

BYLAW NO. 2020-15

The Short-Term Borrowing Bylaw, 2020

THE COUNCIL OF THE CITY OF REGINA ENACTS AS FOLLOWS:

Purpose

- 1 The purpose of this Bylaw is to authorize the following short-term borrowing:
- (a) an amount up to \$9,000,000 for the purposes of a line of credit; and
 - (b) an amount up to \$1,000,000 for the purposes of a corporate credit card program used to pay for periodic expenditures.

Authority

- 2 The authority for this Bylaw is *The Cities Act* and in particular Part IX and Divisions 5 and 6.

Definitions

- 3 In this Bylaw:

“**City**” means the City of Regina;

“**Executive Director**” means the person appointed from time to time as the Executive Director, Financial Strategy and Sustainability for the City by the City Manager;

“**LC Fee**” means with respect to any Letter of Credit, (1) an amount calculated by multiplying (A) the face amount of such Letter of Credit by (B) a fraction, the numerator of which is the product resulting from multiplying (i) 1.00% by (ii) the term of such Letter of Credit (including the date of issuance of such Letter of Credit but excluding the date of its maturity) and the denominator of which is 365, plus (2) any other amount specified as being charged by the Bank of Montreal in respect of, Letters of Credit in any “Canadian Fee Schedule (Global Trade Solutions)” or equivalent standard Bank of Montreal document provided by the Bank of Montreal to the City;

“**Letter of Credit**” means any documentary, stand-by or other letter of credit issued by the Bank of Montreal on behalf of the City, and all renewals and substitutions therefor;

“**Mastercard Agreement**” means the Mastercard Agreement entered into between the City, the Bank of Montreal and BMO Harris Bank N.A.;

“**Prime Rate**” means the annual rate of interest announced by Bank of Montreal from time to time as being a reference rate then in effect for determining interest rates on commercial loans made in Canadian currency in Canada.

Approved as to form this _____ day of _____, 20_____.

City Solicitor

Debt Limits

- 4(1) The City received approval of the re-establishment of its long-term debt limit of \$450,000,000 granted by the Saskatchewan Municipal Board on October 5, 2016.
- (2) The City's outstanding debt as of December 31, 2019 totals \$301,500,000 which means that the debt incurred pursuant to this Bylaw will not result in the City's debt exceeding its established debt limit of \$450,000,000.
- (3) The debt incurred pursuant to this Bylaw is also in compliance with section 136 of *The Cities Act* as the amount to be borrowed together with any unpaid principal of other borrowings made for operating expenditures will not exceed an amount equal to the sum of:
 - (a) twice the amount that the City estimates it will raise in taxes in the then current year which is estimated as \$244,459,000; and
 - (b) the amount that the City will receive in unconditional provincial or federal grants in the current year which is estimated as \$42,407,000.

Authorization and Purpose of Borrowing

- 5(1) The City is authorized to borrow:
 - (a) effective September 1, 2020 a sum or sums up to \$9,000,000 from the Bank of Montreal for the purposes of a line of credit for financing expenditures for working capital and general municipal purposes; and
 - (b) effective May 1, 2020 a sum or sums up to \$1,000,000 from the Bank of Montreal and BMO Harris Bank N.A. for the purposes of a corporate credit card program used to pay for periodic expenditures.
- (2) The Executive Director is authorized to negotiate, approve and enter into all necessary agreements on behalf of the City and generally to do all things and execute all documents and other papers in the name of the City, in order to carry out the borrowing as provided in this Bylaw.
- (3) The City Clerk is authorized to affix the City's seal to all documents and papers required by subsection (2).

Availability and Rate of Interest

- 6(1) The debt outlined in clause 5(1)(a) is available at the City's option by way of Prime Rate based loans minus 1.00% or Letters of Credit up to a maximum of \$5,000,000 having a term of up to one year which includes an LC Fee.

- (2) The debt outlined in clause 5(1)(b) is available in accordance with the terms of the Mastercard Agreement which includes the interest and fees outlined in the attached Schedule “A”.

Term and Repayment

- 7(1) The borrowing authority for the debt outlined in clauses 5(1)(a) and (b) shall be from the effective date outlined in those clauses until May 1, 2025.
- (2) The term of any individual borrowing outlined in clause 5(1)(a) is payable on demand and shall be repaid over a term not exceeding one year from the date of the borrowing.
- (3) The debt outlined in clause 5(1)(b) is payable in accordance with the Mastercard Agreement which provides that the principal and interest is due and payable in full monthly.

Source of Payment

- 8 The source or sources of money to be used to repay the principal and any interest owing under the borrowing authorized by this Bylaw includes municipal property taxes and the general fund reserve.

Coming into Force

- 9 This Bylaw comes into force on the day of passage.

READ A FIRST TIME THIS 26th DAY OF February 2020.

READ A SECOND TIME THIS 26th DAY OF February 2020.

READ A THIRD TIME AND PASSED THIS 26th DAY OF February 2020.

Mayor

City Clerk (SEAL)

CERTIFIED A TRUE COPY

City Clerk

Schedule "A"

Mastercard Interest Rates and Fees

#	Charge	Description	Program		
			Canadian		U.S.
			CAD\$ Cards (\$=CAD\$)	US\$ Cards (\$=US\$)	(\$=US\$)
1	Cash Advance Fees: (* Refers to a percentage of the amount of the Cash Advance)	At a BMO branch or ATM	2%*	2%*	4%*
		Not at a BMO branch or ATM	4%*	4%*	4%*
2	Late Fees:	**Refers to a percentage of the amount of the unpaid balance in accordance with the terms of the Agreement	1.75%**	1.75%**	1.75%**
4	Foreign Transaction Fee:		2.5%	2.5%	2.0 %

ABSTRACT

BYLAW NO. 2020-15

The Short-Term Borrowing Bylaw, 2020

PURPOSE:	The purpose of this Bylaw is to authorize the City to borrow money in the form of a line of credit and a corporate credit card facility.
ABSTRACT:	This Bylaw authorizes the City to enter into a loan agreement and a Mastercard agreement to incur debt in the amount of up to \$9 million for a line of credit and up to \$1 million for a corporate credit card facility. The Bylaw sets out the purpose of the debt, the repayment terms, interest payments and source for paying the debt.
STATUTORY AUTHORITY:	Part IX and Divisions 5, and 6 of <i>The Cities Act</i>
MINISTER'S APPROVAL:	N/A
PUBLIC HEARING:	N/A
PUBLIC NOTICE:	Public notice is required pursuant to section 101 of <i>The Cities Act</i> . Public notice was provided on the City's website and public notice board on January 3, 2020 and the Leader Post on January 4, 2020.
REFERENCE:	Report FA20-2 from the January 15, 2020 Finance and Administration Committee, Report CR20-7 from the January 29, 2020 City Council meeting and CM20-4 from the February 26, 2020 City Council meeting.
AMENDS/REPEALS:	new bylaw
CLASSIFICATION:	Administrative
INITIATING DIVISION:	Financial Strategy and Sustainability
INITIATING DEPARTMENT:	Financial Services