

District of Sicamous

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Report

DATE: June 22, 2017
TO: Mayor and Council
FROM: Kelly Bennett, Chief Financial Officer
SUBJECT: MFA Borrowing for Water Treatment Plant – Bylaw 871

Recommendation:

THAT Council approve borrowing from the Municipal Finance Authority of British Columbia, as part of their Fall 2017 Borrowing Session, \$4,307,434 as authorized through Loan Authorization Bylaw No. 871, The District of Sicamous Water Treatment Plant – Local Area Service Bylaw No. 871, 2014 and that the Columbia Shuswap Regional District be requested to consent to our borrowing over a term of twenty-five years and include the borrowing in their Security Issuing Bylaw.

Issue:

A Council resolution is required to support the authorization of long-term borrowing through the Municipal Finance Authority of British Columbia.

Discussion:

The District of Sicamous Water Treatment Plant – Local Area Service – Bylaw No. 871, 2014 was adopted and approved in past years (*bylaw attached for information purposes*). This bylaw gives the District of Sicamous authority to borrow up to a maximum amount of \$4,399,000 for the purposes of the construction of the water treatment plant. As there are no further expected capital expenditures related to this project, it is necessary to get authorization to move the short-term draws into long-term financing in the Fall 2017 issue. Attached is a summary of total project costs and funding sources used.

In order for the Fall borrowing to take place, Council must approve the recommended resolution and forward it on to the Columbia Shuswap Regional District (CSRD). The CSRD will need to include our borrowing in their Security Issuing Bylaw which must be adopted by their Board. For additional information on the long-term borrowing process, refer to the Fall 2017 Borrowing Information Sheet attached – as provided by MFA.

Currently long-term lending rates are 2.8% for the first 10 years, at the end of 10 years, the lending rate will be reset at the MFA market rate at that time.

If you have any questions please contact me, and I would be happy to provide additional clarification.

Respectfully submitted,

A handwritten signature in black ink that reads "Kelly Bennett".

Kelly Bennett, CA, CPA

Chief Financial Officer

Attachments: Bylaw 871; Cost and Funding Summary; MFA Information Sheet