

VILLAGE OF THORSBY
BYLAW 2008-01

A BYLAW OF THE VILLAGE OF THORSBY, IN THE PROVINCE OF ALBERTA FOR THE ESTABLISHMENT OF TEMPORARY BORROWING AUTHORITY AND CONDITIONS OF BORROWING.

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

NOW THEREFORE the Council of the Village of Thorsby, duly assembled, enacts as follows:

SECTION ONE - SHORT TITLE

1.1 This By-law may be referred to as the “**Temporary Borrowing Bylaw**”.

SECTION TWO – PURPOSE AND DEFINITIONS

2.1 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 Village, subject to the conditions herein.

2.2 In this By-law:

2.2.1 “**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;

2.2.2 “**Borrowing or Borrowings**” shall refer to any and all financing advanced pursuant to this By-law;

2.2.3 “**Village**” means the corporation known as the Village of Thorsby;

2.2.4 “**Council**” means the Council of the Village of Thorsby;

2.2.5 “**Lender**” means a branch in Alberta of a bank, credit union or a treasury branch from which the Village borrows any money pursuant to this By-law;

2.2.6 “**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.

SECTION THREE – CONDITIONS OF BORROWING

3.1 The money obtained by the Village from a borrowing shall be used for the purpose of financing operating expenditures.

3.2 The total amount borrowed shall not exceed the amount the Village estimates will be raised in taxes in the year the borrowing is made and, in any event, shall not exceed \$500,000.00 outstanding at any one time.

- 3.3 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%.
- 3.4 The term of repayment for any one Borrowing shall be one year from the date that the advance of such Borrowing is made.
- 3.5 Repayment of the principal and interest from a borrowing shall be from the Village's general revenues.

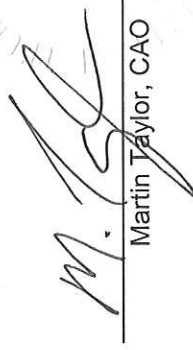
SECTION FOUR – SECURITY

- 4.1 The CAO, or the CAO'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.
- 4.2 All accounts owing to the Village may be assigned to the Lender and charged as security for the repayment of any borrowing.
- 4.3 Without limiting the generality of the foregoing, the CAO, or the CAO's delegate, is hereby authorized to execute and deliver any security, notes or other documentation required by the Lender.

READ a first time this 14th of January, 2008.
READ a second time this 14th of January, 2008.
READ a third and final time this 14th of January, 2008.

Date Jan 14/08


Allan Gee, MAYOR


Martin Taylor, CAO