

**BYLAW NO. 2009-07
OF THE TOWN OF OLDS**

(hereinafter referred to as "the Municipality")

IN THE PROVINCE OF ALBERTA

This bylaw authorizes the Council of the Municipality to incur indebtedness by the issuance of debenture(s) in the amount of \$1,355,000 for the purpose of the expansion/renovation of the Olds and District Municipal Library.

WHEREAS:

The Council of the Municipality has decided to issue a by-law pursuant to Section 258 of the *Municipal Government Act* to authorize the financing, undertaking and completion of the expansion of the Olds Municipal Library.

Plans and specifications have been prepared and the total cost of the project is estimated to be \$3,500,000 and the Municipality estimates the following grants and contributions will be applied to the project:

Build Canada Grant	\$2,145,220
Debenture(s)	<u>\$1,355,000</u>
Total Cost	\$3,500,000

In order to complete the project it will be necessary for the Municipality to borrow the sum of \$1,355,000, 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 by-law is equal to, or in excess of 20 years.

The principal amount of the outstanding debt of the Municipality at December 31, 2008 is \$5,661,704 and no part of the principal or interest is in arrears.

All required approvals for the project have been obtained and the project is in compliance 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 expansion of the Olds and District Municipal Library the sum of ONE MILLION THREE HUNDRED AND FIFTY-FIVE THOUSAND DOLLARS (\$1,355,000) 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 amount the full sum of \$1,355,000 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 by-law, namely the expansion of the Olds and District Municipal Library.
3. The Municipality shall repay the indebtedness according to the repayment structure in effect, namely semi-annual or annual equal payments of combined principal and interest instalments 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 TEN (10) percent.
4. The Municipality shall levy and raise in 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 by-law shall be applied only to the project specified by this by-law.
7. This bylaw comes into force on the date it is passed.

READ A FIRST TIME THIS 14th DAY OF April 2009.

READ A SECOND TIME THIS 25th DAY OF May 2009.

READ A THIRD TIME THIS 25th DAY OF May 2009.

Judy Dahl, Mayor

Norm McInnis, CAO

SIGNED by the Chief Elected Officer and the Chief Administrative Officer this 26th day of May, 2009.