



City of Moose Jaw

COMMUNICATION# CC-2021-0081

TITLE: Bylaw No. 5643, The Moose Jaw Municipal Airport Authority Guarantee Bylaw, 2021

TO: City Council

FROM: Department of Financial Services

DATE: 24 March 2021

PUBLIC: PUBLIC DOCUMENT

RECOMMENDATION

THAT City Council give 1st, 2nd and 3rd reading to Bylaw No. 5643, The Moose Jaw Municipal Airport Authority Guarantee Bylaw, 2021.

EXECUTIVE SUMMARY

The purpose of the proposed Bylaw is to guarantee a revolving line of credit between the Moose Jaw Municipal Airport Authority (MJMAA) and Jameson Gilroy & B & L Livestock Limited.

BACKGROUND

The purpose of the proposed Bylaw is to guarantee a revolving line of credit between the Moose Jaw Municipal Airport Authority (MJMAA) and Jameson Gilroy & B & L Livestock Limited in accordance with Council's motion at the March 8, 2021 Executive Committee meeting, as follows:

"THAT City Council agree to provide a guarantee to the Moose Jaw Municipal Airport Authority for a \$1,000,000 line of credit from Jameson Gilroy & B & L Livestock Limited (JGL) to be used to provide cashflow during the municipal airport runway and taxiway extension and rehabilitation project; and

THAT City Council authorize the Director of Financial Services to negotiate any guarantee that the City needs to provide related to this financing; and further

THAT City Administration be authorized to bring forward a Guarantee bylaw with the particulars of the guarantee for Council's approval."

The motion was subsequently ratified at the March 22, 2021 Council meeting (Resolution No. 2021-03-22-645).

If City Council is inclined to support the Bylaw and clause-by-clause debate is not required, the following motion would be in order, while in Committee of the Whole (Bylaws):

"THAT clause-by-clause consideration of the Bylaw be and is hereby dispensed with and that the said Bylaw be approved in its entirety."

ATTACHMENTS

1. Bylaw No. 5643, The Moose Jaw Municipal Airport Authority Guarantee Bylaw, 2021.

REPORT APPROVAL

Written by: Brian Acker, B.Comm., CPA, CMA; Director of Financial Services
 Reviewed by: Tracy Wittke, Assistant City Clerk
 Approved by: Jim Puffalt, City Manager
 Approved by: Fraser Talmie, Mayor

~~To be completed by the Clerk's Department only~~

~~Presented to Regular Council or Executive Committee on _____~~

~~No. _____ Resolution No. _____~~

Report Approval Details

Document Title:	Bylaw No. 5643 The Moose Jaw Municipal Airport Authority Guarantee Bylaw, 2021 - CC-2021-0081.docx
Attachments:	- Bylaw No. 5643, The Moose Jaw Municipal Airport Authority Guarantee Bylaw, 2021.docx
Final Approval Date:	Mar 30, 2021

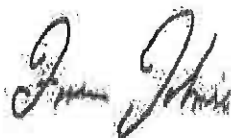
This report and all of its attachments were approved and signed as outlined below:



Tracy Wittke



Jim Puffalt



Fraser Tolmie

BYLAW NO. 5643

THE MOOSE JAW MUNICIPAL AIRPORT AUTHORITY GUARANTEE BYLAW, 2021

THE MUNICIPAL COUNCIL OF THE CITY OF MOOSE JAW ENACTS AS FOLLOWS:

Purpose

- 1 The purpose of this Bylaw is to guarantee a revolving line of credit between the Moose Jaw Municipal Airport Authority (MJMAA) and Jameson Gilroy & B & L Livestock Limited.

Authority

- 2 The authority for this Bylaw is *The Cities Act* and in particular Part IX, Divisions 5, 6, 7 and 8 of the Act.

Definitions

- 3 In this Bylaw:

- (a) **"City"** means the City of Moose Jaw or where the context requires the geographical area within the city limits;
- (b) **"MJMAA"** means the Moose Jaw Municipal Airport Authority a non-profit corporation established by the City of Moose Jaw Bylaw No. 5561, The Moose Jaw Municipal Airport Authority Bylaw;
- (c) **"City Manager"** means the person appointed as the City Manager pursuant to Bylaw No. 5175, the City Administration Bylaw, and includes his or her duly authorized representative or designate;
- (d) **"JGL"** means Jameson Gilroy & B & L Livestock Limited, a business corporation, incorporated pursuant to the laws of Saskatchewan and the lender of the Revolving Line of Credit;
- (e) **"Director of Financial Services"** means the person appointed as the Director of Finance pursuant to Bylaw No. 5175, the City Administration Bylaw, and includes his or her duly authorized representative or designate;
- (f) **"Revolving Line of Credit"** means the contractual agreement between the MJMAA and JGL to provide the MJMAA with a revolving line of credit.

Debt Limit

- 4(1) The City received approval of the re-establishment of its long-term debt limit of \$95,000,000 granted by the Saskatchewan Municipal Board on October 4, 2019.

- (2) The City's outstanding debt including loans previously guaranteed by the City as of December 31, 2020 totals \$54,601,680. The City has also made a commitment to guarantee borrowing of \$15.6 million dollars to the Buffalo Pound Water Treatment Corporation that will occur later in 2021.
- (3) The City's total outstanding debt including guarantees as of December 31, 2020 and the debt authorized pursuant to this Bylaw results in debt that is below the debt limit established by the Saskatchewan Municipal Board.

Authorization of the guarantee

- 5(1) Pursuant to City Council Resolution #2021-03-22-645 and section 153 of *The Cities Act*, the City is authorized to provide a guarantee of up to the principal sum of \$1,000,000 plus any related interest or other costs relating to the debt to JGL.
- (2) The Director of Financial Services for the City is authorized to negotiate, approve, and enter into all necessary agreements with MJMAA and JGL on behalf of the City and generally to do all things and to execute all documents and other papers in the name of the City, in order to carry out the guarantee as provided in this Bylaw.
- (3) The City Clerk is authorized to affix the City's seal to all documents and papers required by subsection (2).

Purpose of the borrowing

- 6 The money borrowed by MJMAA shall be used for the purpose of providing cashflow shortages once construction commences for the municipal airport runway and taxiway extension and rehabilitation project, which has a total anticipated cost of \$3,200,000. The project is funded through the Investing in Canada Infrastructure Program (ICIP) and City funding, however both funding programs are dependent on completion of work. The Revolving Line of Credit is to be used for cashflow shortages while requesting ICIP and City funding.

Details of the borrowing

- 7(1) The \$1,000,000 Revolving Line of Credit will proceed by way of a loan agreement between MJMAA and JGL citing the City as a guarantor.
- (2) The rate of interest to be charged on the Revolving Line of Credit is bank prime plus one percent (1%).

Term

- 8 The term of the Revolving Line of Credit is to commence in May of 2021 as funds are required and to be repaid in full by April 30th, 2022.

Payments and Terms of Repayment

- 9 MJMAA is required to make payments on the principal amount of the Revolving Line of Credit and interest based on the terms of the lending agreement.

MJMAA Source of Payment

10 MJMAA will repay the principal and interest owing under the Revolving Line of Credit through revenue it receives from its ongoing operations and the following sources:

- (a) ICIP – Rural & Northern \$2,199,990;
- (b) City of Moose Jaw \$500,000; and
- (c) Stakeholder Loan \$500,000.

Source of Payment if City is required to pay

11 If the City is required under the guarantee provided to pay any principal, interest or termination fees under the Revolving Line of Credit, the City shall make the payments from one or more of the following sources:

- (a) Land development funds; and/or
- (b) General Operating Fund revenues.

Effect

12 This Bylaw comes into force on the day of passage.

READ A FIRST TIME THIS 12th DAY OF APRIL 2021.

READ A SECOND TIME THIS 12th DAY OF APRIL 2021.

READ A THIRD TIME AND PASSED ON THIS ____th DAY OF _____ 2021.

MAYOR

CITY CLERK