

**DATE:** November 18, 2020

**TO:** MAYOR AND COUNCIL

**NAME AND TITLE:** Kris Dalio, Director of Finance

**SUBJECT:** Security Issue Resolution – Spring 2021

**ATTACHMENT(S):** None

**RECOMMENDATIONS:**

That Council:

1. APPROVES borrowing from the Municipal Finance Authority of British Columbia, as part of their 2021 spring issue \$2,725,000 as authorized through “2nd Avenue Parkade Upgrade Loan Authorization Bylaw No. 8745, 2016” 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. APPROVES borrowing from the Municipal Finance Authority of British Columbia, as part of their 2021 spring issue \$15,000,000 as authorized through “Fire Hall #1 Replacement Loan Authorization Bylaw No. 8889, 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.

**PURPOSE:**

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

**BACKGROUND:**

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 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.

**STRATEGIC PRIORITIES:**

The projects listed in this report requesting a security issue resolution supports Council’s Priorities of “Sustainable Fiscal Management” and “Sustainable Infrastructure”.

**FINANCIAL CONSIDERATIONS:**

The security issue is described as follows:

<b>Fund</b>	<b>Description</b>	<b>Loan Authorization Bylaw #</b>	<b>Security Issue Request</b>
General	2 <sup>nd</sup> Avenue Parkade Upgrade	8745	\$2,725,000
	Firehall #1 Replacement	8889	\$15,000,000
<b>Total Security Issue Resolution Required</b>			<b>\$17,725,000</b>

This security issue would have a repayment term of twenty (20) years which would begin in the fall of 2021. The general fund would repay the debt for the projects listed above at an estimated annual amount of \$1,043,847.

**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 fall issue.

**RESPECTFULLY SUBMITTED:**

Kris Dalio, Director of Finance

**APPROVED:**

Walter Babicz, Acting City Manager

Meeting Date: [2020/12/07]