

**Town of Sedgewick – Interim Borrowing Bylaw**

**TOWN OF SEDGEWICK  
BYLAW NO. 470**

**A BYLAW BEING ENACTED FOR THE PURPOSE OF BORROWING MONIES FOR CURRENT MUNICIPAL EXPENDITURES AND ESTABLISHING AN OPERATING LINE OF CREDIT.**

**WHEREAS** Section 251 (1) of the Municipal Government Act provides that a municipality may only make a borrowing if the borrowing is authorized by a borrowing bylaw;

**AND WHEREAS**, Section 256 (1) of the Municipal Government Act provides for borrowing made for the purpose of financing operating expenditures;

**AND WHEREAS**, the Council of the Town of Sedgewick deems it necessary to borrow certain sums of money from time to time to meet current expenditures;

**NOW THEREFORE** the Council of the Town of Sedgewick, duly assembled, enacts the following:

1. The Town of Sedgewick borrow from the Battle River Credit Union (“BRCU”) sums of money from time to time as required to meet current expenditures of the Town of Sedgewick, provide that the total principal amount owed to the BRCU at any one time does not exceed the sum of \$600,000.
2. Monies so borrowed shall be repayable upon demand and subject to the payment of interest thereon at a rate per annum not to exceed the prime lending rate plus 1.5% per year from time to time established by the BRCU, and such interest will be calculated daily and due and payable monthly on the last day of each and every month.
3. The Chief Elected Officer and the Chief Administrative Officer are authorized for and on behalf of the Town of Sedgewick:
  - a) to apply to BRCU for aforesaid loan (operating line) and to arrange with BRCU the amount, terms and conditions of the loan and security and securities to be given to BRCU;
  - b) as security for any money borrowed from BRCU:
    - i. to execute promissory notes and other negotiable instruments or evidence of debt for such loans and renewals of all such promissory notes and other negotiable instruments or evidence of debts;
    - ii. to give or furnish to BRCU all such securities and promises as BRCU may require to secure payment of such loans and interest thereon; and
    - iii. to execute all security agreements, debentures, charges, pledges conveyances, assignments and transfers to and in favor of BRCU of all or any property, real or personal, movable or immovable, now or hereafter owned by the Town of Sedgewick or in which the Town of Sedgewick may have any interest, and any other documents or contracts necessary to give or to furnish to BRCU the security or securities required by it.
4. The source or sources of money to be used to repay the principal and interest owing under the borrowing from BRCU are taxes, reserves, grants, etc.
5. The amount to be borrowed and term of the loan will not exceed any restrictions set forth in the Municipal Government Act.
6. In the event that the Municipal Government Act permits extension of the term of the loan and in the event the Council of the Town of Sedgewick decides to extend the loan and BRCU is prepared to extend the loan, any renewal or extension, bill, debenture, promissory note, or other obligation executed by the officer designed in paragraph 3 hereof and delivered to BRCU will be valid and conclusive proof as against the Town of Sedgewick of 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 will not be bound to inquire into the authority of such officers to execute and deliver any such renewal, extension document or security.

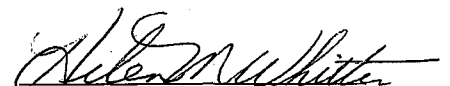
This Bylaw shall have force and take effect on the final reading thereof.

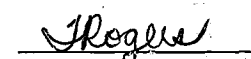
READ a first time this 20<sup>th</sup> day of May, A.D. 2010.

READ a second time this 20<sup>th</sup> day of May, A.D. 2010.

READ a third time by unanimous consent of Council this 20<sup>th</sup> day of May, AD. 2010.

READ a third time this 20<sup>th</sup> day of May, A.D. 2010.

  
Helen Whitten, Mayor

  
Thelma Rogers, CAO