

**DATE:** June 21, 2016

**TO:** Board of Trustees

**FROM:** Darrel Robertson, Superintendent of Schools

**SUBJECT:** Borrowing Resolution

**ORIGINATOR:** Dr. Lorne Parker, Executive Director, Infrastructure

**RESOURCE STAFF:** John Griswold, Madonna Proulx

**REFERENCE:** [School Act](#)

---

## ISSUE

A borrowing resolution provides the necessary authorization to the Bank of Nova Scotia to operate the Board of Trustees of Edmonton School District No. 7 (the Board) accounts.

## BACKGROUND

The Bank of Nova Scotia has been appointed as our principal banker to August 31, 2021 and requires the District to submit a borrowing resolution. The resolution is to be reviewed and approved to ensure the Board is informed of the banking processes and lending agreements that are in place.

The current borrowing rate for the District from the Bank of Nova Scotia is prime less 0.5 per cent (2.20 per cent).

Borrowing is required when there is not enough cash on hand to cover District payments. This would typically occur in the month of July based on payment of three teacher payrolls (June, July and August) of approximately \$100 million. In the past it was not uncommon for the District to borrow within the first 15 days of July to manage cash flow requirements until the monthly funding payment is received from Alberta Education on July 15. The last time the District went into an overdraft, was five years ago. Although we do not foresee the District accessing its overdraft for the summer of 2016, approval is still requested as a precautionary measure.

## RELATED FACTS

In order to satisfy requirements of the *School Act* and the needs of the Bank of Nova Scotia, Edmonton Public Schools must provide a borrowing resolution that is approved by the Board.

Under Sections 183 (1) and 60 (2)(k) of the *School Act*, authorization is given to the Board to borrow to meet the current operation expenditure and capital expenditure requirements.

## RECOMMENDATION

**That the borrowing resolution, with respect to the Edmonton Public School District No. 7 with the Bank of Nova Scotia be approved to August 31, 2021.**

**CONSIDERATIONS and ANALYSIS**

The recommendation is extending the borrowing resolution date to the end of the five year term. Administration will request approval through a formal Board recommendation if changes are made to the borrowing resolution.

**NEXT STEPS**

Edmonton Public Schools will submit the signed borrowing resolution to the Bank of Nova Scotia (Attachment I).

**ATTACHMENTS and APPENDICES**

ATTACHMENT I          Borrowing Resolution

MP:ja

**BORROWING RESOLUTION**

WHEREAS The Board of Trustees of Edmonton School District No. 7 (the "Board") considers it necessary to borrow certain sums of money from time to time to meet current operating expenditures;

NOW THEREFORE, be it resolved that:

1. The Board do borrow from any bank ("the Banks") incorporated pursuant to the provisions of the Bank Act and the Province of Alberta Treasury Branches ("the Treasury Branches"), sums of money from time to time as required to meet current expenditures of the Board, provided that the total principal amount owed to the Banks and the Treasury Branches at any one time shall not exceed the sum of FORTY TWO MILLION CANADIAN DOLLARS PLUS TWO HUNDRED THOUSAND US DOLLARS.

2. Any two of the following Officers:

Superintendent of Schools  
Assistant Superintendent  
Treasurer  
Director, Revenue Accounting

(the "Officers")

Be and are hereby authorized for and on behalf of the Board:

- (a) to apply to the Banks and the Treasury Branches for the aforesaid loan to the Board and to negotiate rates of interest; and
- (b) to obtain advance of monies from the Banks and the Treasury Branches by way of overdraft on the Board's account or pursuant to promissory notes, loan agreements or other evidence of indebtedness from the Banks and the Treasury Branches, as maybe permitted or required by the Banks and the Treasury Branches; and
- (c) to execute on behalf of the Board such bills, promissory notes or similar or other forms of obligation as the Banks and the Treasury Branches may require as evidence of and security for all sums borrower hereunder,

and each document executed as aforesaid shall be valid and binding upon the Board according to its tenor and the Banks and the Treasury Branches shall never be bound to inquire whether such officers are observing the limitations on their authority as set forth in this resolution.

3. All sums borrower pursuant to paragraph 1 hereof or so much thereof as from time to time remains unpaid shall bear interest at rates per annum as mutually agreed between the Board and the Banks and the Treasury Branches from time to time.

4. As security for repayment of money borrowed pursuant to paragraph 1 hereof, the Board hereby charges to and in favor of the Banks and the Treasury Branches all the revenues of whatever nature and kind by such security documentation as the Banks and

the Treasury Branches may require in respect to the foregoing charge. The said charge shall be collateral to the obligation of the Board to repay with agreed interest on all sums borrowed from the Banks and the Treasury Branches. The Banks and the Treasury Branches shall not be bound to recover any such requisitions or other monies before being entitled to repayment from the Board.

5. The Banks and the Treasury Branches shall be furnished with a certified copy of this resolution and a list of the Officers together with specimens of their signatures, and this resolution and the said list shall be binding on the Board until notice to the contrary or of any changes therein shall be given to the Manager of the Banks and the Treasury Branches.

### **CERTIFICATE**

*By signing below, our officers certify for the Board that:*

- *there are no provisions in our incorporating documents or by-laws which impair in any way the powers of our trustees or officers to borrow money or grant security.*
- *Our trustees have full power to pass this Resolution and to bind the Board in all respects*
- *The above resolution was properly passed by the Board of Trustees in compliance with all applicable legislation and continues in effect.*

WE HEREBY CERTIFY that the foregoing resolution was duly passed by the Board of Trustees of the Board at a duly and regularly constituted meeting thereof held on the \_\_\_\_ day of \_\_\_\_\_, of 2016 at which a quorum was present and that the said resolution is in full force and effect.

WITNESS our hands and the seal of the Board this \_\_\_\_ day of \_\_\_\_\_, 2016.

\_\_\_\_\_  
BOARD CHAIR

\_\_\_\_\_  
BOARD SECRETARY