

STAFF REPORT TO COUNCIL

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DATE: November 26, 2021

TO: MAYOR AND COUNCIL

NAME AND TITLE: Kris Dalio, Director of Finance

SUBJECT: Security Issue Resolution – Spring 2022 and Debt Relinquishment

ATTACHMENT(S): None

RECOMMENDATIONS:

1. That Council approve borrowing from the Municipal Finance Authority of British Columbia, as part of their 2022 spring issue \$25,500,000 as authorized through "Four Seasons Leisure Pool Replacement Loan Authorization Bylaw No. 8888, 2017" and that the Regional District of Fraser-Fort George be requested to consent to the borrowing over a twenty (20) year term and include the borrowing in its security issuing bylaw.
2. That Council approve borrowing from the Municipal Finance Authority of British Columbia, as part of their 2022 spring issue \$1,320,000 as authorized through "Mausoleum Expansion Phase 2 Loan Authorization Bylaw No. 9008, 2019" and that the Regional District of Fraser-Fort George be requested to consent to the borrowing over a twenty (20) year term and include the borrowing in its security issuing bylaw.
3. That Council approve borrowing from the Municipal Finance Authority of British Columbia, as part of their 2022 spring issue \$2,701,000 as authorized through "Masich Stadium Amenities Refurbish Loan Authorization Bylaw No. 9011, 2019" and that the Regional District of Fraser-Fort George be requested to consent to the borrowing over a twenty (20) year term and include the borrowing in its security issuing bylaw.
4. That Council approve borrowing from the Municipal Finance Authority of British Columbia, as part of their 2022 spring issue \$1,675,000 as authorized through "Ron Brent Park Redevelopment Phase 2 & 3 Loan Authorization Bylaw No. 9012, 2019" and that the Regional District of Fraser-Fort George be requested to consent to the borrowing over a twenty (20) year term and include the borrowing in its security issuing bylaw.
5. That Council approve borrowing from the Municipal Finance Authority of British Columbia, as part of their 2022 spring issue \$1,025,000 as authorized through "14th Avenue Upgrades (Irwin Street to Freeman Street) Loan Authorization Bylaw No. 9013, 2019" and that the Regional District of Fraser-Fort George be requested to consent to the borrowing over a twenty (20) year term and include the borrowing in its security issuing bylaw.

RECOMMENDATIONS:

6. That Council approve borrowing from the Municipal Finance Authority of British Columbia, as part of their 2022 spring issue \$500,000 as authorized through "Domano and St. Lawrence Signalization Loan Authorization Bylaw No. 9014, 2019" and that the Regional District of Fraser-Fort George be requested to consent to the borrowing over a twenty (20) year term and include the borrowing in its security issuing bylaw.
7. That Council approve borrowing from the Municipal Finance Authority of British Columbia, as part of their 2022 spring issue \$800,000 as authorized through "Highway 16 West Frontage – Heyer Road to Henry Road Loan Authorization Bylaw No. 9015, 2019" and that the Regional District of Fraser-Fort George be requested to consent to the borrowing over a twenty (20) year term and include the borrowing in its security issuing bylaw.
8. That Council approve borrowing from the Municipal Finance Authority of British Columbia, as part of their 2022 spring issue \$420,000 as authorized through "Goose Country Road Culvert Replacement Loan Authorization Bylaw No. 9016, 2019" and that the Regional District of Fraser-Fort George be requested to consent to the borrowing over a twenty (20) year term and include the borrowing in its security issuing bylaw.
9. That Council approve the reduction of authorized debt liability under "Mausoleum Expansion Phase 2 Loan Authorization Bylaw No. 9008, 2019" by \$80,000.
10. That Council approve the reduction of authorized debt liability under "14th Avenue Upgrades (Irwin Street to Freeman Street) Loan Authorization Bylaw No. 9013, 2019" by \$175,000.
11. That Council approve the reduction of authorized debt liability under "Goose Country Road Culvert Replacement Loan Authorization Bylaw No. 9016, 2019" by \$680,000.

PURPOSE:

This report has been prepared for the purpose of having Council approve a security issue resolution for the debenture funding of various capital projects.

As part of this report, Administration has also presented a summary of the City's authorized but unissued debt that is available for relinquishment.

POLICY/REGULATORY ANALYSIS:

The previous stages of approval for the capital projects in this report were as follows:

- Capital project was approved by Council in Financial Plan with MFA Debt as funding source
- First three readings of Loan Authorization Bylaw
- Final reading and adoption of Loan Authorization Bylaw after alternative approval process

Once construction of projects are completed and the total costs of the project are known, the final step in funding projects is to confirm the loan amount (via a "security issue") with the Municipal Finance Authority. If a capital project is very large in dollars, the City may need to borrow funds before construction is complete to ensure the availability of funds for the project.

A loan authorization bylaw provides the legal authority for a municipality to enter into debt liability for the project work described in the bylaw. Once adopted, the bylaw is in effect for five years and the value of the

liability is included in the City's debt servicing limit. The authorized debt on the bylaw can be reduced by Council resolution.

STRATEGIC PRIORITIES:

The projects listed in this report requesting a security issue resolution support Council's Priorities of "Sustainable Fiscal Management" and "Sustainable Infrastructure".

FINANCIAL CONSIDERATIONS:

The security issue is described as follows:

Fund	Description	Loan Authorization Bylaw #	Security Issue Request
General	Four Seasons Leisure Pool Replacement	8888	\$25,500,000
	Mausoleum Expansion Phase 2	9008	1,320,000
	Masich Stadium Amenities Refurbish	9011	2,701,000
	Ron Brent Park Redevelopment Phase 2 & 3	9012	1,675,000
	14 th Avenue Upgrades (Irwin Street to Freeman Street)	9013	1,025,000
	Domano and St. Lawrence Signalization	9014	500,000
	Highway 16 West Frontage – Heyer Road to Henry Road	9015	800,000
	Goose Country Road Culvert Replacement	9016	420,000
Total Security Issue Resolution Required			\$33,941,000

This security issue would have a repayment term of 20 years which would begin in the fall of 2022. The general fund would repay the debt for the projects listed above at an estimated annual amount of \$2,350,145.

Debt Relinquishment

It is recommended that Council approve resolutions to reduce the authorization for Loan Authorization Bylaws as listed below. The projects included in these bylaws have been completed or cancelled and there is no longer a need for the unissued amounts.

LA Bylaw	Project	Amount Authorized	Amount Borrowed	Amount Unissued
9008	Mausoleum Expansion Phase 2	\$1,400,000	\$1,320,000	\$80,000
9013	14 th Avenue Upgrades (Irwin Street to Freeman Street)	1,200,000	1,025,000	175,000
9016	Goose Country Road Culvert Replacement	1,100,000	420,000	680,000
TOTAL		\$3,700,000	\$2,765,000	\$935,000

Reducing the authorized liability of these bylaws by the amount unissued will reduce the overall estimated debt servicing costs on the liability servicing limit certificate by approximately \$73,959.

SUMMARY AND CONCLUSION:

A security issue resolution of Council is required in order to complete the debenture funding process for the projects identified in this report. This report details the amount of debenture that is required to be issued and has been prepared in order to meet the deadlines of the Municipal Finance Authority and the Regional District of Fraser-Fort George for the spring issue.

Approving the debt relinquishment recommendations in this report frees up room in the City's Liability Servicing Limit and keeps our debt capacity amounts current.

RESPECTFULLY SUBMITTED:

Kris Dalio, Director of Finance

APPROVED:

Walter Babicz, City Manager
Meeting date: December 6, 2021