



COUNCIL REPORT

To: Mayor and Council

Date: September 24, 2024

From: Ron Bowles, CAO

Subject: **Temporary Borrowing Bylaw for Firehall 32 Construction**

Report Prepared by: Warren Everton, Director of Finance/CFO

RECOMMENDATION to Consider and Resolve:

THAT Council give first, second and third reading to the City of West Kelowna Fire Hall Temporary Borrowing Bylaw No. 321, 2024.

STRATEGIC AREA(S) OF FOCUS

Invest in Infrastructure – We will invest in building, improving and maintaining infrastructure to meet the needs of, and to provide a high quality of life for, current and future generations.

Foster Safety and Well-Being – We will pursue through direct action, advocacy, and collaboration with local and regional service providers, investments in community health, needs-based housing, emergency preparedness, policing, and other services that foster safety and well-being in West Kelowna.

LEGISLATIVE REQUIREMENTS

As provided by the Community Charter Section 181, a Council that has adopted a loan authorization bylaw may, by bylaw, temporarily borrow money not exceeding the difference between the total amount authorized by the loan authorization bylaw and the amount already borrowed in relation to that bylaw. To the extent necessary, the proceeds of the borrowing under Section 182 must be used to repay the money temporarily borrowed.

DISCUSSION

At the March 26th, 2024 Regular Meeting, Council adopted Loan Authorization Bylaw No. 313 after concluding an Alternative Approval Process (AAP) as required under the *Community Charter*. At that time staff reported that the replacement of Firehall No. 32 was a Strategic Priority of Council and that extensive preliminary work was completed by

the City Project team, which included representation from Fire Rescue, Facilities, Parks, Engineering, Finance and Administration. Through this work a high-level concept plan was developed to guide the process and was instrumental to the progressive design build program which was designed to manage expectations and keep costs down. Also, through continued budget work the City transfers funds into the Firehall reserve annually to pay for a significant portion of the project. The reserve fund is projected to have a balance of \$3.8 million by the time funds would need to be drawn.

Taking the next step of establishing a temporary borrowing bylaw allows the City to move forward with the main construction phase of the Firehall Project while balancing cash flow and reserve spending. As invoices are submitted and accepted by the City, the temporary borrowing regime allows for periodic draws on the debt throughout the project as needed. Each of the funding sources would be drawn upon in sequence starting with borrowing and tracked in relation to the overall cost of the project. It is also important to reiterate that in the event the project completes under budget, only the proportional cash outlay would be converted to long-term debt thereby saving taxpayers money in the long-term.

FINANCIAL IMPLICATIONS

Now that the cash outlay for the project is accelerating cash needs are reevaluated and planned for weekly. Currently, cash is relatively abundant but will start to see added pressure as we approach the new budget year.

COUNCIL REPORT / RESOLUTION HISTORY

Date	Report Topic / Resolution	Resolution No.
Nov 28, 2023	THAT Council direct Administration to complete an Alternative Approval Process (AAP), to gain elector assent, in 2024, for the Firehall 32 Project; AND THAT “City of West Kelowna Loan Authorization Bylaw No. 0313, 2023”, a bylaw to authorize the borrowing of up to \$8,000,000 towards the construction of a new Fire Hall 32 building, be read a first, second and third time, by title only, on this 28th of November 2023. CARRIED UNANIMOUSLY	C387/23
March 26, 2024	THAT the report titled “Sufficiency Report for the Fire #32 Replacement Project – Alternative Approval Process”, dated March 26, 2024 from the Legislative Services Manager/Corporate	C099/24

**Officer and Deputy CAO/Deputy Corporate
Officer, be received for information;
AND THAT City of West Kelowna Loan
Authorization Bylaw No. 0313, 2023 be adopted.
CARRIED UNANIMOUSLY**

Alternate Recommendation to Consider and Resolve:

THAT Council postpone first, second and third reading of the City of West Kelowna Fire Hall Temporary Borrowing Bylaw No. 321, 2024.

Should Council postpone consideration of Bylaw No. 321, additional direction for Staff would be requested.

REVIEWED BY

Trevor Seibel, Deputy CAO

APPROVED FOR THE AGENDA BY

Ron Bowles, CAO

PowerPoint: Yes No

Attachments:

Temporary Borrowing Bylaw 0321, 2024