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**REPORT TO CAPITAL REGIONAL DISTRICT BOARD
MEETING OF WEDNESDAY, SEPTEMBER 13, 2023**

SUBJECT **Bylaw No. 4569 and 4568: Temporary Borrowing Saanich Peninsula Recreation Services**

ISSUE SUMMARY

Approval of temporary borrowing bylaws authorizing short-term funds for projects included in the approved five-year capital plan for the Saanich Peninsula Recreation Services.

BACKGROUND

On August 9, 2023, the Capital Regional District (CRD) Board adopted Loan Authorization Bylaws No. 4546 intended to fund the construction of the Centennial Park Multi-Sport Box and No. 4547 intended to fund the construction of the Panorama Heat Recovery System within the Saanich Peninsula Recreation Services. Temporary borrowing bylaws are 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 conversion of temporary borrowings to long-term debt is an additional and subsequent approval by the Board. The proposed temporary borrowing bylaws No. 4569 authorizes temporary borrowing against Bylaw No. 4546 Saanich Peninsula Recreation Services (Centennial Park Multi-Sport Box) Loan Authorization Bylaw No. 1, 2023, and No. 4568 authorizes temporary borrowing against Bylaw No. 4547 Saanich Peninsula Recreation Services (Panorama Heat Recovery System) Loan Authorization Bylaw No. 1, 2023. When ready for a long-term issue, a Security Issuing Bylaw will be brought forward by staff and will require approval by the Board in advance of the regular Municipal Finance Authority (MFA) spring or fall long-term debt issues.

The following temporary borrowing bylaws are proposed:

Service Area	Action	Purpose	Bylaw
1.44X	Temporary Borrowing Bylaw No. 4569	Short-term funding Centennial Park Multi-Sport Box arising from the approved capital plan	4569 Temporary Borrowing (Saanich Peninsula Recreation Services Centennial Park Multi-Sport Box) Bylaw No. 1, 2023
1.44X	Temporary Borrowing Bylaw No. 4568	Short-term funding Panorama Heat Recovery System arising from the approved capital plan	4568 Temporary Borrowing (Saanich Peninsula Recreation Services Heat Recovery) Bylaw No. 1, 2023

ALTERNATIVES

Alternative 1

1. That Bylaw No. 4569, “Temporary Borrowing (Saanich Peninsula Recreation Services Centennial Park Multi-Sport Box) Bylaw No. 1, 2023”, be introduced and read a first, second and third time; and
2. That Bylaw No. 4569 be adopted.
3. That Bylaw No. 4568, “Temporary Borrowing (Saanich Peninsula Recreation Services Panorama Heat Recovery System) Bylaw No. 1, 2023”, be introduced and read a first, second and third time; and
4. That Bylaw No. 4568 be adopted.

Alternative 2

That Bylaws No. 4569 and No. 4568 be referred back to staff for additional information.

IMPLICATIONS

Financial Implications

The proposed temporary borrowing bylaws will give the CRD access to interim financing according to the terms specified in Loan Authorization Bylaw No. 4546 and Loan Authorization Bylaw No. 4547. Borrowing will not exceed the difference between the total \$2,900,000 authorized by the loan authorization bylaw No.4546 and the amount previously borrowed under this authority and the total \$2,453,000 authorized by the loan authorization bylaw No. 4547 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 5.48% (variable rate as of August 9, 2023). The cash flows required to service short-term debt are in the approved financial plan.

CONCLUSION

Temporary borrowing authority, through the approval of the Temporary Borrowing (Saanich Peninsula Recreation Services Centennial Park Multi-Sport Box) Bylaw No. 4569 and Temporary Borrowing (Saanich Peninsula Recreation Services Panorama Heat Recovery System) Bylaw No. 4568 are required to access interim financing to fund the construction of the Panorama Heat Recovery System and the Centennial Park Multi-Sport Box. 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 maximums stated in the approved Loan Authorization Bylaw No. 4546, and No. 4547.

RECOMMENDATION

1. That Bylaw No. 4569, “Temporary Borrowing (Saanich Peninsula Recreation Services Centennial Park Multi-Sport Box) Bylaw No. 1, 2023”, be introduced and read a first, second and third time; and
2. That Bylaw No. 4569 be adopted.
3. That Bylaw No. 4568, “Temporary Borrowing (Saanich Peninsula Recreation Services Panorama Heat Recovery System) Bylaw No. 1, 2023”, be introduced and read a first, second and third time; and
4. That Bylaw No. 4568 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. 4569, Temporary Borrowing (Saanich Peninsula Recreation Services Centennial Park Multi-Sport Box) Bylaw No. 1, 2023
- Appendix B: Bylaw No. 4568, Temporary Borrowing (Saanich Peninsula Recreation Services Panorama Heat Recovery System) Bylaw No. 1, 2023