



**BYLAW NO.016-2023  
OF THE TOWN OF SMOKY LAKE  
IN THE PROVINCE OF ALBERTA**

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**A BYLAW OF THE TOWN OF SMOKY LAKE IN THE PROVINCE OF ALBERTA** for the purpose of authorizing the Town of Smoky Lake to borrow for the purpose of financing operating expenditures and establish a line of credit.

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**WHEREAS**, pursuant to the Municipal Government Act, RSA, 2000, c.M-26, the Town of Smoky Lake (hereinafter called the “Town”) wishes to authorize a borrowing in the nature of a revolving operating line of credit, or a similar financial instrument, in the amount of five hundred thousand dollars (\$500,000.00) in order to provide financing of operating expenditures, and to allow strategic financial planning by permitting the payment of operating expenditures from borrowed money;

**WHEREAS**, after borrowing the amount hereby authorized to be borrowed, the total borrowings to meet the Town’s expenditures and obligations will not exceed the amount of taxes levied or estimated to be levied over the borrowing period.

**WHEREAS**, Sections 256 of the Municipal Government Act, being Chapter M-26 R.S.A. 2000 and amendments thereto, deal with borrowing made for the purpose of financing operating expenditures.

**NOW THEREFORE**, under the authority of the Municipal Government Act, the Council of the Town of Smoky Lake, in the Province of Alberta, duly assembled, enacts as follows:

**1. PURPOSE AND DEFINITIONS**

- 1.1 The purpose of this bylaw is to allow the Town to establish a line of credit in order to borrow money to meet operating expenditures.
- 1.2 This bylaw is called the “Operating Expenditure Borrowing Bylaw”.
- 1.3 In this bylaw:
  - (a) “Chief Administrative Officer” means the Chief Administrative Officer of the Town, or delegate;
  - (b) “Town” means the municipality of the Town of Smoky Lake;
  - (c) “Debt Limit” means the Town’s debt limit as determined by the Debt Limit Regulation, Alberta Regulation 255/2000;
  - (d) “Municipal Government Act” means the Municipal Government Act, RSA 2000, c M-26;
  - (e) “Principal Limit” means the maximum amount of money that the Town is permitted to borrow under this bylaw, excluding interest;
  - (f) “Promissory Notes” means a written agreement between a borrower and a lender saying that the borrower will pay back the amount borrowed plus interest.

## **2. TERMS AND CONDITIONS**

- 2.1 The Town may borrow money from the Alberta Treasury Branch ("ATB") up to the principal sum of five hundred thousand dollars (\$500,000.00), exclusive of interest, repayable upon demand at a rate of interest per annum from time to time established by ATB, and such interest will be calculated daily and due and payable monthly on the last day of each month.
- 2.2 The Chief Administrative Officer is authorized for and on behalf of the Town:
  - (a) to apply to ATB for the aforesaid loan to the Town and to arrange with ATB the amount, terms, and conditions of the loan and security or securities to be given to ATB;
  - (b) 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 evidences of debt.
  - (c) determine when to borrow money to pay operating expenditures.
- 2.3 The Town may borrow in one lump sum, or in more than one smaller sums, so long as the Principal Limit is not exceeded at any time.
- 2.4 An amount borrowed under this bylaw must not cause the Town to exceed its Debt Limit.
- 2.5 The amount borrowed under this bylaw, together with the unpaid principal of other borrowings made to finance operating expenditures, must not exceed the amount the Town estimates will be raised in taxes in the year the borrowing is made.
- 2.6 All amounts borrowed under this bylaw are to be borrowed on the general credit and security of the Town.
- 2.7 The amount to be borrowed and the term of the loan will not exceed any restrictions set forth in the Municipal Government Act.
- 2.8 The term of borrowing shall not exceed one year from the date of such borrowing.

## **3. SEVERABILITY**

- 3.1 Should any provision of this bylaw be declared by a court having jurisdiction to be invalid, then the invalid provision shall be severed, and the remainder of this bylaw shall be in full force and effect.

## **4. EFFECTIVE DATE**

- 4.1 Bylaw No.006-2022 being an Operating Expenditure Borrowing bylaw is hereby repealed upon effective date of Bylaw No.016-2023.
- 4.2 Bylaw No.016-2023 shall come into force effective January 1, 2024, to December 31, 2024.

READ a FIRST time this 21<sup>st</sup> Day of December 2023.

READ a SECOND time this 21<sup>st</sup> Day of December 2023.

READ a THIRD and FINAL time with the UNANIMOUS CONSENT OF ALL COUNCILLORS this 21<sup>st</sup> Day of December 2023.

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Amy Cherniwchan  
Mayor

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Dawn Phillips  
Chief Administrative Officer