

CITY OF ST. ALBERT

BYLAW 39/2021

EDMONTON METROPOLITAN TRANSIT SERVICES COMMISSION LOAN GUARANTEE BYLAW

Being a Bylaw to Guarantee the Repayment of a Loan to the Edmonton
Metropolitan Transit Services Commission

WHEREAS the City of St. Albert views the development of a regional transit service as beneficial to the community and wishes to support such development;

AND WHEREAS Edmonton Metropolitan Transit Services Commission ("EMTSC") is a non-profit organization which was established to develop and operate a regional transit service within the Edmonton Metropolitan area;

AND WHEREAS EMTSC is currently establishing its structure in order to plan and prepare for the transfer of the responsibility for and associated revenues associated with transit service delivery from participating municipalities to the EMTSC in 2022;

AND WHEREAS EMTSC will be financing up to \$5,000,000 with an operating line of credit from the TD Canada Trust for access to financing for operating purposes prior to the said transfer of transit services to the EMTSC;

AND WHEREAS EMTSC has requested that the City execute a loan guarantee to secure the referenced financing;

AND WHEREAS the City of St. Albert will be required to maintain this guarantee until such time as the EMTSC is able to independently support the loan using their own assets as collateral;

AND WHEREAS pursuant to the provisions of the *Municipal Government Act*, R.S.A. 2000, Chapter M-26 and amendments thereto, a municipality may guarantee the repayment of a loan between a lender and a non-profit organization;

AND WHEREAS the City's debt limit as established by the provisions of section 276(2) of the *Municipal Government Act* was \$295,014,000 at December 31, 2020 and the City's obligations of \$46,331,000 at the end of that fiscal year provide for it to assume up to \$248,683,000 in additional debt,

NOW THEREFORE the Council of the City of St. Albert, duly assembled, hereby ENACTS AS FOLLOWS:

TITLE

1. This Bylaw may be referred to as the “Edmonton Metropolitan Transit Services Commission Loan Guarantee Bylaw”.

DEFINITIONS

2. In this Bylaw:
 - (a) “Act” means the *Municipal Government Act*, R.S.A. 2000, c. M-26 and amendments thereto;
 - (b) “Chief Administrative Officer” or “CAO” means the individual appointed by Council to the position of Chief Administrative Officer under section 205 of the Act and pursuant to the Chief Administrative Officer Bylaw;
 - (c) “City” means the municipal corporation of the City of St. Albert, or where the context so requires, the area contained within the boundaries of the City of St. Albert;
 - (d) “Council” means the municipal council of the City of St. Albert;
 - (e) “EMTSC” means the Edmonton Metropolitan Transit Services Commission;
 - (f) “Lender” means the TD Canada Trust, of 148 Edmonton City Center East 10205 101 Street, Edmonton, AB T5J 2Y8;
 - (g) “Loan” means the operating line of credit secured by the EMTSC from the Lender for operating purposes.

LOAN GUARANTEE

3.
 - (1) Subject to the provisions and limitations herein, the City is hereby authorized to guarantee 34% of EMTSC’s Loan.
 - (2) The guarantee of indebtedness authorized herein shall not exceed \$1,700,000.00.
 - (3) Loan repayment by EMTSC will not be required prior to the transfer of transit service delivery and interest will continue to accrue until all of the now-current participating municipalities in the EMTSC

have transferred transit service delivery to the EMTSC, following which, Loan payments by the EMTSC may be comprised of both interest and principle as funded from the revenue of EMTSC's transit service delivery.

- (4) The City's guarantee of EMTSC's indebtedness as authorized herein shall not continue beyond the date on which the indebtedness can be supported by EMTSC assets as collateral.

INTEREST

4. The interest rate under the Loan will be the Lender prime rate minus 0.75%, as such rate is agreed to between EMTSC and the Lender.

FUNDING SOURCES

5.
 - (1) Funding to repay the indebtedness potentially created by the Loan guarantee shall be derived from the Stabilization Reserve and recorded as a receivable to the City from EMTSC.
 - (2) If the income referenced in subsection (1) is insufficient to fully cover the indebtedness, funds to repay the indebtedness shall be derived from the City's tax revenue, another approved reserve or borrowing through third parties.

LOAN GUARANTEE AGREEMENT

6. The Chief Administrative Officer is authorized to enter into a Loan guarantee agreement with EMTSC as well as any further documentation required, to formalize the Loan guarantee.

SEVERABILITY

7. Should any provision of this Bylaw be invalid, then the invalid provision shall be severed, and the remainder of this Bylaw shall be maintained.

EFFECTIVE DATE

8. This Bylaw comes into effect when it is passed.

READ a first time this ____ day of _____, 2021.

READ a second time this ____ day of _____, 2021.

READ a third and final time this ____ day of _____, 2021.

SIGNED AND PASSED this _____ day of _____, 2021.

MAYOR

CHIEF LEGISLATIVE OFFICER