

TOWN OF BONNYVILLE

REQUEST FOR DECISION

Date: March 18, 2025

Submitted By: Administration

Meeting Date: March 25, 2025

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

BACKGROUND: At the February 11th, Council Meeting, Council provided first reading to Bylaw No. 1591-25 the Loan Bylaw for the Clayton Bellamy Foundation for the Arts to complete the Strathcona Performing Arts Centre Project. The amount required to complete this 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: 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 and the term has been amended to four (4) years, (the 5.00% rate was selected as it is consistent with current rates provided by financial institutions). At the time of first reading of this Bylaw the status of the Foundations CFEP application was unknown. Since then, Administration has been informed that the Foundation will be receiving a CFEP grant in the amount of \$500,000.00 which will reduce the amount of funding needed to be borrowed to complete the project. 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 was subject to the advertising requirements of Section 606 and the petition requirements of Section 231(3). No petition objecting to this Bylaw has been received by Administration.

REPORT/DOCUMENT: ☒Attached ☐Available ☐NIL

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

DESIRED OUTCOMES: That Bylaw No. 1591-25 receive second and third reading.

OPTIONS:

1. Provide second and third reading to Bylaw No. 1591-25.
2. Amend Bylaw No. 1591-25 and provide second reading only.
3. Defeat Bylaw No. 1591-25.

RELEVANCE TO STRATEGIC PLAN:



**Communications
Strategy**



**Economic
Growth**



**Recreation &
Wellness**



**Service
Excellence**



**Value Added
Services**

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

IMPLICATIONS OF RECOMMENDATION: Administration will inform the Clayton Bellamy Foundation for the Arts of Council's decision.

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.

Renee Stoyles
Acting Chief Administrative Officer