "Municipality") desires to purchase certain lands for the purpose of future gravel extraction (the "Project");

AND WHEREAS the total cost of the Project is estimated to be \$7,030,000.00 and the Municipality has estimated that the following funding sources will be applied to the Project:

Grants	\$0.00
Reserves	\$3,030,000.00
Debentures	<u>\$4,000,000.00</u>
Total Cost	\$7,030,000.00

AND WHEREAS in order to complete the Project it will be necessary for the Municipality to borrow \$4,000,000.00 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;

AND WHEREAS, the estimated lifetime of the Project to be financed under this bylaw is equal to, or in excess of 30 years;

AND WHEREAS, the amount of the existing debt of the Municipality as at the date this bylaw was introduced is \$125,982 no part of which is in arrears, and the borrowing of the amount authorized to be borrowed by this bylaw will not cause the Municipality to exceed its debt limit;

AND WHEREAS, 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 and Canada;

NOW THEREFORE, the Council of Flagstaff County duly assembled enacts as follows:

- 1 That for the purpose of purchasing certain lands for future gravel extraction, the sum of up to \$4,000,000.00 be borrowed from the Alberta Capital Finance Authority or another authorized financial institution by way of debenture(s) on the credit and security of the Municipality at large, of which amount the full sum of \$4,000,000.00 is to be paid by the Municipality at large.
- 2 The proper signing authorities of the Municipality are hereby authorized to issue debenture(s) on behalf of the Municipality for the amount and purpose as authorized by this bylaw, namely the purchase of certain lands for future gravel extraction.
- 3 The Municipality shall repay the indebtedness according to the repayment structure negotiated with the lender, namely semi-annual or annual equal payments of combined principal and interest installments not to exceed 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 four (4) percent.

BYLAW 10/17 - BORROWING BYLAW

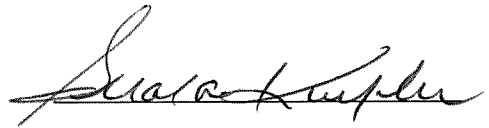
- 4 The Municipality shall levy and raise in each year municipal taxes sufficient to repay the principal borrowed and interest owing under this bylaw.
- 5 The net amount borrowed under this bylaw shall be applied only for the purpose for which the indebtedness was created.
- 6 This bylaw comes into effect when it is passed.

READ A FIRST TIME this 27 day of September, 2017

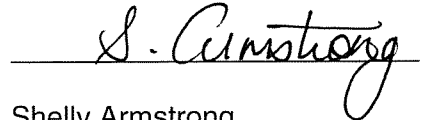
READ A SECOND TIME this 27 day of September, 2017

READ A THIRD AND FINAL TIME this 27 day of September, 2017

Signed and Passed this 27 day of September, 2017



Gerald Kuefler
REEVE



Shelly Armstrong
Chief Administrative Officer