

BYLAW 9-2025

**BEING A BYLAW OF TOWN OF VERMILION IN THE PROVINCE OF ALBERTA
AUTHORIZING COUNCIL TO INCUR INDEBTEDNESS FOR OPERATING EXPENDITURE
REQUIREMENTS.**

WHEREAS Section 256 of the *Municipal Government Act* provides that the Town of Vermilion may borrow for the purpose of financing operating expenditures provided that the amount to be borrowed, together with the unpaid principal of other borrowings made for that purpose, does not exceed the amount estimated to be raised in taxes in the year the borrowing is made;

AND WHEREAS the Council of the Town of Vermilion has decided to issue a bylaw pursuant to Section 256 of the *Municipal Government Act* to authorize borrowing of a revolving operating line of credit to cover the Town's operational expenditures as required;

AND WHEREAS the amount of borrowing capacity for operating purposes will not exceed the Town of Vermilion's current years' taxes levied for municipal purposes;

NOW THEREFORE the Town of Vermilion duly assembled hereby enacts as follows:

1. TITLE

- 1.1. This Bylaw may be cited as the "Operating Line of Credit Bylaw".

2. ESTABLISHMENT

- 2.1. That for the purpose of operating expenses within the borrowing period, up to a principal sum of one million five hundred thousand dollars (\$1,500,000) be borrowed from an authorized financial institution, by way of a revolving operating line of credit, on the credit and security of the Town of Vermilion at large, of which the full sum borrowed is to be paid by the Town of Vermilion at large.
- 2.2. The Town of Vermilion is hereby authorized to, through an authorized financial institution, hold up to the principal sum of fifty thousand dollars (\$50,000) for the purpose of corporate credit cards, to be repayable in accordance with the cardholder agreement(s).
- 2.3. The Chief Administrative Officer and Director of Corporate Services are authorized for and on behalf of the Town of Vermilion:
- 2.3.1. To apply to an authorized financial institution and obtain a revolving line of credit for a term not longer than three (3) years and not to exceed \$1,500,000;
- 2.3.2. To execute all security agreements, charges, pledges, conveyances, assignments and transfers to and in favor of all or any property, not or hereafter owned by the Town of Vermilion, and any other documents or contracts necessary to give or to furnish to the authorized financial institution the security or securities required by it.
- 2.4. The source or sources of money to be used to repay the principal and interest owing under the borrowing from an authorized financial institution shall be levied and raised during the borrowing period through municipal taxes sufficient to pay the indebtedness.
- 2.5. The Town of Vermilion shall repay indebtedness according to the repayment terms as outlined by the authorized financial institution; interest will be paid monthly, with principal amount repaid prior to the end of the borrowing period. Interest will be calculated by the authorized financial institution and shall not exceed the established maximum of prime borrowing rate, plus one percent (1%) per annum.

3. SEVERABILITY

- 3.1. Every provision of this Bylaw is independent of all other provisions and if any provision of this Bylaw is declared invalid for any reason by a court of competent jurisdiction, all other provisions of this Bylaw shall remain valid and enforceable.

This Bylaw shall come into force and effect upon the final passing thereof.

The following bylaws and all amendments thereto are hereby repealed:

- Bylaw No. 02-2025 – Operating Expenses Bylaw
- Bylaw No. 06-2022 – Borrowing Bylaw

INTRODUCED AND READ a first time this 2 day of December, 2025, A.D.

READ a second time this 16 day of December, 2025, A.D.

READ a third time this 16 day of December, 2025, A.D.

Dec 2 2025
Date Signed

[Signature]
MAYOR

Dec 2 2025
Date Signed

[Signature]
CHIEF ADMINISTRATIVE OFFICER