

**REPORT TO ELECTORAL AREAS COMMITTEE
MEETING OF WEDNESDAY, DECEMBER 11, 2019**

SUBJECT **Bylaw 4341: Temporary Borrowing (South Galiano Fire Hall) Bylaw No. 1, 2019**

ISSUE SUMMARY

Approval of a Temporary Borrowing Bylaw authorizing short-term borrowing for South Galiano Island Fire Hall Project.

BACKGROUND

At its June 13, 2018, meeting, the Capital Regional District (CRD) Board gave three readings to the Loan Authorization Bylaw No. 4239 to fund the construction of a new fire hall for the South Galiano Fire Protection and Emergency Response Service Area (the project).

In a referendum on October 20, 2018, the service area ratepayers voted in favour of borrowing up to \$2.4 Million to fund the project. The CRD Board adopted Loan Authorization Bylaw No. 4239 on January 9, 2019, enabling the service to begin construction.

During construction, interim financing for capital expenditures is required. A temporary borrowing bylaw allows borrowing before the long-term debt is issued by Municipal Finance Authority (MFA). The proposed temporary borrowing bylaw is an authorization to borrow short-term in accordance with its companion loan authorization bylaw No. 4239.

ALTERNATIVES

Alternative 1

The Electoral Areas Committee recommends to the Capital Regional District Board:

1. That Bylaw 4341, cited as "Temporary Borrowing (South Galiano Fire Hall) Bylaw No. 1, 2019", be introduced and read a first, second and third time; and
2. That Bylaw 4341 be adopted.

Alternative 2

The Electoral Areas Committee recommends to the Capital Regional District Board:

That Bylaw 4341 be referred back to staff for additional information.

IMPLICATIONS

Financial Implications

The proposed temporary borrowing bylaw will give CRD access to interim financing according to the terms specified in Loan Authorization Bylaw No. 4239.

Temporary borrowing money will not exceed the difference between the total amount authorized by the loan authorization bylaw. Upon completion of construction, the temporary borrowing will be converted to long-term borrowing as stated in the loan authorization bylaw.

CONCLUSION

Temporary borrowing authority, through the approval of the Temporary Borrowing (South Galiano Fire Hall) Bylaw No. 4341, is required to fund construction of the South Galiano Fire Hall Project during construction. All temporary borrowings will be converted to long-term debt up to a maximum stated in the approved Loan Authorization Bylaw No. 4239.

RECOMMENDATION

The Electoral Areas Committee recommends to the Capital Regional District Board:

1. That Bylaw 4341, cited as “Temporary Borrowing (South Galiano Fire Hall) Bylaw No. 1, 2019”, be introduced and read a first, second and third time; and
2. That Bylaw 4341 be adopted.

Submitted by:	Rianna Lachance, BCom, CPA, CA, Senior Manager, Financial Services
Concurrence:	Nelson Chan, MBA, CPA, CMA, Chief Financial Officer
Concurrence:	Kristen Morley, J.D., General Manager, Corporate Services & Corporate Officer
Concurrence:	Robert Lapham, MCIP, RPP, Chief Administrative Officer

ATTACHMENT(S)

Appendix A: Bylaw 4341