

VILLAGE OF ROCKYFORD
AGENDA SPECIAL COUNCIL MEETING
SEPT. 16, 2021
9:30 a.m.
Council Chambers

1. CALL TO ORDER
2. ADOPT AGENDA
3. NEW BUSINESS
 - A. Loan for Replacement of Chiller at Arena
 - B. Bylaw 2017-007 – Borrowing Bylaw
4. ADJOURNMENT



REQUEST FOR DECISION

Subject: Loan for Replacement of Chiller at Arena

Prepared By: Elaine Macdonald

Council Meeting Date: Sept. 16, 2021

Agenda Item: 3A.

Background: At the Regular Council meeting held Sept. 8, 2021, Council voted to loan the Ag Society \$120,000 for the replacement of the chiller at the arena.

Rather than taking money from the Village reserves, it was determined that the best course of action would be to take a loan which the Ag Society will pay back.

A meeting was had with the account manager at ATB where two options were presented.

- 1) A line of credit which carries an interest rate of 3.45%. The line of credit would be used for a term of five years at which time, it would be expected to be paid off in full. The interest payments are the only payments that would be required monthly, while the principal payments can be made at any time. If the Ag Society can pay it off sooner than five years, there would be no penalty.
- 2) A term loan for a period of five years which carries an interest rate of 3.09%. This would have an annual payment which the Ag Society would be responsible for making. The annual payback amount on a five-year term loan will be \$26,269.92.
If the funding became available that it could be paid off sooner than the five years, there would be a penalty for early payout.

Section 257 of the *Municipal Government Act* – Capital Property – short-term borrowing

257(1) This section applies to a borrowing made for the purpose of financing a capital property when the term of the borrowing is 5 years or less.

(2) The expenditure for the capital property must be included in a budget.

(4) A borrowing bylaw that authorizes the borrowing does not have to be advertised.

(Subsection (3) is not cited in this report as it was repealed in the *MGA*)

We will be drafting an agreement with the Ag Society for the repayment of the monies, once we know the method of borrowing the agreement can be drawn up.

Options: 1) Council can approve a line of credit loan in the amount of \$120,000.

2) Council can approve a five-year term loan in the amount of \$120,000.

Financial Implications: There will be no financial impact to the Village as the loan will be paid by the Ag Society.

Communication: Advertising is not required

Recommendation: *THAT the Village Council discusses the options and provides direction to Administration.*



REQUEST FOR DECISION

Subject: Bylaw 2021-007

Prepared By: Elaine Macdonald

Council Meeting Date: Sept. 16, 2021

Agenda Item: 3B

Background: Council approved obtaining a loan in the amount of \$120,000 to be used for the replacement of the chiller at the arena.

A Borrowing Bylaw is required in the *Municipal Government Act* when a municipality borrows money from any source and a copy of that is also required by the bank to process the loan.

Options: N/A

Financial Implications: N/A

Communication: N/A

Recommendation: *THAT Village Council gives first reading to Bylaw 2021-007 – Borrowing Bylaw.*
THAT Village Council gives second reading to Bylaw 2021-007 – Borrowing Bylaw.
THAT Village Council gives permission to proceed to third and final reading of Bylaw 2021-007 Borrowing Bylaw.
THAT Village Council gives third and final reading to Bylaw 2021-007 – Borrowing Bylaw.

BY-LAW #2021-007
OF THE VILLAGE OF ROCKYFORD
IN THE PROVINCE OF ALBERTA

BEING A BYLAW IN THE VILLAGE OF ROCKYFORD, IN THE PROVINCE OF ALBERTA,
TO AUTHORIZE THE MUNICIPALITY TO INCUR AN INDEBTEDNESS BY WAY OF A
LINE OF CREDIT ISSUED BY ALBERTA TREASURY BRANCH FOR THE PURPOSE OF
REPLACING THE CHILLER AT THE ARENA.

WHEREAS, the Council of the Village of Rockyford has decided to issue a Bylaw pursuant to
Section 257 of the *Municipal Government Act* to authorize the financing, undertaking and
completion of the replacement of the chiller at the Rockyford Arena.

The project is expected to cost \$120,000 to complete and in order to complete the project, this
amount will be taken out as a line of credit from the Alberta Treasury Branch. The repayment of the
debt will be through funds received from the Rockyford Agricultural Society.

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

1. That for the purpose of replacing the chiller at the arena, the sum of \$120,000 be borrowed
through a line of credit with the Alberta Treasury Branch.
2. The term of the line of credit shall be no longer than five (5) years.
3. The rate of interest on the line of credit shall be 3.45%
4. All repayment of the debt shall come from the Rockyford Agricultural Society, no municipal
taxes shall be used for the repayment.
5. The amount borrowed under this Bylaw shall be applied only to the project specified in
this Bylaw.
6. This Bylaw comes into full force and takes effect on the date of third and final reading

Read a first time this 16th Day of September 2021.

Read a second time this 16th Day of September, 2021.

Received permission to proceed to third and final reading this 16th day of September, 2021.

Read a third time and passed this 16th Day of September, 2021

Mayor

Municipal Administrator

BY-LAW #2021-007
OF THE VILLAGE OF ROCKYFORD
IN THE PROVINCE OF ALBERTA

BEING A BYLAW IN THE VILLAGE OF ROCKYFORD, IN THE PROVINCE OF ALBERTA, TO AUTHORIZE THE MUNICIPALITY TO INCUR AN INDEBTEDNESS BY WAY OF A TERM LOAN ISSUED BY ALBERTA TREASURY BRANCH FOR THE PURPOSE OF REPLACING THE CHILLER AT THE ARENA.

WHEREAS, the Council of the Village of Rockyford has decided to issue a Bylaw pursuant to Section 257 of the *Municipal Government Act* to authorize the financing, undertaking and completion of the replacement of the chiller at the Rockyford Arena.

The project is expected to cost \$120,000 to complete and in order to complete the project, this amount will be taken out as a term loan from the Alberta Treasury Branch. The repayment of the debt will be through funds received from the Rockyford Agricultural Society.

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

1. That for the purpose of replacing the chiller at the arena, the sum of \$120,000 be borrowed through a term loan with the Alberta Treasury Branch.
2. The term of the line of credit shall be five (5) years.
3. The rate of interest on the term loan shall be 3.09%
4. All repayment of the debt shall come from the Rockyford Agricultural Society, no municipal taxes shall be used for the repayment.
5. The amount borrowed under this Bylaw shall be applied only to the project specified in this Bylaw.
6. This Bylaw comes into full force and takes effect on the date of third and final reading

Read a first time this 16th Day of September 2021.

Read a second time this 16th Day of September, 2021.

Received permission to proceed to third and final reading this 16th day of September, 2021.

Read a third time and passed this 16th Day of September, 2021

Mayor

Municipal Administrator