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**REPORT TO FINANCE COMMITTEE
MEETING OF WEDNESDAY, JULY 05, 2023**

SUBJECT **Bylaw No. 4559: Temporary Borrowing (Regional Parks Land Acquisition)
Bylaw No. 1, 2023**

ISSUE SUMMARY

Approval of a Temporary Borrowing Bylaw authorizing short-term funds for projects included in the approved five-year capital plan for the Regional Parks Land Acquisition.

BACKGROUND

At its meeting of February 8, 2023, the Capital Regional District (CRD) Board adopted Loan Authorization Bylaw No. 4506 intended to fund Land Acquisitions within the Regional Parks Service. A temporary borrowing bylaw is necessary when there is a requirement for short-term financing of capital expenditures prior to the issuance of long-term debt.

Temporary borrowing bylaws authorize interim financing through the Municipal Finance Authority (MFA). The proposed temporary borrowing bylaw No. 4559 authorizes temporary borrowing against Bylaw No. 4506 Regional Parks Loan Authorization Bylaw No. 1, 2022.

The following temporary borrowing bylaw is proposed:

Service Area	Action	Purpose	Bylaw
1.280A	Temporary Borrowing Bylaw No.1	Short-term funding land acquisition arising from the approved capital plan	4559 Temporary Borrowing (Regional Parks Land Acquisition) Bylaw No. 1, 2023

ALTERNATIVES

Alternative 1

The Finance Committee recommends to the Capital Regional District Board:

1. That Bylaw No. 4559, Temporary Borrowing (Regional Parks Land Acquisition) Bylaw No. 1, 2023, be introduced and read a first, second and third time; and
2. That Bylaw No. 4559 be adopted.

Alternative 2

That Bylaw No. 4559 be referred back to staff for additional information.

IMPLICATIONS

Financial Implications

The proposed temporary borrowing bylaw will give the CRD access to interim financing according to the terms specified in Loan Authorization Bylaw No. 4506. Temporary borrowing will not exceed the difference between the total \$25,000,000 authorized by the loan authorization bylaw and the amount previously borrowed under this authority. The use of the temporary borrowing will be based on the timing of approved capital expenditures. The associated financing costs will be monthly variable interest-only payments. Currently, MFA’s short-term borrowing rate is 5.06% (variable rate as of May 31, 2023). Financial implications for borrowings are included within the approved financial plan bylaw for the respective years.

The temporary borrowing will be converted to long-term borrowing at terms stated in the loan authorization bylaw and timed with the spring or fall long term debt issues by MFA. Before long term debt issuance can be exercised, a security issuing bylaw will be brought forward for approval.

CONCLUSION

Temporary borrowing authority, through the approval of the Temporary Borrowing (Regional Parks Land Acquisition) Bylaw No. 4559, is required to access interim financing to fund the acquisition of Regional Park land. Timely access to borrowed funds is critical to meeting the approved five-year capital program. All temporary borrowings will be either repaid within five years or converted to long-term debt up to the maximum stated in the approved Loan Authorization Bylaw No. 4506.

RECOMMENDATION

The Finance Committee recommends to the Capital Regional District Board:

1. That Bylaw No. 4559, Temporary Borrowing (Regional Parks Land Acquisition) Bylaw No. 1, 2023, be introduced and read a first, second and third time; and
2. That Bylaw No. 4559 be adopted.

Submitted by:	Rianna Lachance, BCom, CPA, CA, Senior Manager, Financial Services
Concurrence:	Nelson Chan, MBA, FCPA, FCMA, Chief Financial Officer
Concurrence:	Larisa Hutcheson, P. Eng., General Manager, Parks & Environmental Services
Concurrence:	Kristen Morley, J.D., General Manager, Corporate Services & Corporate Officer
Concurrence:	Ted Robbins, B. Sc., C. Tech., Chief Administrative Officer

ATTACHMENT

Appendix A: Bylaw No. 4559, Temporary Borrowing (Regional Parks Land Acquisition) Bylaw No. 1, 2023