



COUNCIL REPORT

To: Mayor and Council

Date: January 14, 2025

From: Ron Bowles, Chief Administrative Officer

Subject: **City of West Kelowna Municipal Security Issuing Resolution**

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

RECOMMENDATION to Consider and Resolve:

THAT Council approves borrowing from the Municipal Finance Authority of British Columbia (MFA), as part of their 2025 Spring Borrowing Session, \$11,000,000 as authorized through the City of West Kelowna Loan Authorization Bylaw No. 0272, 2020;

AND THAT Regional District Central Okanagan (RDCO) be requested to consent to the City borrowing \$11,000,000 over a 25-year term and include the borrowing in their next security issuing bylaw;

AND FURTHER THAT Council approves applying the \$11,000,000 proceeds obtained through the RDCO's Security Issuing Bylaw to offset MFA funds already received by the City through the City of West Kelowna Temporary Borrowing Bylaw No. 0290.

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.

Strengthen Our Community – We will provide opportunities for the residents of West Kelowna to build connections, celebrate successes, embrace the community's strengths and diversity, address shared needs, and contribute to shaping the community's future.

BACKGROUND

In February of 2020 the City Hall Loan Authorization Bylaw 0272 for \$11,000,000 progressed through first to third readings with adoption later that year on October 6th. From there Temporary Borrowing Bylaw 0290 was brought forward and adopted October 25th with this bylaw being drawn upon throughout the project's building phase from January 2022 to February 2024. In this respect cash flow for the project was available as needed with reserve funding to be allocated at the end of the project. Conversion of the temporary borrowing to long-term debt is now required to finalize the loan and setup the twenty-five-year repayment scheme.

FINANCIAL IMPLICATIONS

The payments for the City Hall borrowing were designed to come from the yearly transfer to reserve amounts of \$700,000 once the reserve was fully utilized and funding of it completed. When activated the long-term debt schedule is expected to be close to that level by the time the loan is finalized through the MFA. Currently rates are trending down with the posted January 7th 10-year rate at 4.02%.

NEXT STEPS

Once the Municipal Security Issuing Resolution (MSIR) is passed a package containing it along with the Loan Authorization Bylaw, Certificate of Approval and Liability Limiting Certificate will be sent to the Regional District of Central Okanagan. The Regional District then incorporates the City's request into the Regional District Security Issuing Bylaw. It then reads the bylaw three times and adopts. From there the RDCO has a ten-day quashing period before issuing their Corporate Officer's Certificate for filing with the Ministry of Community Development. After that the Ministry produces the Certificate of Approval and that certificate along with the Security Issuing Bylaw is sent to the MFA who in turn issues the funds. The MFA will then apply the funds against the City's temporary borrowing under Bylaw 0290 thereby cancelling the liability and creating the long-term debt at the applicable 10-year rate.

COUNCIL REPORT / RESOLUTION HISTORY

Date	Report Topic / Resolution	Resolution No.
October 6, 2020	City Hall Loan Authorization Bylaw Adoption THAT Council adopt the “City of West Kelowna City Hall Loan Authorization Bylaw No. 0272, 2020.”	C246/20
October 26, 2021	Adoption of Temporary Borrowing Bylaw for City Hall Construction THAT Council adopt the West Kelowna City Hall Temporary Borrowing Bylaw 0290,2021	C323/21

REVIEWED BY

Trevor Seibel, Deputy CAO

APPROVED FOR THE AGENDA BY

Ron Bowles, Chief Administrative Officer

PowerPoint: Yes No

Attachments:

Loan Authorization Bylaw 0272

Temporary Borrowing Bylaw 0290