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**REPORT TO CAPITAL REGIONAL DISTRICT BOARD
MEETING OF WEDNESDAY, JULY 8, 2026**

SUBJECT Bylaw No. 4793: Temporary Borrowing (West Shore RCMP Detachment Expansion) Bylaw No. 1, 2026

ISSUE SUMMARY

Board adoption of a temporary borrowing bylaw is requested to authorize the Capital Regional District (CRD) to borrow up to \$103 million on a temporary basis for capital expenditures authorized under Loan Authorization Bylaw No. 4693 for the West Shore Royal Canadian Mounted Police (RCMP) Detachment Expansion – Debt Service.

BACKGROUND

On June 10, 2026, the CRD Board adopted Bylaw No. 4693, “West Shore RCMP Detachment Expansion Loan Authorization Bylaw No. 1, 2025”, authorizing borrowing of up to \$103 million to purchase real and other property and to design and construct the expansion of the West Shore RCMP detachment. A temporary borrowing bylaw is required if the CRD intends to obtain interim financing for capital expenditures before long-term debt is issued.

Adoption of Bylaw No. 4775, “2026 to 2030 Financial Plan Bylaw, 2026, Amendment Bylaw No. 2, 2026”, would incorporate into the approved financial plan the \$103 million borrowing, applicable borrowing costs and related financial plan adjustments required to reflect the signed “West Shore RCMP Building Cost Sharing” Memorandum of Understanding.

Loan Authorization Bylaw No. 4693 is currently within its statutory one-month challenge period. The Board may adopt the temporary borrowing bylaw during this period; however, the CRD cannot obtain an advance through the Municipal Finance Authority (MFA) of British Columbia until the provincial Certificate of Approval for Loan Authorization Bylaw No. 4693 has been received and MFA has approved the temporary borrowing application.

The outstanding temporary borrowing is expected to be repaid using the net proceeds from \$103 million of long-term borrowing through MFA’s spring 2027 long-term debt issue. Long-term borrowing will require the Board to adopt a security issuing bylaw at a future meeting. The following temporary borrowing bylaw is proposed:

Service Area	Action	Purpose	Bylaw
West Shore RCMP Detachment Expansion – Debt Service	Temporary Borrowing Bylaw No. 4793	To authorize temporary borrowing for capital expenditures under Loan Authorization Bylaw No. 4693	Temporary Borrowing (West Shore RCMP Detachment Expansion) Bylaw No. 1, 2026

ALTERNATIVES

Alternative 1

1. That Bylaw No. 4793, “Temporary Borrowing (West Shore RCMP Detachment Expansion) Bylaw No. 1, 2026”, be introduced and read a first, second and third time; and
2. That Bylaw No. 4793 be adopted.

Alternative 2

That Bylaw No. 4793 be referred back to staff for additional information.

IMPLICATIONS

Adoption of the proposed temporary borrowing bylaw would authorize the CRD to borrow temporarily under Loan Authorization Bylaw No. 4693. Temporary borrowing may not exceed the \$103 million authorized under the loan authorization bylaw, reduced by amounts previously borrowed under the bylaw. To date no amounts have been borrowed. Accordingly, the maximum temporary borrowing authority available under the proposed bylaw is \$103 million.

Adoption of the proposed bylaw would not commit the CRD to borrow the full amount. Under the current financing plan, however, the CRD plans to request \$101.97 million in temporary borrowing. This amount would align with the net proceeds from a \$103 million long-term borrowing request through MFA’s spring 2027 long-term debt issue, after the required 1% contribution to the MFA’s Debt Reserve Fund.

The amount and timing of the advance will depend on project requirements, the approved financial plan, MFA funding availability and completion of the applicable approval processes. The financing approach may be revised if MFA requirements, market conditions or other circumstances change.

MFA temporary financing bears interest at a variable rate on the outstanding balance. MFA’s short-term borrowing rate was 2.88% as of June 10, 2026. Actual interest costs will depend on the amount advanced, the timing of the advance and the rates in effect while the funds remain outstanding.

No temporary advance will be obtained until the provincial Certificate of Approval has been received, MFA has approved the temporary borrowing application and borrowing proceeds and applicable temporary borrowing costs have been incorporated into the approved financial plan.

Under the current financing plan, the outstanding temporary borrowing would be repaid using the net proceeds from \$103 million of long-term borrowing through MFA’s spring 2027 long-term debt issue. Long-term borrowing will require the Board’s future adoption of a security issuing bylaw and completion of the applicable provincial and MFA processes.

CONCLUSION

Adoption of Temporary Borrowing Bylaw No. 4793 would authorize temporary borrowing of up to \$103 million for the West Shore RCMP Detachment Expansion but would not commit the CRD to borrow the full amount.

The outstanding temporary borrowing is expected to be repaid using the net proceeds from \$103 million of long-term borrowing through MFA’s spring 2027 long-term debt issue. This approach remains subject to applicable approvals and may be revised if project or financing circumstances change.

RECOMMENDATION

1. That Bylaw No. 4793, “Temporary Borrowing (West Shore RCMP Detachment Expansion) Bylaw No. 1, 2026”, be introduced and read a first, second and third time; and
2. That Bylaw No. 4793 be adopted.

Submitted by:	Andrew Hoge, CFA, CPA, Manager, Corporate Finance & Treasury
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ATTACHMENT

Appendix A: Bylaw No. 4793, “Temporary Borrowing (West Shore RCMP Detachment Expansion) Bylaw No. 1, 2026”