

# STAFF REPORT TO COUNCIL

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**DATE:** March 13, 2024

**TO:** MAYOR AND COUNCIL

**NAME AND TITLE:** Kris Dalio, Director of Finance and IT Services

**SUBJECT:** Temporary Borrowing on Loan Authorization Bylaws

**ATTACHMENT(S):** Certified Copy of Civic Facility Roof Replacements 2019-2022 Replacement Loan Authorization Bylaw No. 9009, 2019 and Certificate of Approval from the Inspector of Municipalities  
Certified Copy of Aquatic Centre Renewal and Upgrade Loan Authorization Bylaw No. 9010, 2019 and Certificate of Approval from the Inspector of Municipalities  
Certified Copy of Critical Street Light and Traffic Signal Replacement Loan Authorization Bylaw No. 9017, 2019 and Certificate of Approval from the Inspector of Municipalities

## RECOMMENDATIONS:

1. That Council give first three readings to Temporary Borrowing for the Civic Facility Roof Replacements 2019-2022 Bylaw No. 9461, 2024.
2. That Council give first three readings to Temporary Borrowing for the Aquatic Centre Renewal and Upgrade Bylaw No. 9462, 2024.
3. That Council give first three readings to Temporary Borrowing for the Critical Street Light and Traffic Signal Replacement Bylaw No. 9463, 2024.

## PURPOSE:

This report has been prepared to approve temporary borrowing bylaws needed to extend the life of loan authorization bylaws for in-progress projects. The necessary loan authorization bylaws have been approved by Council and received a certificate of approval from the Inspector of Municipalities as attached to this report.

## POLICY/REGULATORY ANALYSIS:

The authority to borrow under a loan authorization bylaw ends five (5) years from the date of the adoption of the bylaw for any amount authorized by the bylaw that has not already been used to secure borrowing under Section 181 (temporary borrowing under loan authorization bylaw) or 182 (municipal financing through regional district) of the *Community Charter*. Section 181 provides that Council may borrow temporarily against an approved loan authorization bylaw upon the approval of a temporary borrowing bylaw. Money borrowed under this section must be repaid or transferred to long term debt within 5 years from the first advance. There is no obligation to borrow funds. Only adoption of the bylaw is required to extend the life of the loan authorization bylaws. This bylaw is not reviewed or approved by the Ministry.

**STRATEGIC PRIORITIES:**

The projects for which the temporary borrowing has been proposed support Council’s Priorities of “Sustainable Fiscal Management” and “Sustainable Infrastructure”.

**FINANCIAL CONSIDERATIONS:**

LA Bylaw #	Project	Adoption Date	Authorized	Previously Requested or Relinquished	Available
9009	Civic Facility Roof Replacements 2019-2022	June 10, 2019	\$4,670,450	\$3,615,400	\$1,055,050
9010	Aquatic Centre Renewal and Upgrade	June 10, 2019	10,205,500	886,300	9,319,200
9017	Critical Street Light and Traffic Signal Replacement	June 10, 2019	5,000,000	922,100	4,077,900
<b>TOTAL</b>			<b>\$19,875,950</b>	<b>\$5,423,800</b>	<b>\$14,452,150</b>

The intent for the proposed bylaws is only to extend the life of the loan authorization bylaws. At this time, Administration does not foresee using temporary borrowing before the projects are complete. The City has the cash flow required to fund the work. If the cash flow situation changes and temporary financing becomes necessary, there are no additional approvals required from Council after approving the proposed bylaws. A promissory note would need to be signed by the Mayor and the Financial Officer and then the Municipal Finance Authority provides the financing which currently offers an interest rate of 5.56%. Interest based on the principal amount borrowed would be paid monthly and the total cost of interest will be capitalized into the overall project.

Once the projects are complete, Council will be asked to approve a security issue resolution for the issuance of debentures. The debenture issue would also be used to repay the temporary financing, if any.

**SUMMARY AND CONCLUSION:**

Administration is recommending approval of temporary borrowing bylaws needed to extend the life of the loan authorization bylaws for the projects listed above. At this time, Administration intends to fund the projects internally until they are complete and will return to Council with the request for a security issue resolution for the issuance of debentures upon completion.

**RESPECTFULLY SUBMITTED:**

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Kris Dalio, Director of Finance and IT Services

**APPROVED:**

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Walter Babicz, City Manager  
Meeting date: April 8, 2024