

CITY OF PRINCE ALBERT

BYLAW NO. 27 OF 2017

*A Bylaw of The City of Prince Albert to provide for the creation of
debt not payable within the current year*

WHEREAS the Council of The City of Prince Albert deems it desirable and necessary to create debt not payable within the current year, in the amount of Twenty Million, Five Hundred and Eight-Five Thousand dollars (\$20,585,000), for the purpose of funding Capital Investments;

AND WEREAS the amount of existing long term debt of The City of Prince Albert as at December 31, 2016 was the sum of Nine Million, Six Hundred and Thirty-Two Thousand, Nine Hundred and Forty-One dollars (\$9,632,941), no part of which is in arrears;

AND WHEREAS The City of Prince Albert has an approved debt limit of Fifty-Five Million dollars (\$55,000,000).

NOW THEREFORE THE COUNCIL OF THE CITY OF PRINCE ALBERT IN OPEN MEETING ASSEMBLED ENACTS AS FOLLOWS:

1. This Bylaw may be cited as "Long Term Debt Bylaw No. 27 of 2017".
2. That pursuant to Section 134 of The Cities Act, a debt not payable within the current year shall be created in the amount of Twenty Million, Five Hundred and Eight-Five Thousand dollars (\$20,585,000).


3. That the amount of said debt shall be payable as follows:
 - a. Seven Million dollars (\$7,000,000) for the construction of two (2) new Water Storage Reservoirs to be payable in quarterly installments of principal and interest in the years 2017 – 2042 inclusive;
 - b. Six Million, Five Hundred and Fifty-Three Thousand dollars (\$6,553,000) for Zone 2 Water Reservoir Upgrades to be payable in quarterly installments of principal and interest in the years 2017 – 2042 inclusive;
 - c. Two Million, Five Hundred and Sixty-Two Thousand dollars (\$2,562,000) for seven (7) new City Transit buses to be payable in quarterly installments of principal and interest in the years 2017 – 2027 inclusive;
 - d. Two Million, Two Hundred and Sixty-One Thousand dollars (\$2,261,000) for the refinancing of a loan that will be maturing on March 31, 2018 to be payable in quarterly installments of principal and interest in the years 2017 – 2027 inclusive; and
 - e. Two Million, Two Hundred and Nine Thousand dollars (\$2,209,000) for Irrigation System Replacement at the Cooke Municipal Golf Course to be payable in quarterly installments of principal and interest in the years 2017 – 2042 inclusive.
4. That the funds are authorized to be borrowed through a Bankers' Acceptance Loan and Interest Rate Swap Contract, negotiated with the Royal Bank of Canada, issued as a combined debt offering with multiple loan segments and maturities.
5. That the interest rate will be a Bankers' Acceptance Loan – Interest Rate Swap offered by the Royal Bank of Canada at a blended all-in indicative rate of 3.37% for all loan segments. The blended Swap rate is fixed for Twenty-Five (25) years at an indicative rate of 2.78% and the blended Credit Spread or Stamping Fee is fixed for Twenty (20) years at an indicative rate of 0.59%. The Credit Spread is subject to change on the loan term maturity, which is Twenty (20) years. Given the market volatility of Swap interest rates, and the need for administrative and legal processing of the loan, the before mentioned indicative Swap interest rate may fluctuate. Thus requiring Council approval to contract at an all-in rate not to exceed 3.87%.


6. That the amounts to be paid to retire said debt may exceed those provided for in Section 3 where the Council of the City of Prince Albert has concluded it would be in the best interests of the City to make such greater payments.
7. That the Mayor and City Clerk are hereby authorized to:
 - a. Agree to the terms of the Swap Transaction and execute all necessary confirmations relating thereto;
 - b. Execute the International Swap Dealers Association 2002 Master Agreement and Schedule to the 2002 Master Agreement in the name of The City of Prince Albert respecting the Swap Transaction; and
 - c. Enter into all necessary agreements, including any necessary security agreements, with the Royal Bank of Canada, and generally to do all things and execute all documents and other paper in the name of The City of Prince Albert, in order to carry out the transaction.
8. The sources of money to be used to pay for the principal and interest owing under the borrowing will be from the General Fund, Water Utility Fund and Land Fund.
9. This Bylaw shall come into force and take effect on, from and after the final passing thereof.

INTRODUCED AND READ A FIRST TIME THIS 8TH DAY OF August ,AD 2017.

READ A SECOND TIME THIS 8TH DAY OF August ,AD 2017.

READ A THIRD TIME AND PASSED THIS 8TH DAY OF August ,AD 2017.


MAYOR


CITY CLERK