

**VILLAGE OF ONOWAY**

**Bylaw 631-05**

**A Bylaw for the Village of Onoway to arrange short term Capital Borrowing for the Purchase of a Grader**

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**WHEREAS**, the Council of the Village of Onoway (hereinafter called the "Municipality") deems it necessary to borrow the sum of Seventy Thousand (\$70,000.00) in order to finance a capital property, as authorized by the Municipal Government Act;

**AND WHEREAS**, the term of the borrowing authorized hereunder does not exceed five (5) years;

**AND WHEREAS** the expenditure for the capital property to which the aforesaid borrowing relates is included in a capital budget of the Municipality for the period January 1 to December 31, 2005 and this bylaw is to authorize moving the debt to the Canadian Imperial Bank of Commerce;

**AND WHEREAS** the amount of the said borrowing, together with the unpaid principal of other borrowings made by the Municipality for the purpose of financing a capital property that have a term not exceeding five (5) years, will not exceed 30 % of the amount that the Municipality estimates will be raised in taxes in the current year;

**AND WHEREAS** the borrowing hereby authorized will not cause the Municipality to exceed its debt limit.

**THEREFORE THE COUNCIL OF THE MUNICIPALITY HEREBY ENACTS AS FOLLOWS:**

1. That the Municipality do finance through the Canadian Imperial Bank of Commerce (CIBC) (herein called the "Bank"), a sum of Seventy thousand Dollars (\$70,000.00) repayable as follows:

\$1,166.67/month commencing June 1, 2005, financing prime rate and the Village of Onoway to pay or agree to pay interest on the sum so borrowed either in advance or at maturity, and in either case after maturity, at such rate as may be agreed upon from time to time between the Council and the Bank, but, in any event, not to exceed a maximum rate of interest of 6.5%.

2. The principal and interest owing under the borrowing authorized by this Bylaw shall be paid from general tax revenue.
3. That the sum or sums so borrowed may be evidenced and secured by a promissory note and security agreement over the Grader of the Mayor and Municipal Manager on behalf of the Council given on its behalf and the said Mayor and Municipal Manager are hereby authorized and empowered to execute and give such promissory note and security agreement over the Grader on behalf of the Council as may be required by the Bank and to determine and agree upon from time to time the rate of interest applicable to the amount of the sums borrowed hereunder remaining from time to time outstanding.
4. That the sum or sums so borrowed and interest as aforesaid shall be, and are hereby made, a charge on any sums of money due or accruing or to accrue or become due or payable to the Municipality during the current calendar year and during the subsequent years over which repayment is to be made as hereinbefore provided and, without limiting the generality of the foregoing, whether by way of taxes raised or to be raised or requisitions made or to be made or Government grants to be received, and all payments to be received from any source, all of which sums of money are hereby assigned to the Bank as collateral security for the repayment of the said sum or sums so borrowed and interest thereon as aforesaid, but the Bank is not to be restricted to such moneys so charged and assigned, for the repayment of the loan, and nothing herein contained shall waive, prejudicially affect or exclude any right, power, benefit or security by statute, common law or otherwise given to or implied in favour of the Bank.

5. That Bylaw 631-05 comes into full force and effect upon third reading.

READ A FIRST TIME THIS 09th DAY OF MAY 2005.

READ A SECOND TIME THIS 09<sup>th</sup> DAY OF MAY 2005.

UNANIMOUSLY CONSENTED TO AND PASSED AT THIRD READING THE 09<sup>th</sup> DAY OF MAY 2005.

Signed By Pat Yuill  
**Mayor**

**Signed BY Joseph Trapani**  
**Chief Administrative Officer**