

Village of Delia
Province of Alberta
By-Law #619-16

BYLAW OF THE VILLAGE OF DELIA for the purpose of borrowing monies as permitted by section 256 of the Municipal Government Act.

WHEREAS the Council of the Village of Delia (herein after called the 'Corporation' in the Province of Alberta, considers it necessary to borrow certain sums of money for the purpose of:

Covering operating expenses pending the collection of monies growing due.

NOW THEREFORE, pursuant to the provisions of the Municipal Government Act RSA 2000, Chapter M-26, it is hereby enacted by Council of the Corporation as a bylaw that:

1. The Corporation borrow from Mountain View Credit Union ("MVCU") up to the principal sum of \$230,000 repayable upon demand at a rate of interest not to exceed the Prime Lending Rate from time to time established by MVCU, and such interest will be calculated daily and due and payable monthly on the last day of each and every month.

2. The Chief Elected Officer and the Chief Administrative Officer are authorized for and on behalf of the Corporation:

(a) to apply to MVCU for the aforesaid loan to the Corporation and to arrange with the MVCU the amount, terms and conditions of the loan and security or securities to be given to MVCU;

(b) as security for any money borrowed from MVCU

(i) to execute promissory notes and other negotiable instruments or evidences of debt for such loans and renewals for all promissory notes and other negotiable instruments or evidences of debts;

(ii) to give or furnish to MVCU all such securities and promises as MVCU may require to secure repayment of such loans and interest thereon; and

(iii) to execute all security agreements, hypothecations, debentures, charges, pledges, conveyances, assignments and transfers to and in favor of MVCU of all or any property, real or personal, moveable or immovable, now or hereinafter owned by the Corporation or in which the Corporation may have any interest, and any other documents or contracts necessary to give or to furnish the MVCU the security or securities required by it.

3. The source or sources of money to be used to repay the principal and interest owing under the borrowing from MVCU are:

Taxes, reserves, grants, etc.

4. The amount to be borrowed and the term of the loan will not exceed any restrictions set forth in the Municipal Government Act RSA 2000, Chapter M-26.

5. In the event that the Municipal Government Act RSA 2000 Chapter vM-26 permits extension of the term of the loan and in the event the Council of the Corporation decides to extend the loan and MVCU is

prepared to extend the loan, ant renewal or extension, bill, debenture, promissory note, or other obligations executed by the officers designated in paragraph 2 hereof and delivered to MVCU will be valid and conclusive proof as against the Corporation and the decision of the Council to extend the loan in accordance with the terms of such renewal or extension, bill, debenture, promissory note, or other obligation, and MVCU will not be bound to inquire into the authority of such officers to execute and deliver any such renewal, extension document or security.

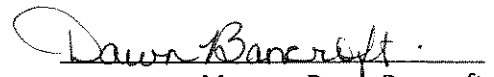
6. Village of Delia Bylaw (no existing) is hereby repealed.

7. This Bylaw comes into force on the date of the third and final reading.


READ A FIRST TIME THIS 13th day of September 2016

READ A SECOND TIME THIS 13th day of September 2016

READ A THIRD TIME THIS 13th day of September 2016



Mayor – Dawn Bancroft



Interim Chief Administrative Officer – Kristy Olineck

Interim Chief Administrative Officer – Kristy Olineck

Maximum borrowing allowed: see Audited Financial Statement Debt Limit
Maximum borrowing is the amount of the municipal taxes raised per year
Annual Bylaw – should be passed each January

BYLAW OF THE VILLAGE OF DELIA for the purpose of borrowing monies as permitted by section 256 of the Municipal Government Act.

WHEREAS the Council of the Village of Delia (herein after called the 'Corporation' in the Province of Alberta, considers it necessary to borrow certain sums of money for the purpose of:
Covering operating expenses pending the collection of monies growing due.

short term capital monies: TERM NOT TO EXCEED FIVE YEARS

BYLAW OF THE VILLAGE OF DELIA for the purpose of borrowing monies as permitted by section 257 of the Municipal Government Act.

WHEREAS the Council of the Village of Delia (herein after called the 'Corporation' in the Province of Alberta, considers it necessary to borrow certain sums of money for the purpose of:
Covering short term capital expenses pending the receipt of capital grants.

VILLAGE OF DELIA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2015

8. DEBT LIMITS

Section 276(2) of the Municipal Government Act requires that debt and debt limits as defined by Alberta Regulation 255/00 for the Village of Delia be disclosed as follows:

	<u>2015</u>	<u>2014</u>
Total debt limit	\$ 724,065	\$ 855,953
Total debt	<u>256,762</u>	<u>272,832</u>
Amount of debit limit unused	<u>\$ 467,303</u>	<u>\$ 583,121</u>
Debt servicing limit	\$ 120,678	\$ 142,659
Debt servicing	<u>23,771</u>	<u>24,719</u>
Amount of debt servicing limit unused	<u>\$ 96,907</u>	<u>\$ 117,940</u>

The debt limit is calculated at 1.5 times revenue of the municipality (as defined in Alberta Regulation 255/00) and the debt service limit is calculated at 0.25 times such revenue. Incurring debt beyond these limitations requires approval by the Minister of Municipal Affairs. These thresholds are guidelines used by Alberta Municipal Affairs to identify municipalities that could be at financial risk if further debt is acquired. The calculation taken alone does not represent the financial stability of the municipality. Rather, the financial statements must be interpreted as a whole.

9. EQUITY IN TANGIBLE CAPITAL ASSETS

	<u>2015</u>	<u>2014</u>
Tangible capital assets	\$ 4,538,155	\$ 4,373,797
Accumulated amortization	(1,553,625)	(1,431,305)
Long-term debt (Note 7)	<u>(256,762)</u>	<u>(272,832)</u>
	<u>\$ 2,727,768</u>	<u>\$ 2,669,660</u>

10. ACCUMULATED SURPLUS

	<u>2015</u>	<u>2014</u> (Restated)
Unrestricted surplus	\$ 43,212	\$ 137,607
Restricted surplus:		
Operating contingency	3,508	3,508
Emergency fund	64,521	54,145
Fire	45,786	40,787
Transportation	53,739	53,739
Vehicle replacement fund	29,474	23,849
Equity in tangible capital assets	<u>2,727,768</u>	<u>2,669,660</u>
	<u>\$ 2,968,008</u>	<u>\$ 2,983,295</u>

MUNICIPAL GOVERNMENT ACT - RSA 2000

Borrowing

Borrowing bylaw

251(1) A municipality may only make a borrowing if the borrowing is authorized by a borrowing bylaw.

(2) A borrowing bylaw must set out

- (a) the amount of money to be borrowed and, in general terms, the purpose for which the money is borrowed;
- (b) the maximum rate of interest, the term and the terms of repayment of the borrowing;
- (c) the source or sources of money to be used to pay the principal and interest owing under the borrowing.

(3) A borrowing bylaw must be advertised.

1994 cM-26.1 s251

Debt limit

252 No municipality may make a borrowing if the borrowing will cause the municipality to exceed its debt limit, unless the borrowing is approved by the Minister.

1994 cM-26.1 s252

Use of borrowed money

253(1) Money obtained by a municipality under a borrowing must be used for the purpose for which it is borrowed.

(2) Money obtained by a municipality under a borrowing for the purpose of financing a capital property may be used for an operating purpose if the amount spent is available when it is needed for the capital property.

1994 cM-26.1 s253

Capital property

254 No municipality may acquire, remove or start the construction or improvement of a capital property that is to be financed in whole or in part through a borrowing unless the borrowing bylaw that authorizes the borrowing is passed.

1994 cM-26.1 s254

Exemption from borrowing conditions

255(1) The Minister may, in respect of a particular borrowing, exempt a municipality from any requirement in sections 256 to 263.

(2) The *Regulations Act* does not apply to an exemption made under this section.

1994 cM-26.1 s255

Operating expenditures

256(1) This section applies to a borrowing made for the purpose of financing operating expenditures.

(2) The amount to be borrowed, together with the unpaid principal of other borrowings made for the purpose of financing operating expenditures, must not exceed the amount the municipality estimates will be raised in taxes in the year the borrowing is made.

(3) A borrowing bylaw that authorizes the borrowing does not have to be advertised if the term of the borrowing does not exceed 3 years.

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.

(3) Repealed 1998 c24 s13.

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

1994 cM-26.1 s257;1996 c30 s14;1998 c24 s13

Capital property - long-term borrowing

258(1) This section applies to a borrowing made for the purpose of financing a capital property when the term of the borrowing exceeds 5 years.

(2) This section does not apply to a borrowing referred to in section 263.

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

(4) The term of the borrowing must not exceed the probable lifetime of the capital property.

(5) If

(a) a borrowing bylaw that authorizes the borrowing has been passed,

(b) the money to be borrowed is insufficient because the cost of the capital property has increased, and

(c) the increased cost does not exceed 15% of the original cost of the capital property,

the borrowing bylaw that authorizes the borrowing of the increased cost does not have to be advertised.

1994 cM-26.1 s258;1996 c30 s15

Capital property - interim financing

259(1) This section applies to a borrowing made for the purpose of temporarily financing a capital property for which a borrowing bylaw has been passed under section 258.

(2) The term of the borrowing must not exceed 5 years.

(3) The amount borrowed must not exceed the

(a) amount of the expenditures in the budget for that and previous calendar years to acquire, construct or improve the capital property,

minus

(b) any money received for the capital property from any other source, including previous borrowings under this Part.

(4) A borrowing bylaw that authorizes the borrowing referred to in subsection (1) does not have to be advertised.

(5) Section 257 does not apply to a borrowing referred to in subsection (1).

1994 cM-26.1 s259;1996 c30 s16

Special works

260 If the purpose of a borrowing is to finance the acquisition, construction, removal or improvement of capital property ordered under an enactment, the borrowing bylaw for that borrowing does not have to be advertised.

1994 cM-26.1 s260

Refinancing

261 If the purpose of a proposed borrowing is to refinance, redeem or restructure the unpaid principal of one or more existing borrowings and the amount and term of the proposed borrowing do not exceed the unpaid principal of the existing borrowings and the longest remaining term of the existing borrowings, the borrowing bylaw for the proposed borrowing does not have to be advertised.

1994 cM-26.1 s261

Services or activities that are funded by agreement

262(1) This section applies to a borrowing made for the purpose of financing a service or activity that the municipality will provide under an agreement

- (a) between the municipality and another local authority or the Crown in right of Alberta or Canada or an agent of either Crown, and
- (b) that provides that the municipality is to receive payments for providing the service or activity.

(2) The amount borrowed must not exceed the amount that will be paid to the municipality under the agreement.

(3) The term of the borrowing must not continue beyond the date on which the final payment under the agreement is received by the municipality.

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

(5) Payments received by the municipality under the agreement must be applied first to reducing the amount borrowed.

(6) Sections 256 to 259 do not apply to a borrowing referred to in subsection (1).

1994 cM-26.1 s262

Local improvements

263(1) This section applies to a borrowing made for the purpose of financing the cost of a local improvement to be funded in whole or in part by a local improvement tax.

(2) The borrowing bylaw that authorizes the borrowing does not have to be advertised if the amount to be financed by the local improvement tax to pay for the local improvement is equal to or greater than the amount that the municipality will contribute to pay for the local improvement other than through the local improvement tax.

(3) For the purpose of calculating the amount that the municipality will contribute referred to in subsection (2), the amount does not include any financial assistance the municipality receives for the local improvement from a government, government agency, corporation or individual.

1994 cM-26.1 s263