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REPORT TO GOVERNANCE AND FINANCE COMMITTEE MEETING OF WEDNESDAY, FEBRUARY 05, 2020

SUBJECT **Repeal of Security Issuing Bylaw No. 4345 and Replacement with Security Issuing Bylaw No. 4347**

ISSUE SUMMARY

Capital Regional District (CRD) Board approval is required to repeal Security Issuing Bylaw 4345 and replace with Security Issuing Bylaw 4347.

BACKGROUND

At the January 8, 2020 CRD Board meeting, Security Issuing Bylaw 4345 for a \$20 million Core Area Water Treatment Plan borrowing from the Federation of Canadian Municipalities (FCM) for a 20 year borrowing term was approved. Since then, the FCM has now offered both a 10 year term and a 20 year term. Financing analysis of each option indicates the 10 year term would result in the lowest effective interest rate over the term while balancing revenue requirements.

ALTERNATIVES

Alternative 1

The Finance and Governance Committee recommends to the Capital Regional District Board:

1. That Bylaw No. 4347, "Security Issuing Bylaw No. 2, 2020", be introduced and read a first, second, and third time;
2. That Bylaw No. 4347 be adopted;

Alternative 2

That adoption of Bylaw No. 4347 be deferred back to staff for amendments.

IMPLICATIONS

Financial Implications

Approval of the new bylaw will ensure the necessary capital funding is obtained with the best borrowing terms available at the time of issue.

CONCLUSION

Security Issuing Bylaw 4345 was approved at the January 8, 2020 Board meeting. The bylaw enabled borrowing of up to \$20 million from the Federation of Canadian Municipalities (FCM) for a 20 year borrowing term. Staff recommend reduction of this borrowing term to 10 years. Approval to repeal Security Issuing Bylaw 4345 and replace with Security Issuing Bylaw 4347 is required to participate in the MFA 2020 Spring debt issue.

RECOMMENDATION

The Governance and Finance Committee recommends to the Capital Regional District Board:

1. That Bylaw No. 4347, “Security Issuing Bylaw No. 2, 2020”, be introduced and read a first, second, and third time;
2. That Bylaw No. 4347 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 No. 4347, cited as “Security Issuing Bylaw No. 2, 2020”