



BY-LAW NO. 1114
OF THE TOWN OF HINTON
(hereinafter referred to as "the Municipality")
IN THE PROVINCE OF ALBERTA

This by-law authorizes the Council of the Municipality to incur indebtedness by the issuance of debenture(s) in the amount of \$1,500,000 for the purpose of on-lending to the Hinton Golfing Society Clubhouse to 1) refinance their existing clubhouse construction loans and 2) purchase/refinance capital equipment.

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 refinancing the Hinton Golfing Society club house construction loans and capital equipment.

The total cost of the project is estimated to be \$1,500,000 and the Town of Hinton estimates that no grants nor town contributions will be applied to the project.

Grants or Town Contribution	\$ 0
15 Year Debenture (Refinance HGS Clubhouse and equipment purchase)	<u>\$1,500,000</u>
Total Cost	<u>\$1,500,000</u>

In order to complete the project, it will be necessary for the Municipality to borrow the sum of \$1,500,000, for a period not to exceed 15 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 by-law.

The estimated lifetime of the project financed under this by-law is equal to, or in excess of 20 years for the clubhouse and 15 years for the equipment.

The principal amount of the outstanding debt of the Municipality at December 31, 2016 is \$10,331,559 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 on-lending to the Hinton Golfing Society for refinancing the Hinton Golfing Society Clubhouse construction loans and capital equipment, the sum of One Million Five Hundred Thousand DOLLARS (\$1,500,000) 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 \$1,500,000 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 of refinancing the Hinton Golfing Society Clubhouse construction loans and refinance/purchase of capital equipment.
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 fifteen (15) 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 FIVE (5) percent.
4. The Municipality shall recover from the Hinton Golfing Society the funds required to pay the indebtedness. In the event of a shortfall, 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 by-law comes into force on the date it is passed.

READ A FIRST TIME THIS 18th DAY OF APRIL 2017.

READ A SECOND TIME THIS 16th DAY OF MAY 2017.

READ A THIRD TIME THIS 16th DAY OF MAY 2017.



Mayor



Director of Corporate Services