

City of Charlottetown
Borrowing Bylaw
Bylaw #2021-BB-01

Part I – Interpretation and Application

1. Title

1.1 This Bylaw shall be known and cited as the “Borrowing Bylaw”.

2. Authority

2.1 Sections 164 to 170 of the Municipal Government Act, RSPEI 1988, c.M-12.1., enables municipalities to provide, by bylaw for the borrowing of, money for the purpose of capital expenditures and to finance operating expenditures on a short-term basis through the adoption of a bylaw for those purposes.

3. Application

3.1 This Bylaw applies to the borrowing of money for capital expenditures or to finance operating expenditures on a short-term basis.

3.2 All borrowing of money shall be authorized by a resolution of Council.

4. Definitions

4.1 In this Bylaw:

- a. “Act” means the Municipal Government Act, RSPEI 1988, c. M-12.1;
- b. “Chief Administrative Officer” or “CAO” means the administrative head of a municipality as appointed by Council under subsection 86(2)(c) of the Act;
- c. “City” means the City of Charlottetown;
- d. “Council” means the Mayor and other members of council duly elected by electorate for the City;
- e. “Deputy Mayor” means the Deputy Mayor for the City;

- f. “Resolution” means a resolution duly made by Council in accordance with the Act during a regular or special meeting of Council.

5. Borrowing for Capital Expenditures

- 5.1 Pursuant to subsection 164(3) of the Act, Council shall only borrow money for capital expenditures where the amount borrowed does not increase the total capital debt of the City, including the capital debt of a controlled corporation, to an amount in excess of ten percent (10%) of the current assessed value of real property in the City.
- 5.2 In accordance with subsection 164(5) of the Act, where a contribution agreement has been signed between the City and the Government of Prince Edward Island or the Government of Canada, any monies borrowed by the City for capital expenditures made pursuant to the agreement shall not be included in calculations to determine borrowing debt limit, to the extent of the contribution of monies coming from the Government of Prince Edward Island or Government of Canada, as the case may be, to the City.
- 5.3 Pursuant to subsection 165(1) of the Act, Council shall use money borrowed for a capital expenditure only for the purpose that is stated in the resolution authorizing the borrowing of money for that capital project.
- 5.4 Despite subsection 5.3 of the bylaw, upon completion of the capital project for which money was borrowed, Council may, by resolution, authorize that the unexpended balance of money for that capital project be used for another municipal purpose, in accordance with subsection 165(2) of the Act.

6. Short Term Borrowing

- 6.1 Pursuant to subsection 166(1) of the Act, Council may, from time to time and on a short-term basis, borrow money for the purpose of financing operating expenditures.
- 6.2 Pursuant to subsection 166(2) of the Act, Council shall only borrow money, in the short term, to finance operating expenditures where the amount borrowed does not exceed 50 percent (50%) of the total estimated revenues of the City as set out in the adopted operating budget contained in the financial plan for that fiscal year.

7. Resolution Required for the Purpose of Borrowing

- 7.1 Council is hereby authorized, by way of a resolution, to borrow money as reasonably required from time to time for the following:
- a. Capital expenditures; and
 - b. Short - term borrowing for the purpose of financing operating expenditures.

8. Contents of Borrowing Resolution

- 8.1 A resolution made pursuant to this Bylaw shall, in accordance with section 168 of the Act, include at a minimum;
- a. the amount proposed to be borrowed;
 - b. a statement that the amount borrowed will not cause the City to exceed its debt limit;
 - c. the purpose for which the expenditure is to be made;
 - d. the proposed term or terms and amortization of the loan;
 - e. the estimated rate of interest and commissions or other costs payable on the loan;
 - f. the method of repayment;
 - g. the security, if any, to be given by the City for the repayment of the loan;
 - h. the revenue sources to be used to repay the capital and interest owing for the amount to be borrowed; and
 - i. in the case of short-term borrowing, a statement confirming that the amount borrowed is to be repaid during the current fiscal year.

9. Signing Authority

- 9.1 Pursuant to subsection 156(1) of the Act, all borrowing agreements and documentation shall be signed or authorized by both:
- a. Mayor; and
 - b. Chief Administrative Officer.
- 9.2 The Mayor and Chief Administrative Officer may each, in writing, designate another person to sign a borrowing agreement, in accordance with subsection 156(2) of the Act.

9.3 Pursuant to subsection 156(5) of the Act, Council may by resolution authorize the Chief Administrative Officer alone to sign borrowing agreements if:

- a. The value of the contract or agreement does not exceed \$25,000; and
- b. The Chief Administrative Officer tables a written summary of the nature and value of the contract or agreement at the next meeting of Council.

10. Repeal of Bylaw

10.1 This Borrowing Bylaw (Bylaw #2021-BB-01) now hereby replaces the City of Charlottetown 2012 Borrowing Bylaw which was initially approved and adopted by City Council on May 23, 2012.

11. Effective Date

11.1. This Borrowing Bylaw, Bylaw #2021-BB-01, shall be effective on the date of approval and adoption below.

First Reading:

This Borrowing Bylaw, Bylaw #2021-BB-01, was read a first time and approved by a majority of members present at the Council meeting held on the ____ day of _____, 2021

Second Reading:

This Borrowing Bylaw, Bylaw #2021-BB-01, was read a second time and approved by a majority of members present at the Council meeting held on the ____ day of _____, 2021

Approval and Adoption by Council:

This Borrowing Bylaw, Bylaw #2021-BB-01, was approved and adopted by a majority of Council members present at the Council meeting held on the ____ day of _____, 2021.

Witness the corporate seal of the City

Mayor (sealed signature)

Chief Administrative Officer (sealed signature)

This Borrowing Bylaw, Bylaw #2021-BB-01 was adopted by the Council of the City of Charlottetown on the _____ of _____ is certified to be a true copy.

Chief Administrative Officer Signature

Date