

# TOWN OF BONNYVILLE

## REQUEST FOR DECISION

**Date:** February 4, 2025

**Submitted By:** Administration

**Meeting Date:** February 11, 2025

**SUBJECT: Bylaw No. 1591-25 – Loan Bylaw for the Clayton Bellamy Foundation for the Arts – Strathcona Performing Arts Centre Project**

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**BACKGROUND:** At the January 28<sup>th</sup> Council meeting, the Clayton Bellamy Foundation for the Arts came as a delegation to request Council's consideration to guarantee a loan to complete the construction of the Strathcona Performing Arts Centre. The amount required to complete the project is estimated to be \$1,100,000.00 and the Foundation has secured a loan from the Northern Lights School Division in the amount of \$300,000.00 leaving an \$800,000.00 shortfall.

**OTHER COMMENTS:** After reviewing the request, the direction from Council was rather than a guarantee, we draft a Loan Bylaw whereby the Town lends the funds to the Foundation to complete the project. This could include different terms than outlined in the loan guarantee term sheet which was for a demand loan for a one-year term. As per the Municipal Government Act (MGA) Section 264(2), a municipality may lend money to a non-profit organization if the Council considers the money loaned will be used for a purpose that will benefit the general public.

Attached is Bylaw No. 1591-25 a bylaw to provide the Clayton Bellamy Foundation for the Arts a loan of up to \$800,000.00 for the purpose of completing the construction of the Strathcona Performing Arts Centre. The bylaw, as drafted, includes all the requirements of section 265(2) of the MGA.

As per the MGA, the bylaw states that the amount of money to be loaned is up to \$800,000.00 and is for the purpose of completing the construction of the Strathcona Performing Arts Centre. The minimum rate of interest is 5.00% per annum with a term of three (3) years, (the 5.00% rate was selected as it is consistent with current rates provided by financial institutions). Administration is suggesting this term as the Foundation does not know the status of the CFEP grant and it will allow time for further fundraising through sponsorships and annual galas without having to create another bylaw. The terms for repayment are listed in the loan agreement attached to and forming part of the bylaw and include monthly payments for the interest portion of the loan as well as additional payments on the loan when the Foundation receives grant funding, sponsorships or other monies. The source of the money to be loaned is the General Capital Reserve with all payments of interest and principal being reallocated to this reserve when received.

As this Bylaw is being passed under part 8 of the MGA, it is subject to the advertising requirements of Section 606 and the petition requirements of Section 231(3).

**REPORT/DOCUMENT:**    Attached    Available    NIL

- 1) Draft Bylaw No. 1591-25 – Clayton Bellamy Foundation for the Arts Loan Bylaw

**DESIRED OUTCOMES:** That the bylaw receive first reading, be advertised as per the MGA and brought back to a future meeting for second and third reading.

**OPTIONS:**

- 1) Provide first reading to Bylaw No. 1591-25.
- 2) Amend Bylaw No. 1591-25 and provide first reading.
- 3) To defeat Bylaw No. 1591-25.

**RELEVENCE TO STRATEGIC PLAN:**



Communications  
Strategy



Economic  
Growth



Recreation &  
Wellness



Service  
Excellence



Value Added  
Services

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**RECOMMENDATION: THAT Council provide first reading to Bylaw No. 1591-25 – Clayton Bellamy Foundation for the Arts Loan Bylaw.**

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**IMPLICATIONS OF RECOMMENDATION:** Administration will advertise the bylaw in accordance with the requirements of the MGA (two consecutive weeks in a local newspaper) and bring the bylaw back to a future meeting of Council for second and third reading.

**FINANCIAL:** In the event that the Clayton Bellamy Foundation for the Arts defaults on the loan, there is no security whereby the Town could claim the funds.

**POLICY (MGA AND OTHER REGULATIONS):** The Bylaw and attached Agreement conforms to the MGA and has been reviewed by Legal Counsel.

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Renee Stoyles  
Acting Chief Administrative Officer