

CITY OF KELOWNA

BYLAW NO. 9578

2006 Revenue Anticipation Borrowing Bylaw

WHEREAS Section 177 of the *Community Charter* empowers Council, by bylaw to borrow such sums of money as may be necessary to meet the current lawful expenditures of the Municipality;

AND WHEREAS the annual property tax bylaw for the current year has not been adopted;

AND WHEREAS the amount of the tax levy for the current year cannot be ascertained;

AND WHEREAS Section 177 of the *Community Charter* limits the amount that can be lawfully borrowed under these circumstances to seventy-five per centum (75%) of all taxes imposed for all purposes in the preceding year plus any monies remaining due from other governments;

AND WHEREAS all taxes imposed for all purposes in the preceding year, being 2005, was One Hundred Forty-Four Million, Eight Hundred Eighty-Eight Thousand, Nine Hundred Fifty-Two Dollars and Twenty Seven cents (\$144,888,952.27);

AND WHEREAS the total maximum liability servicing cost is Fifteen Million, Nine Hundred Four Thousand, Four Hundred Thirty Dollars (\$15,904,430.00);

AND WHEREAS there is no liability outstanding under Section 177 of the *Community Charter*;

AND WHEREAS to meet the current lawful expenditures of the City of Kelowna (the "Municipality") for the current year 2006, it is necessary to borrow the sum of Twenty Million Dollars (\$20,000,000.00);

NOW THEREFORE the Municipal Council of the City of Kelowna, in open meeting assembled, hereby enacts as follows:

1. It shall be lawful for the Council to borrow upon the credit of the Municipality from any person or corporation, a sum of money up to Twenty Million Dollars (\$20,000,000.00) being the amount which the Council deems necessary to meet the current lawful expenditures of the Municipality, the money so borrowed to bear interest at a rate not to exceed the Royal Bank of Canada prime lending rate.
2. The aforesaid sum of Twenty Million Dollars (\$20,000,000.00) may from time to time, be borrowed in one or more part sums and from different persons or corporations as may be required by the Municipality.
3. The money so borrowed shall be expended in defraying the current lawful expenditures of the Municipality for the year 2006, and shall, together with the interest thereon, be repayable and repaid to the lender or lenders on or before December 31st, 2006.

4. The amount or amounts so borrowed and the interest thereon shall be a liability of the Municipality and shall further be secured upon the whole amount of all the unpaid taxes due to the Municipality to the end of the preceding year and to the end of the current year, and the said taxes are hereby set aside as a special security for the re-payment of the said sum of Twenty Million Dollars (\$20,000,000.00) which shall be a first charge thereon. The form of obligation to be given as an acknowledgement of such liability to the lender or lenders of the money so borrowed, shall be an indenture made between the Municipality and the person or corporation, signed by the Mayor and the Municipal Officer assigned responsibility under Section 199 of the *Local Government Act*, bearing the seal of the Municipality and containing a covenant by the Municipality to pay on or before December 31st, 2006, the sum or sums of money so borrowed, up to a maximum of Twenty Million Dollars (\$20,000,000.00) to such person or corporation with interest thereon at a rate not to exceed the Royal Bank of Canada prime lending rate, which interest shall be payable in the manner aforesaid from the time when the monies are so borrowed until re-payment thereof.
5. The Municipal Officer assigned responsibility under Section 199 of the *Local Government Act* is hereby authorized and directed out of the said taxes from time to time as and when collected, to pay to such person or corporation the amount of principal and interest due to the person or corporation by virtue of the obligation mentioned in the preceding section.
6. This bylaw may be cited for all purposes as "Bylaw No. 9578, being 2006 Revenue Anticipation Borrowing Bylaw".
7. This bylaw shall come into full force and effect and is binding on all persons as and from the date of adoption.

Read a first, second and third time by the Municipal Council this 13th day of March, 2006.

Adopted by the Municipal Council of the City of Kelowna this

Mayor

City Clerk