

**REPORT TO FINANCE COMMITTEE
MEETING OF WEDNESDAY, JULY 2, 2025**

SUBJECT **Bylaw No. 4687: Temporary Borrowing (Sooke and Electoral Area Recreation and Facilities Service) Bylaw No. 1, 2025**

ISSUE SUMMARY

Approval of a temporary borrowing bylaw authorizing short-term funds for projects included in the approved five-year capital plan for the Sooke and Electoral Area Parks and Recreation Commission (SEAPARC) recreational service capital.

BACKGROUND

On June 11, 2025, the Capital Regional District (CRD) Board adopted Bylaw No. 4634, "Sooke and Electoral Area Recreation and Facilities Service Loan Authorization Bylaw No. 1, 2025", to fund the construction of the Recreational Services Capital. A temporary borrowing bylaw is required when short-term financing is requested to fund capital expenditures in advance of long-term debt issuance.

A temporary borrowing bylaw is required to provide short-term financing for the capital plan before long-term debt is issued. Long-term debt will be issued near or at capital project completion and the total borrowing amount is finalized. Converting temporary borrowing to long-term debt also requires Board approval. At that time, staff will bring forward a Security Issuing Bylaw for the Board's approval, in advance of the regular Municipal Finance Authority (MFA) spring or fall long-term debt issuances.

The following temporary borrowing bylaw is proposed:

Service Area	Action	Purpose	Bylaw
SEAPARC	Temporary Borrowing Bylaw No. 4687	Construction of the Recreational Services Capital	Temporary Borrowing (Sooke and Electoral Area Recreation and Facilities Service) Bylaw No. 1, 2025

ALTERNATIVES

Alternative 1

The Finance Committee recommends to the Capital Regional District Board:

1. That Bylaw No. 4687, "Temporary Borrowing (Sooke and Electoral Area Recreation and Facilities Service) Bylaw No. 1, 2025", be introduced and read a first, second and third time; and
2. That Bylaw No. 4687 be adopted.

Alternative 2

That Bylaw No. 4687 be referred back to staff for additional information.

IMPLICATIONS

Financial Implications

The proposed temporary borrowing bylaw will give the CRD access to interim financing under the terms specified in loan authorization Bylaw No. 4634. Temporary borrowing will not exceed the remaining balance of the \$3,150,000 million authorized by the loan authorization bylaw, after subtracting any amounts already drawn which, as of July 9, 2025, are nil. Borrowings will be drawn in accordance with the timing of the approved capital expenditures. Associated financing costs will be monthly, variable, interest-only payments. Currently, MFA's short-term borrowing rate is 3.27% (variable rate as of May 26, 2025). Cash flows required to service short-term debt are included in the approved financial plan.

CONCLUSION

Temporary borrowing authority, through the approval of the Temporary Borrowing (Sooke and Electoral Area Recreation and Facilities Service) Bylaw No. 4687, is required to access interim financing to fund the Recreational Service Capital Projects. 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. 4634.

RECOMMENDATION

The Finance Committee recommends to the Capital Regional District Board:

1. That Bylaw No. 4687, "Temporary Borrowing (Sooke and Electoral Area Recreation and Facilities Service) Bylaw No. 1, 2025", be introduced and read a first, second and third time; and
2. That Bylaw No. 4687 be adopted.

Submitted by:	Varinia Somosan, CPA, CGA, Sr. Mgr., Financial Services / Deputy CFO
Concurrence:	Nelson Chan, MBA, FCPA, FCMA, Chief Financial Officer, GM Finance & IT
Concurrence:	Luisa Jones, MBA, General Manager, Parks, Recreation & 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. 4687, "Temporary Borrowing (Sooke and Electoral Area Recreation and Facilities Service) Bylaw No. 1, 2025"