



# REQUEST FOR DECISION

Meeting: December 8, 2025

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## 2026 OPERATIONAL BORROWING BYLAWS

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### **DESCRIPTION/BACKGROUND:**

As per MGA Section 251(1) a municipality may only borrow if such borrowing is authorized by a borrowing bylaw. Such borrowing bylaws should be renewed regularly (i.e. annually).

The Town has maintained a revolving line of credit for many years with a principle sum of \$450,000, currently no funds are drawn on this credit facility. While it has been a long time since the Town has had to utilize the revolving line of credit, it is maintained to ensure there are funds available in the event of an emergency or when there may be short-term cash flow concern. There have been no changes made to the bylaw from the prior year apart from the bylaw numbers and dates.

In 2018, the Town of Claresholm began using AMSC's Procurement Card credit card program, which is a MasterCard issued by BMO. The Town has a total authorized credit limit on this account of \$50,000. Issuance of cards and individual card limits are governed by Policy 3-0-01 "Corporate Credit Card Policy".

As the attached bylaws are for operational borrowing and do not exceed 3 years, the Town is not required to advertise these bylaws. Limits authorized cannot exceed expected tax revenue for 2026, approximately \$4.4M, of which the town is well below.

### **DISCUSSION/OPTIONS:**

The BMO Operating Borrowing Bylaw presented has a maximum interest rate set at 9%, the Town's line of credit with BMO has an agreed interest rate of Prime + 0%, this rate protects the Town from any major rate fluctuations. The Bank of Canada prime interest rate as of the date of this report was 4.95% which is well below the 9% maximum. If Council desires, this rate can be lowered but has been left at 9% in the draft bylaw to ensure the maximum rate is not exceeded and the Town remains onside with the bylaw.

Administration is recommending that both operational borrowing bylaws, Bylaw #1821 – 2026 BMO Operational Borrowing, and Bylaw #1822 – 2026 AMSC Operational Borrowing, be maintained at the amounts proposed and that both bylaws receive all three readings.

### **PROPOSED RESOLUTIONS:**

Moved by Councillor \_\_\_\_\_ to give Bylaw #1821 – 2026 BMO Operational Borrowing Bylaw – regarding the Town revolving line of credit in the amount of \$450,000 1<sup>st</sup> Reading.

Moved by Councillor \_\_\_\_\_ to give Bylaw #1821 – 2026 BMO Operational Borrowing Bylaw – regarding the Town revolving line of credit in the amount of \$450,000 2<sup>nd</sup> Reading.

Moved by Councillor \_\_\_\_\_ to move to third and final reading of Bylaw #1821 – 2026 BMO Operational Borrowing Bylaw – regarding the Town revolving line of credit in the amount of \$450,000.

Moved by Councillor \_\_\_\_\_ to give Bylaw #1821 – 2026 BMO Operational Borrowing Bylaw – regarding the Town revolving line of credit in the amount of \$450,000 3<sup>rd</sup> Reading.

Moved by Councillor \_\_\_\_\_ to give Bylaw #1822 – 2026 AMSC Operational Borrowing Bylaw – regarding the Town MasterCard account in the amount of \$50,000 1<sup>st</sup> Reading.

Moved by Councillor \_\_\_\_\_ to give Bylaw #1822 – 2026 AMSC Operational Borrowing Bylaw – regarding the Town MasterCard account in the amount of \$50,000 2<sup>nd</sup> Reading.

Moved by Councillor \_\_\_\_\_ to move to third and final reading of Bylaw #1822 – 2026 AMSC Operational Borrowing Bylaw – regarding the Town MasterCard account in the amount of \$50,000.

Moved by Councillor \_\_\_\_\_ to give Bylaw #1822 – 2026 AMSC Operational Borrowing Bylaw – regarding the Town MasterCard account in the amount of \$50,000 3<sup>rd</sup> Reading.

**ATTACHMENTS:**

- 1.) Bylaw #1821 – 2026 BMO Operational Borrowing Bylaw
- 2.) Bylaw #1822 – 2026 AMSC Operational Borrowing Bylaw

**APPLICABLE LEGISLATION:**

- 1.) Municipal Government Act, RSA 2000, Chapter M-26 Section 251 - 258

PREPARED BY: Jennifer Place, Director of Corporate Services

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APPROVED BY: Abe Tinney, CAO

DATE: December 2, 2025

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