

TOWN OF RUSSELL

BY-LAW NO. 1514/02/10

BEING A BY-LAW OF THE TOWN OF RUSSELL TO AUTHORIZE THE DEVELOPMENT OF THE RUSSELL REGIONAL MULTI-PLEX FROM THE UPGRADE AND EXPANSION OF THE MEMORIAL ARENA AND THE EXPENDITURE AND BORROWING OF MONEY TO COMPLETE THE PROJECT AS A LOCAL IMPROVEMENT

WHEREAS Section 311 of The Municipal Act, S.M. 1996, c.58, provides in part as follows:

If approved by by-law, a municipality may undertake, as a local improvement for the benefit of all or part of the municipality.

- b) any other project the cost of which includes a capital component*

AND WHEREAS Subsection 320(1) of the Act provides as follows:

Subject to Subsections (2) to (6) and Subsection 321(4), a council may by by-law:

- a) approve the local improvement or special service as set out in the plan or proposal;*
- b) authorize the municipality to impose taxes as set out in the plan or proposal.*

AND WHEREAS Section 172 of the Act provides in part as follows:

In this Division

“Borrowing” means the borrowing of money, and includes

- b) borrowing to pay for a local improvement under Division 4 (Local Improvements and Special Services) of Part 10,*
- e) issuing debentures.*

AND WHEREAS Subsection 174(1) of the Act provides in part as follows;

A municipality may make a borrowing only if

- a) the borrowing is authorized by a by-law; and*
- b) subject to subsection (2), the borrowing is set out as a debt obligation in the operating budget or capital budget. . . .*

AND WHEREAS the Council of the Town of Russell has prepared Local Improvement Plan No. 01/10 providing for the spending, borrowing authority and imposition of taxes for the following project as local improvements pursuant to Part 10 of the Act;

The development of the Russell Regional Multi-Plex;

AND WHEREAS the total cost of the aforementioned works is estimated to be Eight Million, One Hundred Thousand and 00/100 (\$8,100,000.00) Dollars;

AND WHEREAS in order to complete such undertakings, it will be necessary for the Town of Russell to borrow the sum of One Million 00/100 (\$1,000,000.00) Dollars as hereinafter provided, which is the amount of the debt intended to be created by this by-law;

AND WHEREAS the requirements as prescribed in Sections 318, 319 and 320 of the Act have been complied with;

AND WHEREAS the consecutive annual amounts, including principal and interest required to be raised in each year for twenty years as hereinafter provided, for paying the principal and interest under this by-law are the amounts set out in Schedule “A” hereto;

AND WHEREAS the assessed value of the whole lands chargeable under this by-law according to the 2010 revised Assessment Roll is Forty-Eight Million Six Hundred and Seventy-Four Thousand Five Hundred and Fifty and 00/100 (\$48,674,550.00) Dollars.

AND WHEREAS the amount of existing debenture debt of the Town of Russell is One Million Seven Hundred and Eight Thousand Nine Hundred and Thirty Three and 14/100 (\$1,708,933.14) Dollars of which no portion of the principal or interest thereon is in arrears;

NOW THEREFORE the Council of the Town of Russell enacts as follows:

1. THAT pursuant to Subsection 320(1) of the Act, the Town of Russell approves Local Improvement Plan No. 01/10 attached hereto as Schedule “B”.
2. THAT the Town of Russell may expend the sum of Eight Million One Hundred Thousand 00/100 (\$8,100,000.00) Dollars for the development of the Russell Regional Multi-Plex Project which is the upgrade and expansion of the Memorial Arena, as a Local Improvement.

3. THAT for the aforesaid project, the municipality may borrow the sum of One Million 00/100 (\$1,000,000.00) Dollars. Such borrowing shall be issued by the Town of Russell, Russell, Manitoba and shall be payable at the Royal Bank of Canada in Russell at the holder's option, and shall be dated the thirty-first day of December A.D. 2010.
4. THAT the said borrowing shall bear interest at a rate estimated for the time being at 7% per annum, and subject in any event to the authorization of the Municipal Board at the time of sale, and shall mature in accordance with the maturities set out in Schedule "A" hereto on the thirty first day of December in each of the years 2011 to 2030, both inclusive.
5. THAT the issuance of borrowings shall be signed by the mayor, or by some other person authorized by by-law to sign same, and by the Chief Administrative Officer of the Town of Russell, and there shall be affixed thereto the Corporate seal of the said municipality, and the coupons, if any attached thereto shall be signed by the Chief Administrative Officer whose signature thereon may be by lithograph or other mechanical means.
6. THAT during the currency of the said borrowing, namely in each of the years 2011 to 2030, both inclusive, there shall be raised annually by a special mill rate on all rateable property in Town of Russell Local Improvement District No. One, including Parcel A, Plan 5206 and Parcel A, Plan 20481 except property described in Section 21 of The Municipal Assessment Act and Class 52 railroad property an amount sufficient to meet the principal and interest requirements hereunder.
7. THAT pursuant to paragraph 174(3)(d) of the Municipal Act, pending the issue of the borrowing, the Council of the Town of Russell may agree with a bank or person or borrow from the general funds of the municipality for temporary advances from time to time to meet expenditures incurred for the purpose aforesaid, and the total of such advances shall not exceed Three Million 00/100 (\$3,000,000.00) Dollars.
8. THAT during the term of the borrowing authorized herein, in any year where the borrowing remain unissued the levies may be made as if the borrowing had been issued; and upon completion of the project authorized herein, when the final amount of debt created hereunder is known, the levies shall be applied in reduction of temporary financing, and when issued, the amount and term of borrowing shall be reduced accordingly.

DONE AND PASSED as a by-law of the Town of Russell in the Province of Manitoba this 25th day of May, A.D., 2010.

TOWN OF RUSSELL

"M. Kiliwnik"
Mayor

"W.R. Melnyk"
C.A.O.

Read a first time this 31st day of March, A.D. 2010.
Read a second time this 25th day of May, A.D. 2010.
Read a third time this 25th day of May, A.D. 2010.

SCHEDULE "B" TO BY-LAW NO. 1514/02/10

TOWN OF RUSSELL

**LOCAL IMPROVEMENT PLAN NO. 01/10
FOR**

**THE ESTABLISHMENT OF A MULTI-PLEX FACILITY IN RUSSELL INCLUDING THE
EXPANSION AND RENOVATION OF THE EXISTING RUSSELL MEMORIAL ARENA**

(Pursuant to Subsection 315(1) of the Municipal Act)

(a) Description of the Proposed Local Improvement

The local improvement proposed herein involves the following project:

Partial removal of the west side of the Russell Memorial Arena replaced by a two storey addition totally approximately 19,000 square feet. The project also includes renovation of the building structure and envelope, as well as replacement of the ice plant and ice surface floor. Finally the project will include renovation of the east side of the current arena for the placement of a Fitness Centre, in addition a walking track will be added to the facility.

b) Local Improvement District to be Taxed

The Local Improvement Tax required to service the debt to be issued under this proposal will be levied on all taxable, grant-in-lieu and otherwise exempt properties within the Town of Russell including Town of Russell Local Improvement District No. One, including Parcel A, Plan 5206 and Parcel A, Plan 20481.

(c) Identification of Potential Taxpayers Under the Plan

Potential taxpayers under this plan will be:

- 1) All of the owners of assessable property in Town of Russell Local Improvement District No. One, including Parcel A, Plan 5206 and Parcel A, Plan 20481 except property described in Section 21 of The Municipal Assessment Act and Class 52 railroad property.

(d) Method and Rate of Calculating Local Improvement Tax

The local improvement taxes to be levied under this proposal are to be calculated as follows:

- 1) The requirement in each year shall be raised by a local improvement tax calculated on the basis of the portioned value of all assessable property. The rate will be, based on the 2010 Assessment (94,392.93 / 48,669,800) an estimated mill rate of 1.940 mills. Calculated on a residential property valued at \$100,000 (portioned value 45,000) an estimated \$90.00 local improvement tax will be levied annually for 20 years.

Pursuant to Section 325 of the Municipal Act, taxpayers will not be permitted to prepay their respective local improvement taxes because it is based on assessment.

(e) Estimated Cost of Local Improvement

SEGMENT	Total Costs	BCF	Other Funding	Net Costs
Design and Engineering	\$ 550,000	\$	\$ 50,000	\$ 500,000
Construction	\$7,150,000	\$4,000,000	\$2,650,000	\$ 500,000
Furniture & Equipment	\$ 150,000		\$ 150,000	
Contingency	\$ 250,000		\$ 250,000	
TOTAL	\$8,100,000	\$4,000,000	\$3,100,000	\$1,000,000

(f) Particulars of Borrowing

Amount	\$1,000,000
Term	20 Years
Interest Rate	7 % per annum

(g) Other Anticipated Sources of Funding

Other sources of funding for the Russell Multi-plex include:

- Community fundraising campaign \$1,500,000
- Municipal Partner Contributions \$ 500,000
- Additional Senior Government Programs \$1,100,000

(h) Funding of Maintenance of Proposed Local Improvement

Operating costs for the new multi-plex are estimated to be \$ 250,000. Costs are covered on a 50/50 basis between municipal contributions and user fees. The Town of Russell's component would be covered by a levy increase.

Wally Melnyk, CGA, CMMA
Chief Administrative Officer