

Borrowing Bylaw 1-2017: Ardrossan Collection System (Wastewater) Upgrade Project**Report Purpose**

To amend Bylaw 68-2015 for Ardrossan Collection System (Wastewater) Upgrade project and to recommend a corresponding borrowing bylaw.

Recommendation

THAT Bylaw 1-2017, a bylaw to amend Bylaw 68-2015 to approve an increase in the incurrence of indebtedness by the issuance of debentures or loans for the purpose of the Ardrossan Collection System (Wastewater) Upgrade project, be given first reading.

Council History

February 2, 2016 – Council Approved Borrowing Bylaw 68-2015.

December 8, 2015 – Council Approved the 2016 Consolidated Budget.

Strategic Plan Priority Areas

Economy: A borrowing bylaw facilitates the financing of projects approved in the capital budget that contribute towards effective and efficient municipal infrastructure.

Governance: n/a

Social: n/a

Culture: n/a

Environment: n/a

Other Impacts

Policy: FIN-001-025: Debt Management Policy

Legislative/Legal: Sections 251 through 263 of the *Municipal Government Act (MGA)*, R.S.A. 2000, c.M-26 govern municipal borrowing. Section 606 of the MGA sets out the requirements for advertising proposed bylaws.

Interdepartmental: Financial Services, Utilities, Legislative and Legal Services

Summary

This proposed borrowing bylaw is addressing the financing of the project (how we pay) and does not impact the funding of the project (who pays).

The Ardrossan Collection System (Wastewater) Upgrade project was approved for \$6,905,000 as part of the 2016 budget process with funding for this project as 65% off-site developer levies and 35% utility user rates (to be financed by debt). At the time of project approval, administration identified that based on the uncertainty of when the off-site developer levy revenue will be received (as identified through the 2016 Business Planning and Budget process), the off-site developer levy portion will need to be interim financed by Utility Debentures. If off-site developer levy revenue has not been received before the debenture payments start, then the Utility Reserve 11.4440.6 will be used to finance the debenture payments if necessary (see Enclosure 3).

A borrowing bylaw was created for the amount of the project funded by utility rates but has not yet been completed to finance the amount funded by off-site developer levies. An amendment to this borrowing bylaw is enclosed (see Enclosure I) for the interim financing portion. Originally \$4,488,600 was identified for interim financing but due to projected savings only \$1,750,000 of interim financing is required.

Communication Plan

Newspaper Advertisement

Enclosure

- 1 Borrowing Bylaw 1-2017 (Document: 9634277)
- 2 Borrowing Bylaw 68-2015 (Document: 8266232)
- 3 December 8, 2015: Approved 2016 Consolidated Budget (Enclosure IV, page 10)
(Document: 8152953)

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Page 3 of 3

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