

Subject: Bylaw No. 19/021 - Repeal of Bylaw No. 16/001 - RRC Operating Line of Credit Guarantee Bylaw

APPROVALS:

Annette Antoniak

Director

Chief Administrative Officer

Recommended Motion:

1. THAT Bylaw No. 19/021, being a bylaw to repeal the RRC Operating Line of Credit Guarantee Bylaw, Bylaw No. 16/001, be read a first time.
2. THAT Bylaw No.19/021 be read a second time.
3. THAT Bylaw No. 19/021 be considered for third reading.
4. THAT Bylaw No. 19/021 be read a third and final time.
5. THAT the Chief Administrative Officer be directed to exercise the Municipality's membership rights by executing an ordinary resolution that approves amending the loan agreement between the Regional Recreation Corporation and the Royal Bank of Canada by lowering the amount of the revolving demand facility from \$3,000,000 to \$1,000,000 and increasing the VISA business program from \$100,000 to \$300,000.

Summary:

The Regional Recreation Corporation (RRC) Board of Directors have requested that Council, as the sole member of the RRC, pass an ordinary resolution to amend their loan agreement with the Royal Bank of Canada.

Background:

The RRC Board of Directors and Council approved the RRC's current facilities with RBC which includes Facility 1 - revolving demand facility at \$3,000,000 and Facility 2 - VISA business program at \$100,000.

In 2016, by way of passing Bylaw No. 16/001 - RRC Operating Line of Credit Guarantee Bylaw, the RRC Board of Directors and Council increased the RRC's revolving demand facility from \$1,000,000 to \$3,000,000. Due to administrative challenges post-fire, the

paperwork to finalize the increase to \$3,000,000 was never completed and the RRC has confirmed that they have never made a draw on the revolving demand facility.

The RRC has recently requested that Council pass an ordinary resolution to retract the approved increase to \$3,000,000, leaving the revolving demand facility at \$1,000,000, as well as increase the VISA business program from \$100,000 to \$300,000.

The Corporation has indicated that growth projections are not the same as they were when the increase in 2016 was sought and therefore is not required for current operations. Additionally, the increase to the VISA business program is required as it includes more manageable business continuity, secure payment option as well as increased internal controls.

RRC and RBC has confirmed that the \$1,000,000 loan agreement would be secured solely against RRC assets therefore, the facility would not require the passage of a guarantee bylaw.

Should Council wish to consider the request from the RRC, it is recommended that Bylaw No. 16/001, the RRC Operating Line of Credit Guarantee Bylaw, be repealed.

Rationale for Recommendation:

In accordance with the RRC's Corporate Bylaws as well as the *Canada Not-for-Profit Corporations Act*, an ordinary resolution of the member, RMWB Council, is required to amend the RRC's agreement with RBC.

Strategic Priorities:

Responsible Government

Attachments:

- 1. Bylaw No. 19.021 to Repeal Bylaw No. 16.001 RRC Operating Line of Credit Guarantee**
- 2. Bylaw No. 16.001 - RRC Operating Line of Credit Guarantee Bylaw**