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## REPORT TO THE SOOKE & ELECTORAL AREA PARKS AND RECREATION COMMISSION MEETING OF TUESDAY, MAY 05, 2026

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**SUBJECT**     **Municipal Finance Authority of British Columbia Equipment Financing Program Borrowing Resolution for Sooke and Electoral Area Recreation and Facilities Service**

### **ISSUE SUMMARY**

A Board borrowing resolution is required to authorize borrowing for the Sooke and Electoral Area Recreation and Facilities Service (SEAPARC) under the Municipal Finance Authority of British Columbia (MFABC) Equipment Financing Program.

### **BACKGROUND**

The Capital Regional District (CRD) Board approved the 2026-2030 Financial Plan Bylaw No. 4751 on March 11, 2026. The approved financial plan included \$60,000 in the SEAPARC capital plan for the replacement of a golf course turf aerator, to be funded through the MFABC Equipment Financing Program. Authorization to borrow through this program requires approval of a borrowing resolution by the Board.

The related annual debt payment was also included in the approved 2026-2030 Financial Plan.

### **ALTERNATIVES**

#### *Alternative 1*

The Sooke & Electoral Area Parks and Recreation Commission recommends to the Capital Regional District Board:

1. That the Board of the Capital Regional District authorize borrowing of up to \$60,000 under section 403 of the *Local Government Act*, which applies section 175 of the *Community Charter* to regional districts, through the MFABC Equipment Financing Program for the purchase of a golf course turf aerator for the Sooke and Electoral Area Recreation and Facilities Service; and
2. That the loan be repaid within five (5) years, with no right of renewal.

#### *Alternative 2*

That the resolution be deferred pending further analysis by CRD Staff.

### **IMPLICATIONS**

#### *Financial Implications*

For regional districts, liabilities under agreement are governed by section 175 of the *Community Charter*, as applied by section 403 of the *Local Government Act*.

The MFABC Equipment Financing Program provides borrowing for equipment purchases. Through this program, the CRD retains ownership of the asset and borrows at a variable interest

rate with fixed payment schedules. There are no fees to set up or discharge the agreement, no taxes on payments, and no penalties for early repayment or additional principal payments. These loans are direct obligations of the entity requesting funding.

The proposed borrowing term is up to five (5) years, which aligns with the expected service life of the equipment. The current Equipment Financing Program borrowing rate is 2.80% as of March 2026 and is subject to change. The estimated cost is \$1,075 monthly on a 60-month loan with a total interest of \$4,500 based on current rates. Payments will be funded through requisition.

**CONCLUSION**

The approved 2026-2030 Financial Plan includes \$60,000 for replacement of a golf course turf aerator for the Sooke and Electoral Area Recreation and Facilities Service, to be funded through the MFABC Equipment Financing Program. Board approval of the attached borrowing resolution is required to proceed.

**RECOMMENDATION**

The Sooke & Electoral Area Parks and Recreation Commission recommends to the Capital Regional District Board:

1. That the Board of the Capital Regional District authorize borrowing of up to \$60,000 under section 403 of the *Local Government Act*, which applies section 175 of the *Community Charter* to regional districts, through the MFABC Equipment Financing Program for the purchase of a golf course turf aerator for the Sooke and Electoral Area Recreation and Facilities Service; and
2. That the loan be repaid within five (5) years, with no right of renewal.

Submitted by:	Melanie Alsdorf, Senior Manager, SEAPARC Recreation
Concurrence:	Luisa Jones, MBA, General Manager, Parks, Recreation & Environmental Services
Concurrence	Nelson Chan, MBA, FCPA, FCMA, Chief Financial Officer & General Manager, Finance & Technology
Concurrence:	Ted Robbins, B. Sc., C. Tech., Chief Administrative Officer

**ATTACHMENT**

Appendix A: Borrowing Resolution for Equipment Financing Program with the Municipal Finance Authority