

Request for Decision



To: Regular Meeting
From: Chief Financial Officer
Date: July 15, 2019
Subject: Long Term Borrowing for the Fall 2019 MFA Issue - Loan Authorization Bylaws No. 1922 and 1923
Recommendation: **RESOLUTION NO. 1**

THAT Council approves borrowing from the Municipal Finance Authority of British Columbia, as part of the 2019 Fall Borrowing Session, \$425,000 as authorized through the “City of Grand Forks Emergency Water Supply for Fire Protection Loan Authorization Bylaw No 1922, 2011” and that the Regional District of Kootenay Boundary be requested to consent to the City’s borrowing over a twenty-five year term and include the borrowing in a Security Issuing Bylaw.

RESOLUTION NO. 2

THAT Council approves borrowing from the Municipal Finance Authority of British Columbia, as part of the 2019 Fall Borrowing Session, \$1,495,000 as authorized through the “City of Grand Forks Capital Renewal Loan Authorization Bylaw No 1923, 2011” and that the Regional District of Kootenay Boundary be requested to consent to the City’s borrowing over a twenty-five year term and include the borrowing in a Security Issuing Bylaw.

Background

The City has two approved loan authorization bylaws which were adopted in 2012 in order to fund the West Side emergency water supply for fire protection project and the construction of multi-utility road, water and sewer capital works. Temporary borrowing bylaws were adopted in September 2014 to fund these projects until completion. As the promissory notes securing the temporary borrowing mature at the end of September, this interim financing needs to be converted to long term debt through the Municipal Finance Authority’s Fall Issue.

The City must advise the Regional District of Kootenay Boundary of its intent to borrow long-term through a Municipal Security Issuing Resolution and request the Regional District's consent to undertake the financing. In order to meet the MFA fall issue deadline of August 9th, the resolutions for approval here are required for RDKB Board approval on July 25th.

There is currently \$381,590 outstanding on the West Side fire protection temporary loan, with an additional approximately \$43,500 of funding required in 2019, for a total long-term borrowing amount of \$425,000. The long-term borrowing request for the multi-utility capital project is \$1,495,000, which includes the loan balance of \$1,463,231 plus \$31,769 to complete the 22nd Street project.

The current 10 year loan rate with the Municipal Finance Authority is 2.44%, with estimated annual interest and principal payments of \$22,027 and \$77,483 over the twenty-five year term.

Benefits or Impacts

General

A security issuing resolution of Council is required for the Regional District of Kootenay Boundary's July 25th meeting in order to proceed with the long-term debt funding process for the emergency water supply for fire protection and multi-utility capital projects.

Strategic Impact



Fiscal Responsibility

- The estimated annual loan payments total \$99,510 with a repayment term of 25 years. Repayment of these loans has been included in the 2019-2023 Five Year Financial Plan.

Policy/Legislation

Community Charter Section 179

Attachments

City of Grand Forks Emergency Water for Fire Protection Loan Authorization Bylaw No. 1922, 2011 and Temporary Borrowing Bylaw No. 1950, 2014.

City of Grand Forks Capital Renewal Loan Authorization Bylaw No. 1923, 2012 and Temporary Borrowing Bylaw No. 1998, 2014.

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Options

1. THAT Council accepts the report.
2. THAT Council does not accept the report.
3. THAT Council refers the matter back to staff for further information.

Report Approval Details

Document Title:	Long Term Borrowing Fall Issue - Bylaw 1922 and 1923.docx
Attachments:	- Bylaws 1922 and 1950 - Emergency Water Supply.pdf - Bylaws 1923 and 1998 - Capital Renewal.pdf
Final Approval Date:	Jul 4, 2019

This report and all of its attachments were approved and signed as outlined below:

No Signature - Task assigned to Diane Heinrich was completed by assistant Daniel Drexler

Diane Heinrich - Jul 4, 2019 - 6:28 PM