



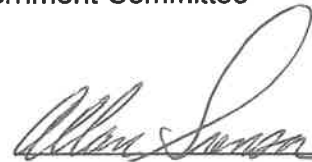
**Town of Blaine Lake
Bylaw No. 04/2024**

A BYLAW TO PROVIDE FOR TRANSITIONING DEBENTURE # 1 TO A NON-NEGOTIABLE DEBENTURE

The Council of the Town of Blaine Lake, in the Province of Saskatchewan, enacts as follows:

1. This Bylaw shall be known as the "Transition of Debenture # 1 to non-negotiable.
2. That Debenture # 1, a negotiable debenture dated the 1st day of June, 2020 be cancelled and reissued in a non-negotiable form at the current balance of \$ 1,762,374.04 with interest rate of 2.6% and maturity date of June 1, 2040.
3. The new non-negotiable debenture shall be issued under the seal of the Town of Blaine Lake and signed by the Mayor and Chief Administrative Officer.
4. This bylaw shall come into force and take effect on the date of the approval being issued by the Saskatchewan Municipal Board, Local Government Committee

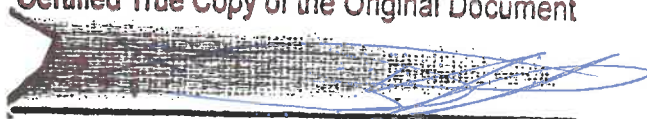



Allan Sorenson, Mayor


James Puffalt, CAO

Introduced and Read a first time this 15th day of April, 2024
Read a second time this 15th day of April, 2024
Read a third time and adopted this 15^h day of April, 2024

Certified True Copy of the Original Document



James Puffalt
Chief Administration Officer



**Town of Blaine Lake
Bylaw No. 04/2024**

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MFC - Debenture transition management

From: MFC FI <mfc@gov.sk.ca>

Date: 10/16/2023 13:19

To: "blainelake@sasktel.net" <blainelake@sasktel.net>

Cc: General Inquiry SMB <general.inquiry@gov.sk.ca>, MFC FI <mfc@gov.sk.ca>

Good afternoon,

We hope this email finds you well.

In 2021, the Municipal Financing Corporation (MFC), in collaboration with the Saskatchewan Municipal Board (SMB), undertook to change the form of debentures issued by municipalities to MFC from *negotiable* to *non-negotiable*. As of July 2021, all new debentures purchased are in this non-negotiable form.

The next step is transitioning the remaining outstanding negotiable debentures to this new non-negotiable form.

The purpose of this email is to begin the process of replacing the following outstanding debenture sold to MFC by your municipality.

Client	CLIENTNAME	ID	ISSUE DATE	COUPON	YTM	MATURITY DATE	LAST PMT DATE	BALANCE
TOWN OF BLAINE LAKE	TOWN OF BLAINE LAKE	2.60	01-Jun- 2020	2.600%	16.85	01-Jun-2040	01-Jun-2023	\$1,761,374.07

Why was the decision made to transition to the non-negotiable form of debenture?

- *To eliminate risks associated with custody of negotiable debentures.*

Debentures with detachable coupons are considered negotiable because they are easily transferred to another party; whoever has custody of the coupons can cash them.

Non-negotiable securities are not transferrable; thus, only the original holder has the right to the scheduled payments.

- *To eliminate administrative concerns related to the processing of coupons.*

The use of debentures with detachable coupons is no longer common practice. There is the risk that the banking system may cease to accept coupons or begin to charge significant fees to process them.

There have also been significant delays in the process of the coupons clearing the banking system. It is preferable to adopt an alternative, more efficient way of making payments.

- *To eliminate potential problems that sometimes arise when a municipality changes financial institution during the lifetime of a debenture.*

Because the specific banking information required to process the payments are on each coupon, the local government will have to either reprint the debenture or keep the old bank account open until the debenture matures.

If the new form of debenture has no coupons, how will the municipality make its required payments to MFC?

The municipality needs to complete a Pre-Authorized Debit (PAD) form that allows MFC to collect the payments automatically in accordance with the agreed payment schedule.

PAD provides a secure, efficient, cost-effective way for MFC to collect payments from various municipalities. Payments are automatically debited from the municipality's bank account in a timely manner, eliminating the risk of late payment fees.

Will the municipality incur any costs regarding this change?

There will be no cost to the municipality associated with either the conversion of debentures or the set-up of PAD payments.

What is involved in the debenture replacement process?

1. Passing of Required Municipal Bylaw

- The municipality must pass a bylaw authorizing the cancellation of the negotiable debenture and re-issuance of the debenture in the new non-negotiable form.
- Once the municipality finally passes the bylaw, an electronic copy must be provided to the SMB for formal approval at info@smb.gov.sk.ca.

We have attached a sample template.

2. Completion of Pre-Authorized Debit Authorization Form

- The municipality should complete the PAD authorization form and provide a void cheque.

We have attached a blank PAD authorization form.

3. Preparation and Signing of New Debenture

- SMB will print the new non-negotiable form debenture and forward the debenture to the municipality to sign and seal.
- Once the debenture is signed and sealed, the municipality will return the debenture to SMB to be signed and sealed.

4. Delivery of Replacement Debenture to MFC by SMB

5. Delivery of Cancelled Original Debenture to Municipality

- MFC will stamp "cancel" on each of the coupons on the old negotiable debenture and arrange for delivery of the cancelled debenture back to the municipality for their records.

NEXT STEPS:

Once you have had an opportunity to review the information and prepare the necessary initial documentation at your earliest convenience, we request that you submit the following documents by selecting "reply all" to this email:

- one sealed certified true copy of the passed bylaw for the re-issuance of the debenture;
- duly filled and approved PAD payment form; and,
- a void cheque.

Thank you in advance and we appreciate your cooperation in this process.

If you have any questions or need clarification, please do not hesitate to contact us via:

Email: mfc@gov.sk.ca

Telephone: 306-787-8150

Nathan Pettigrew

*Find bylaw
debenture*

**Policies Applicable to
Debentures Held by the Municipal Financing Corporation of Saskatchewan**

Prepayment Policy

1. The Municipal Financing Corporation of Saskatchewan (MFC) requires formal written notice of a borrower's intention to prepay a debenture. The notice should be directed to the General Manager of the Municipal Financing Corporation of Saskatchewan. A minimum of 30 days notice is required, and MFC reserves the right to determine the prepayment date. Payment in full is due on the prepayment date.
2. The price at which a debenture may be prepaid is calculated as the sum of:
 - (a) all amounts of principal and interest due on or before the redemption date that have not yet been paid; plus
 - (b) the fair market value of the remaining principal amount of the debenture as determined by MFC.

After receiving notification of the purchase price, the borrower will have a two week period in which to withdraw from the prepayment transaction.

3. Barring extraordinary circumstances, MFC will not provide new financing to a borrower during the 12 month period following a prepayment of debentures.

Late Payment Policy

1. Failure to make a payment on the scheduled day will result in interest being charged at a rate of 3% + Royal Bank prime.

Note: this policy applies only to debentures held by MFC. Debentures held by other entities are not affected.

**Town of Blaine Lake
Bylaw No. 2020-3**

A Bylaw of the Town of Blaine Lake, in the Province of Saskatchewan to provide for borrowing the sum of Two Million Dollars (\$2,000,000.00) for the purpose of financing the cost of the Water Treatment Plant Project

WHEREAS the Council of the Town of Blaine Lake deems it desirable and necessary to borrow the sum of Two Million Dollars (\$2,000,000.00) for the purpose of financing the cost of the Water Treatment Plant Project; and

WHEREAS the amount of the taxable assessment as shown by the last revised assessment roll thereof, being that for the year of 2019 is the sum of Twenty-Seven Million, Five Hundred and Eighty-One Thousand, Four Hundred and Seventy Dollars (\$27,581,470.00) and;

WHEREAS the total amount of the existing long-term debt of The Town of Blain Lake is the sum of Three Hundred and Eighteen Thousand, Six Hundred and Fifty-Five Dollars (\$318,655.00)

NOW, THEREFORE, Council of the Town of Blaine Lake in the Province of Saskatchewan enacts as follows:

1. **THAT** for the purpose previously mentioned there shall be borrowed on the credit of the Town of Blaine lake at large the sum of Two Million Dollars (\$2,000,000.00) of lawful money of Canada and debentures shall be issued therefore, bearing interest at the rat of two decimal sixty per centum (2.6%) per annum, payable yearly, having coupons attached thereto for the payment of the instalments of principal and interest due in each of the years of the currency of the said debentures.
2. **THE** said debentures shall bear date of June 1, 2020 and the coupons attached thereto represent the respective instalments of principal and interest shall mature on the 1st day of June 2021 to 2040 inclusive respectively. The said coupons shall be payable in lawful money of Canada, at the principal office of the Affinity Credit Union in the town of Leask, Saskatchewan, in Canada.
3. **THE** debentures shall be sealed with the seal of The Town of Blaine Lake and shall be signed by the Mayor and Treasurer and the coupons attached to the said debentures shall each bear signatures of the Mayor and Treasurer. With the exception of the signature of the Treasurer certifying to the registration of the debentures in the securities register of the Town of Blaine Lake, the signatures of the Mayor and Treasurer on the said debentures and on the coupons attached thereto may be reproduced by lithographing or printing or any other method of mechanical reproduction.
4. **DURING** the currency of the said debentures of the sum of One Hundred Twenty-Nine Thousand Five Hundred and Nine and 27/100 Dollars (\$129,509.27) shall be raised annually for the payment of the debt and

5. **THIS BYLAW** shall come into force and take effect on the date of approval being issued by the Saskatchewan Municipal Board, Local Government Committee.

(SEAL)




Mayor: Al Sorenson


Administrator: Brenda Lockhart

Read a third time and finally adopted
This 22nd day of June , 2020.

Certified true copy of a bylaw adopted
By resolution of Council on the 22nd day
of June 2020


Brenda Lockhart, Administrator

(SEAL)





Room 480 • 2151 Scarth Street • Regina, SK S4P 2H8
Phone: 306-787-6221 Fax: 306-787-1610

July 9, 2020

Local Government Committee

Brenda Lockhart
Administrator
Town of Blaine Lake
301 Main Street
BLAINE LAKE SK S0J 0J0

Dear Brenda Lockhart:

Enclosed is formal approval of Bylaw No. 2020-03 pursuant to subsection 163(4) of *The Municipalities Act*.

Also enclosed is Debenture No. 1 in the amount of \$2,000,000.00 with the relevant coupons attached. The annuity debenture has been prepared in this office under the authority of the above-mentioned bylaw and is ready for execution by your Town. Before it is executed you should carefully review the details of the debenture to ensure accuracy.

If debenture details are correct, please complete debenture as follows:

- Administrator and Mayor sign each individual coupon, where provided;
- Administrator and Mayor sign each debenture face in the place provided;
- Place Town of Blaine Lake seal in the space marked **CORPORATE SEAL**;
- Place Securities Register No., date, and signature of the Administrator, in the place provided; and
- Send to Saskatchewan Municipal Board (SMB) for sign and seal by SMB Chair.

Once Debenture No. 1 is signed and sealed by SMB it will be delivered to the Municipal Financing Corporation and they will make arrangements for settlement with the Town of Blaine Lake.

In addition, authorization fees of \$5,000 plus form fees of \$300.00 plus \$15.00 GST (total = \$5,315) are payable when the debenture is forwarded to the Committee for signing and sealing.

Yours truly,

A handwritten signature in black ink, appearing to read 'Lidianne', is written over a horizontal line.

Lidianne Soares,
Financial Analyst

Enclosures



APPROVAL OF BYLAW TO INCUR A DEBT

20-164

*That the Committee approve the **Town of Blaine Lake** to incur a debt of **\$2,000,000** as set out in **Bylaw No. 2020-3** adopted **June 21, 2020**, in accordance with subsection 163(4) of *The Municipalities Act*.*

DATED: JULY 9, 2020

**SASKATCHEWAN MUNICIPAL BOARD
LOCAL GOVERNMENT COMMITTEE**

Per 
Chad Boyko, Acting Chair

THE MUNICIPAL FINANCING CORPORATION OF SASKATCHEWAN

619-2350 Albert Street, Regina, Saskatchewan S4P 4A6
Telephone: 787- 8150
Fax: 787- 8493

February 13, 2024

Town of Blaine Lake
Box 10
Blaine Lake, SK S0J 0J0

Attention: Brenda Lockhart

Dear Brenda,

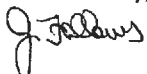
We are pleased to advise that your offer to sell a 20-year annuity debenture dated June 01st, 2020 in the amount of \$2,000,000.00 has been accepted by the Management Committee of the Municipal Financing Corporation of Saskatchewan (MFC).

Upon receiving the debenture from the Saskatchewan Municipal Board, we will issue our cheque for the settlement price, plus accrued interest if applicable. Our required yield for the debenture is 2.60% and this rate will be fixed for the full 20-year term of the debenture. In addition, the Town of Blaine Lake will have the option to prepay the debenture prior to maturity, in accordance with MFC's prepayment policy (see attached).

You may withdraw your application; however, we require notification of withdrawal by June 05th, 2020. The decision to withdraw rests strictly with the Town of Blaine Lake. We do not forecast how rates will change in the future and do not provide advice in this regard.

If you wish to accept this offer, please contact the Saskatchewan Municipal Board to arrange for your debenture to be printed. The debenture will include the amounts to be paid each year; a draft schedule has been attached.

Yours truly,



Jim Fallows

Attachments

cc: Local Government Committee, Saskatchewan Municipal Board



NUMBER

1

DOLLARS

\$2,000,000.00

TOWN OF BLAINE LAKE
IN THE PROVINCE OF SASKATCHEWAN
DEBENTURE

Under the authority of *The Municipalities Act*, and Bylaw No. 2020-3 of the Town of Blaine Lake passed on the 22nd day of June, 2020, the said Town promises to pay the bearer at the principal office of the Affinity Credit Union in the Town of Leask, Saskatchewan, in Canada, in the amount of ***TWO MILLION*** dollars of lawful money of Canada with interest at the rate of 2.60% per annum in twenty consecutive annual instalments according to the terms of the several coupons hereto attached and upon presentation and surrender thereof as the same respectively become due.

DATED the 1st day of June, 2020.

(CORPORATE SEAL)



Issue Authorized

THE SASKATCHEWAN MUNICIPAL BOARD

Chairman

M. Boyle

Allen Simpson
Mayor

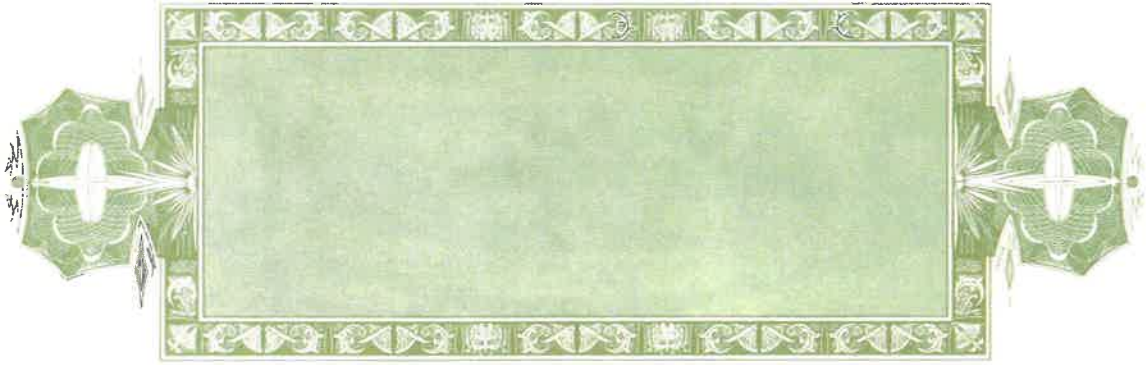
[Signature]
Administrator

(SMB SEAL)

Registered in the Securities
Register as No. 1
under Bylaw No. 2020-3
this 21st day
of July, 2020.

[Signature]
Administrator





1

CANADA
PROVINCE
OF
SASKATCHEWAN

\$2,000,000.00

Town of Blaine Lake
2.60%

Payable at the principal
office of the Affinity Credit
Union in the Town of
Leask, Saskatchewan, in
Canada.

PAYOR'S AUTHORIZATION FOR PRE-AUTHORIZED DEBITS (PAD)

Select all applicable payment types below:

- ☐ **Blended Interest/Principal Payment**
- ☐ **Final Principal Payment**
- ☐ **Annual Coupon Interest**
- ☐ **Late payment interest and NSF fees (when applicable)**

1. Payor's Name and Address – please print.

Payor warrants and represents that the following information is accurate.

Municipality/City:		
Street:		
City:	Province:	Postal Code:
Contact Name:	Telephone:	Fax:
Contact E-mail Address:		

Payor please attach a specimen cheque, marked "VOID", to this payor authorization form (the "Authorization"). Cheques must be drawn on **Canadian bank** accounts in **Canadian dollars** only.

Payor will inform the Payee, in writing, of any change to the information provided in this section of the authorization at **least 10 days** prior to the next due date of the PAD.

2. Payee's Name and Address.

Name of Payee: (the "Payee") Municipal Financing Corporation of Saskatchewan		
Street: 6th Floor - 2350 Albert Street		
City: Regina SK	Postal Code: S4P 4A6	Telephone Number: (306)787-8150
Contact E-mail Address: mfc@gov.sk.ca		

3. Payor acknowledges that this authorization is provided for the benefit of the Payee and the processing institution and is provided in consideration of the processing institution agreeing to process debits against the Payor's account, in accordance with the rules of the Canadian Payments Association.

4. Payor warrants and guarantees that all persons whose signatures are required to authorize withdrawals from the Account have signed the authorization and that all persons signing this authorization are the Payor's authorized signing officers and are empowered to enter into this agreement.

5. Payor hereby authorizes the Payee to issue Business Pads (as defined in Rule H1 of the Rules of the Canadian Payments Association) (the "PAD") drawn on the account, for the purpose of accepting payment.
6. Payor may cancel this authorization at any time upon providing written notice to the Payee at least 30 days in advance of the next authorized payment. A sample cancellation form, along with further information concerning the right to cancel a PAD Agreement, may be obtained by contacting the Payor's financial institutions or visiting www.payments.ca.
7. Payor acknowledges that provision and delivery of the authorization to the Payee constitutes delivery by the Payor to the processing institution. Any delivery of the authorization to the Payee, regardless of the method of delivery, constitutes delivery by the Payor.
8. **Unless otherwise agreed to in writing, the Payee will make available to the Payor:**
 - (a) with respect to fixed amount PADs, written notice of the amount to be debited (the "Payment Amount") and the date(s) on which the payment amount debited will be provided in the form of an amortization schedule at least 10 calendar days before the payment date of the first PAD, and such notice shall be provided every time there is a change in the payment amount or the payment date(s);**
 - (b) with respect to variable amount PADs, written notice of the payment amount and the payment date(s), at least 10 calendar days before the payment date of every PAD; and,**
 - (c) with respect to a PAD plan that provides for the issuance of a PAD in response to a direct action of ours (such as, but not limited to, a telephone instruction) requesting the Payee to issue a PAD in full or partial payment of a billing received by us for a payment obligation that meets the requirements of Rule H1, no notice is required.**
9. The Payee may issue a PAD equal to the sum of all invoice types as selected above.
10. Payor acknowledges that the processing institution is not required to verify that a PAD has been issued in accordance with the particulars of this authorization including, but not limited to, the amount, or that any purpose of payment for which the PAD was issued has been fulfilled by the Payee as a condition to honoring a PAD issued or caused to be issued by the Payee on the account.
11. Revocation of this authorization does not terminate any contract for goods or services that exists between the Payor and the Payee. This authorization applies only to the method of payment and does not otherwise have any bearing on the contract for goods or services exchanged.

12. Payor may dispute a PAD only under the following conditions:

- (i) the PAD was not drawn in accordance with this Authorization;
- (ii) this Authorization was revoked; or,
- (iii) pre-notification, as required under section 7 was not available.

Payor acknowledges that in order to be reimbursed a declaration to the effect that either (i), (ii) or (iii) took place, must be completed and presented to the branch of the processing institution holding the account up to and including 10 calendar days after the date on which the PAD in dispute was posted to the account. Payor acknowledges that when disputing any PAD beyond the time allowed in this section it is a matter to be resolved solely between the Payor and the Payee, outside the payments system.

13. Payor agrees that the information contained in this authorization may be disclosed to the Royal Bank of Canada as required to complete any PAD transaction.

14. Payor has certain recourse rights if any debit does not comply with this agreement. For example, Payor has the right to receive reimbursement for any debit that is not authorized or is not consistent with this PAD agreement. To obtain more information on our recourse rights, Payor may contact our financial institution or visit **www.payments.ca**.

15. Payor understands and accepts the terms of participating in this PAD process.

Municipality Name

Date

(Print Name)

(Authorized Signature)

(Print Name)

(Authorized Signature)

Please send completed PAD application to:

Email: mfc@gov.sk.ca

Or mail to:

6th Floor, 2350 Albert
Street Regina, SK S4P
4A6

Once you have had an opportunity to review the information and prepare the necessary initial documentation at your earliest convenience, we request that you submit the following documents by selecting "reply all" to this email:

- one sealed certified true copy of the passed bylaw for the re-issuance of the debenture;
- duly filled and approved PAD payment form; and,
- a void cheque.

Thank you in advance and we appreciate your cooperation in this process.

If you have any questions or need clarification, please do not hesitate to contact us via:

Email: mfc@gov.sk.ca

Telephone: 306-787-8150

Nathan Pettigrew

Municipal Financing Corporation of Saskatchewan

Government of Saskatchewan

6th Floor-2350 Albert St.

Regina, SK S4P 4A6>

Tel 306-787-8150

mfc@gov.sk.ca



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Nathan Pettigrew

Government of Saskatchewan

Financial Analyst, Financial Services Branch

Corporate Services Branch, Ministry of Finance

2350 Albert St.

Regina, Canada S4P 4A6>

Telephone: 306-787-7783



copy 2@2x

Attachments (1 file, 8.7 KB)

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