



## COUNCIL REPORT

To: Mayor and Council

Date: October 8, 2024

From: Ron Bowles, CAO

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

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

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**RECOMMENDATION** to Consider and Resolve:

**THAT** Council adopt 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 26<sup>th</sup>, 2024 Regular Meeting, Council adopted Loan Authorization Bylaw No. 313 for \$8 million after concluding an Alternative Approval Process (AAP) as required under the *Community Charter*.

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. The chart below lays out the various funding sources budgeted for the project.

Construction Costs:	14,314,900
Debt	8,000,000
Reserves	3,800,000
Developer contributions	150,000
Parks DCC	1,187,000
Growing Communities Fund	1,177,900
	14,314,900

## COUNCIL REPORT / RESOLUTION HISTORY

Date	Report Topic / Resolution	Resolution No.
<b>Nov 28, 2023</b>	<b>THAT</b> Council direct Administration to complete an Alternative Approval Process (AAP), to gain elector assent, in 2024, for the Firehall 32 Project; <b>AND THAT</b> “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. <u>CARRIED UNANIMOUSLY</u>	<b>C387/23</b>
<b>March 26, 2024</b>	<b>THAT</b> the report titled “Sufficiency Report for the Fire #32 Replacement Project – Alternative Approval	<b>C099/24</b>

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Process”, dated March 26, 2024 from the Legislative Services Manager/Corporate 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

**Sept 24,  
2024**

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

**C243/24**

CARRIED UNANIMOUSLY

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**Alternate Recommendation** to Consider and Resolve:

**THAT** Council rescind third reading of the City of West Kelowna Fire Hall Temporary Borrowing Bylaw No. 321, 2024 in order to forgo temporary borrowing in favour of proceeding directly to long-term borrowing.

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Should Council discontinue consideration of Bylaw No. 321, funding resources would likely be stretched while allowing for the MFA intake timing needed to read, adopt and process the necessary security issuing bylaw through the Regional District and Provincial Ministry.

**REVIEWED BY**

Trevor Seibel, Deputy CAO

**APPROVED FOR THE AGENDA BY**

Ron Bowles, CAO

PowerPoint: Yes  No

**Attachments:**

Temporary Borrowing Bylaw 0321, 2024