

**Town of Bon Accord
AGENDA**



**Special Meeting of Council
December 22, 2022 4:00 p.m. in Council Chambers
Live Streamed on Bon Accord YouTube channel**

- 1. CALL TO ORDER**
- 2. ADOPTION OF AGENDA**
- 3. NEW BUSINESS**
 - 3.1. Capital Borrowing Bylaw 2022-19 – Bon Accord Arena Ice Plant Project –
Second and Third Readings (enclosure)
- 4. ADJOURNMENT**

**TOWN OF BON ACCORD
REQUEST FOR DECISION**

Meeting:	Special Meeting of Council
Meeting Date:	December 22, 2022
Presented by:	Falon Fayant, Corporate Services Manager
Title:	Capital Borrowing Bylaw 2022-19 – Bon Accord Arena Ice Plant Project
Agenda Item No.	3.1

BACKGROUND/PROPOSAL

The Municipal Borrowing Bylaw 2022-19 gives the Town authorization to borrow the sum of \$633,700 for the Bon Accord Arena Ice Plant Project. This project was approved in the 2023 Capital Budget. At the November 15, 2022, Regular Meeting of Council, Council gave 1st reading to Bylaw 2022-19 (Resolution #22-492). Notice of the Bylaw was advertised in the local newspaper for two consecutive weeks following 1st reading. Residents then had 15 days to file any petitions opposing the Bylaw. Notice was also posted on our website and social media.

DISCUSSION/OPTIONS/BENEFITS/DISADVANTAGES

Total project costs are estimated to be \$1,471,200. Grant funds available for this project are \$472,500 from the Municipal Climate Change Action Centre and \$65,000 from the Canada Community Building Fund Grant; use of both grants is per the approved 2023 capital budget. The project will also use \$300,000 of reserves from the Sturgeon Recreation Grant funding. The term of the Bylaw is 20 years.

At the time of preparing this RFD, interest on a 20-year term is:

Term of the loan is not to exceed TWENTY (20) years a rate of interest of 5.04%. Payments would be \$50,659 per year. The total cost of borrowing would be \$379,473.

At the time of calculating the debenture repayments for the budget, the interest rates were different for each term, therefore the budgeted payment for 2023 is \$53,125.

Consideration should be kept in mind that at the actual date of borrowing, the interest rates may change. Therefore, the Bylaw references approving an interest rate 'not to exceed 8%'.

To apply to ACFA for borrowing, Council must give the borrowing bylaw first reading. Following this first reading, the bylaw must be advertised for two weeks, followed by a fifteen-day petition period. Once the petition period is over, Council can then give the

Bylaw second and third reading. The Bylaw is considered valid thirty days after it has been passed and an application can then be submitted to ACFA. The next application deadline is January 31.

The interest rate for a 10-year term is 4.74% with payments being \$80,306 per year and the cost of borrowing of \$169,351.

The interest rate for a 15-year term is 4.91% with payments being 60,190 per year and the cost of borrowing of \$269,160.

STRATEGIC ALIGNMENT

Priority #3 Infrastructure: The Town of Bon Accord is maintaining and improving all infrastructure in a fiscally responsible manner.

Values Statement of Stewardship: Administration and Council embody the responsible planning and management of our resources.

COSTS/SOURCES OF FUNDING

2023 Budget

RECOMMENDED ACTION (by originator)

Resolution #1

THAT ... Council gives 2nd reading to Bylaw 2022-19 Municipal Borrowing Bylaw – Capital – Arena.

Resolution #2

THAT... Council gives 3rd reading to Bylaw 2022-19 Municipal Borrowing Bylaw – Capital – Arena.

**TOWN OF BON ACCORD
BYLAW – 2022-19
MUNICIPAL BORROWING BYLAW – CAPITAL-ARENA**

A BYLAW OF THE TOWN OF BON ACCORD, IN THE PROVINCE OF ALBERTA TO INCUR INDEBTEDNESS BY THE ISSUANCE OF DEBENTURE(S) IN THE AMOUNT OF \$633,700 FOR THE PURPOSE OF THE BON ACCORD ARENA ICE PLANT PROJECT.

WHEREAS the Council of Town of Bon Accord (hereinafter called the "Municipality") has decided to issue a bylaw pursuant to Section 258 of the *Municipal Government Act* to authorize financing, undertaking, and completion of upgrades to the Bon Accord Arena, specifically the installation of a new ice plant.

Plans and specifications have been prepared and the total cost of the project is estimated to be \$1,471,200 and the Municipality estimates the following grants and contributions will be applied to the project:

Provincial Grants	\$472,500
Federal Grants	\$65,000
Municipal Reserves	\$300,000
Debenture(s)	\$633,700
TOTAL COST	\$1,471,200

In order to complete the project it will be necessary for the Municipality to borrow the sum of \$633,700 for a period not to exceed TWENTY (20) years, from the Alberta Capital Finance Authority or another authorized financial institution, by the issuance of debentures and on the terms and conditions referred to in this bylaw.

The estimated lifetime of the project financed under this bylaw is equal to, or more than TWENTY (20) years.

The principal amount of the outstanding debt of the Municipality at December 31, 2021 is \$1,552,824 and no part of the principal or interest is in arrears.

All required approvals for the project have been obtained and the project complies with all *Acts* and *Regulations* of the Province of Alberta.

NOW, THEREFORE, THE COUNCIL OF THE MUNICIPALITY DULY ASSEMBLED, ENACTS AS FOLLOWS:

1. That for the purpose of the Bon Accord Arena Ice Plant Project, the sum of SIX-HUNDRED THIRTY-THREE THOUSAND AND SEVEN HUNDRED DOLLARS (\$633,700) is to be borrowed from the Alberta Capital Finance Authority or another authorized financial institution by way of debenture on the credit and security of the Municipality at large, of which the full sum of \$633,700 is to be paid by the Municipality at large.
2. The proper officers of the Municipality are hereby authorized to issue debenture(s) on behalf of the Municipality for the amount and purpose as authorized by this bylaw, namely the installation of the arena ice plant.
3. The Municipality shall repay the indebtedness according to the repayment structure in effect, namely semi-annual or annual equal payment of combined principal and interest installments not to exceed TWENTY (20) years calculated at a rate not exceeding the interest rate fixed by the Alberta Capital Finance Authority, or another authorized financial institution, on the date of the borrowing, and not to exceed EIGHT (8) percent.
4. The Municipality shall levy and raise each year municipal taxes sufficient to pay the indebtedness.
5. The indebtedness shall be contracted on the credit and security of the Municipality.
6. The net amount borrowed under the bylaw shall be applied only to the project specified by the bylaw.
7. This bylaw comes into force on the date it is passed.

**TOWN OF BON ACCORD
BYLAW – 2022-19
MUNICIPAL BORROWING BYLAW – CAPITAL-ARENA**

READ A FIRST TIME THIS 15th day of November 2022.

READ A SECOND TIME THIS

READ A THIRD TIME THIS

SIGNED AND PASSED THIS _____ day of _____, 2022.

Mayor Brian Holden

Chief Administrative Officer Jodi Brown

DRAFT