

The Town of Rimbey Revolving Operating Loan Bylaw

Bylaw 860/10

BYLAW OF THE TOWN OF RIMBEY, IN THE PROVINCE OF ALBERTA, TO AUTHORIZE THE MUNICIPAL COUNCIL TO INCUR AN INDEBTEDNESS ON BEHALF OF THE SAID TOWN TO ATB FINANCIAL BY THE ISSUANCE OF A REVOLVING OPERATING LOAN FACILITY FOR THE PURPOSE OF MAINTAINING A POSITIVE OPERATING CASH FLOW AND CONDUCT OF COUNCIL.

WHEREAS, pursuant to Section 256 of the Municipal Government Act to maintain a positive operating cash flow thereto, the Council may pass Bylaws in relation to maintain a positive operating cash flow; and

WHEREAS, it is necessary to secure a revolving operating loan facility for a maximum of \$1,500,000.00 from ATB Financial on the terms and conditions referred to in this bylaw;

WHEREAS, the amount of the existing debenture and loan debt of the Town of Rimbey at November 10, 2010 is \$4,896,874.13 and no part of the principal or interest is in arrears;

WHEREAS, all required approvals for operating expenditures have been obtained, and are in compliance with all Acts and regulations of the Province of Alberta;

NOW THEREFORE, the Council of The Town of Rimbey, duly assembled enacts as follows:

1. That for the purpose of maintaining a positive operating cash flow, the sum of ONE MILLION, FIVE HUNDRED THOUSAND DOLLARS (\$1,500,000.00) be borrowed from ATB Financial by way of a revolving operating loan on the credit and security of the Municipality at large, of which amount the full sum of \$1,500,000.00 is to be paid by the Municipality at large.
2. The Mayor and the Chief Administrative Officer of the Town of Rimbey are hereby authorized to borrow on behalf of the Town of Rimbey for the amount and purpose as authorized by this bylaw, namely the maintaining of a positive operating cash flow.
3. The Town of Rimbey shall repay the indebtedness according to the repayment structure in effect, namely monthly payments of combined principal and interest installments as determined by ATB Financial, calculated at a rate not exceeding the interest rate fixed by ATB Financial on the date of the borrowing, and not to exceed TEN (10) percent.
4. The Town of Rimbey shall levy and raise in each year municipal taxes sufficient to pay the indebtedness.
5. The indebtedness shall be contracted on the credit and security of the Town of Rimbey.
6. The amount borrowed under the bylaw shall be applied only to the purpose specified by this bylaw.

AND FURTHER THAT this bylaw shall take effect on the date of third and final reading.


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READ a first time this 10 day of November, 2010.

READ a second time this 22 day of November, 2010.

READ a third and final time this 22 day of November, 2010.



MAYOR



CHIEF ADMINISTRATIVE OFFICER

