

EDMONTON PUBLIC SCHOOLS

September 23, 2008

TO: Board of Trustees
FROM: E. Schmidt, Superintendent of Schools
SUBJECT: Borrowing Resolution
ORIGINATOR: D. R. Power, Assistant Superintendent - Treasurer
RESOURCE
STAFF: John Griswold, Eila Stenberg

RECOMMENDATION

That the attached borrowing resolution, with respect to operating funds, be approved.

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The District may need to borrow funds from time to time to fund current operating expenditures. The current borrowing resolution approved by the Board provides the authority to borrow up to \$60.0 million.

This credit facility is part of the banking agreement in place with The Bank of Nova Scotia, the District's principal banker. The bank incurs a cost to maintain this credit facility for the District and has approached the District with the request to reduce the amount to \$30.0 million.

It is recommended that this reduction be approved. The District has not been in a borrowing position over the past two years. Based on the current cash flow projections, it is not expected that there will be a need to borrow in excess of \$30.0 million in the foreseeable future. The bank has confirmed that should the District need this limit increased it can be done at any time. As well, the District currently has a very favorable banking arrangement with respect to service charges and the administration wants to ensure this is maintained.

DRP/EES/ees
APPENDIX I - Borrowing Resolution

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 THIRTY MILLION (\$30,000,000) DOLLARS.
2. Any two of the following officers:

Superintendent of Schools,
Assistant Superintendent – Treasurer,
Assistant Superintendent (two other positions),
(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 loans 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 or other evidence of indebtedness from the Banks and the Treasury Branches, as may be 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 forms of obligation as the Banks and the Treasury Branches may require as evidence of and security for all sums borrowed 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 borrowed 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 favour of the Banks and the Treasury documents as the Banks or 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 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

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 _____, 2008 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 _____, 2008.

CHAIR

BOARD SECRETARY