



CITY OF
FORT SASKATCHEWAN

**Request for Decision
Regular Council Meeting – May 14, 2024**

Bylaw C6-24 – Fort Saskatchewan Lions Club Loan – 3 Readings

Motion:

1. That Council give first reading to Bylaw C6-24 to authorize an interest-free loan of \$150,000 to the Fort Saskatchewan Lions Club for the Fort Lions Campground Expansion project, as set out in the May 14, 2024 Request for Decision.
2. That Council give second reading to Bylaw C6-24 to authorize an interest-free loan of \$150,000 to the Fort Saskatchewan Lions Club for the Fort Lions Campground Expansion project, as set out in the May 14, 2024 Request for Decision.
3. That Council provide unanimous consent to proceed with third and final reading for Bylaw C6-24 to authorize an interest-free loan of \$150,000 to the Fort Saskatchewan Lions Club for the Fort Lions Campground Expansion project, as set out in the May 14, 2024 Request for Decision.
4. That Council give third reading to Bylaw C6-24 to authorize an interest-free loan of \$150,000 to the Fort Saskatchewan Lions Club for the Fort Lions Campground Expansion project, as set out in the May 14, 2024 Request for Decision.

Purpose:

The purpose of this report is to request that Council render a decision regarding Bylaw C6-24. The proposed bylaw would authorize a loan of \$150,000 to the Fort Saskatchewan Lions Club for the Fort Lions Campground Expansion project.

Background:

During the [September 12, 2023](#) regular Council meeting, Don Westman, Chairman of the Fort Saskatchewan Lions Campground Committee, provided an update on the operations of the Fort Lions Campground and requested a loan for the purpose of the campground expansion.

During the [October 10, 2023](#) regular Council meeting, Council passed the following motion:

“That Council approve the Fort Saskatchewan Lions Club’s interest-free loan request in the amount of \$150,000.00 (One hundred fifty thousand dollars) for the Fort Lion’s Campground Expansion project, with the funds to be taken from the Financial Stabilization Reserve, subject to the following conditions:

- a. *The Development Permit approval is granted and all associated permit conditions, except those of a continuing nature, are met;*

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- b. A Funding Agreement between the City of Fort Saskatchewan and the Fort Saskatchewan Lions Club is completed and includes a 5-year reimbursement plan; and*
- c. Provision of Financial Statements of the Fort Saskatchewan Lions Club.”*

Summary Analysis:

Bylaw C6-24 formally authorizes a \$150,000 loan to the Fort Saskatchewan Lions Club for the Fort Lions Campground Expansion project.

Administration has been working with the Fort Saskatchewan Lions Club to satisfy the requirements for a loan established during the October 10, 2023 regular Council meeting. The status for each requirement is summarized below:

- **Development Permit Approval:** Development permit approval for the full scope of the Fort Lions Campground expansion is ongoing. The project has been divided into phases. A development permit for preliminary site work was authorized in February of 2024.
- **Loan Agreement:** Administration prepared and negotiated a loan agreement which provides the Lions Club with an interest-free loan of \$150,000, to be repaid over five years. An agreement to amend the existing license agreement for the campground has also been prepared, as a means to secure the loan.
- **Provision of Financial Statements:** The drafted loan agreement requires that the Lions Club produce financial statements. The Lions Club provided internally prepared financial statements to Administration.

Financial Implications:

The interest-free loan of \$150,000 to the Lions Club is to be funded from the Financial Stabilization and Contingency Reserve. Loan repayments pursuant to the loan agreement will be transferred back to the Financial Stabilization and Contingency Reserve upon receipt.

Internal/External Impacts:

The Legislative Services and Finance departments are primarily responsible for the implementation of the Bylaw C6-24, as it authorizes the disbursement of funds upon the execution of the required loan agreement.

Approval of Bylaw C6-24 will provide financing to assist the Fort Saskatchewan Lions Club with the completion of the Fort Lions Campground expansion project.

Diversity Impacts:

No diversity impacts are anticipated with the approval of Bylaw C6-24.

Risk Analysis:

The primary risk of providing a loan to a non-profit organization is the repayment of the loan. Non-profit organizations are dependent on variable revenue sources such as donations and grants. These sources can fluctuate significantly, impacting the organization's ability to repay the loan.

Should the Lions Club be unable to repay the loan within the five-year term, the City would take-over the operations of the campground and use the revenue stream to repay the loan amount.

Plans/Standards/Legislation:

Section 265 of the *Municipal Government Act* states:

- 265 (1) *A municipality may only lend money to a non-profit organization, one of its controlled corporations or the designated seller within the meaning of section 30(1) of the Gas Distribution Act, SA 1994 cG-1.5 as it read on June 30, 1998, if the loan is authorized by bylaw.*
- (2) *The bylaw authorizing the loan must set out*
- (a) *the amount of money to be loaned and, in general terms, the purpose for which the money that is loaned is to be used;*
 - (b) *the minimum rate of interest, the term and the terms of repayment of the loan;*
 - (c) *the source or sources of the money to be loaned.*
- (3) *The bylaw that authorizes the loan must be advertised.*

Bylaw C6-24 contains all provisions necessary to authorize the loan.

The Bylaw was advertised in the Fort Saskatchewan Record on May 2 and May 9, 2024.

City's Strategic Plan:

Goal - Strategically Managed Infrastructure (maximize our existing infrastructure and plan for long-term efficiency, cost and resiliency when considering new infrastructure).

Alternatives:

1. That Council defeat Bylaw C6-24.
2. That Council direct Administration on how it wishes to proceed.

Administrative Recommendation:

That Council give three readings to Bylaw C6-24 to authorize an interest-free loan of \$150,000 to the Fort Saskatchewan Lions Club for the Fort Lions Campground Expansion project, as set out in the May 14, 2024, Request for Decision.

Attachments:

1. Appendix A – Bylaw C6-24 – Fort Saskatchewan Lions Club Loan Bylaw

Prepared by: Andrew Kaiser Date: April 16, 2024
Director, Legislative Services

Prepared by: Jeremy Emann Date: April 25, 2024
Chief Financial Officer

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Approved by: Janel Smith Duguid Date: April 30, 2024
Deputy City Manager, Infrastructure & Planning Services

Approved by: Troy Fleming Date: April 30, 2024
City Manager