

DATE OF MEETING | JUNE 18, 2018 |

AUTHORED BY | SHEILA GURRIE, CITY CLERK AND CORPORATE OFFICER |

SUBJECT | MUNICIPAL SECURITY ISSUING RESOLUTION |

## **OVERVIEW**

### **Purpose of Report**

To have Council provide a Municipal Security Issuing Resolution and Agreement with the Regional District of Nanaimo. |

### **Recommendation**

That Council approve borrowing from the Municipal Finance Authority of British Columbia, as part of the 2018 fall Borrowing Session, \$3,235,354 as authorized through "Fire Station #1 Borrowing Bylaw 2018 No. 7257" and that the Regional District of Nanaimo be requested to consent to our borrowing over a 20 year term and include the borrowing in a Security Issuing Bylaw.

## **BACKGROUND**

At the Regular Council Meeting held February 19, 2018 Council directed staff to conduct an Alternative Approval Process to obtain approval of the electors for the adoption of "Fire Station #1 Borrowing Bylaw 2018 No. 7257" (the Bylaw). Approval of the electors was obtained and Council adopted the Bylaw on May 14, 2018. The one month quashing period for the Bylaw has finished as of 2018-JUN-13 and the City has obtained the Certificate of Approval for the Bylaw from the Ministry of Municipal Affairs and Housing. The next step in the process is for Council to pass a Municipal Security Issuing Resolution (MSIR), which along with supporting documentation, will be sent to the Regional District of Nanaimo to request access to long-term financing.

All long-term financing under Section 179 of the *Community Charter*, must be done through a regional district, and the Municipal Finance Authority of BC. The MSIR is the trigger for a regional district to include a municipality in a Security Issuing Bylaw and forms a key part of the legal documentation required for Municipal Finance Authority financing. As this resolution is a requirement to continue in the process, if Council chose to not pass the recommendation then the process would not proceed. Staff will come back to Council annually as part of the Financial Planning process to obtain approval to borrow the amount required for that year, for the next three years (2019, 2020 & 2021), not to exceed the total borrowing amount of \$17,000,000.

If Council approves the resolution outlined above in this report, the Regional District of Nanaimo (RDN) will bring forward a Security Issuing Bylaw to their Board. Once it is given three readings and adoption at the RDN, there is a further 10 day quashing period; they then provide their Corporate Officer Certificate, and receive approval for the City of Nanaimo borrowing. |

## **OPTIONS**

1. That Council approve borrowing from the Municipal Finance Authority of British Columbia, as part of the 2018 fall Borrowing Session, \$3,235,354 as authorized through “Fire Station #1 Borrowing Bylaw 2018 No. 7257” and that the Regional District of Nanaimo be requested to consent to our borrowing over a 20 year term and include the borrowing in a Security Issuing Bylaw.
  - **Budget Implication: None. Debt servicing costs have been budget for.**
2. That Council deny approval of borrowing from the Municipal Finance Authority of British Columbia.
  - **Implications: Project would need to be put on hold and further direction would be required from Council.**
  - **Budget Implication: Reduced debt servicing costs in 2018.**

## **SUMMARY POINTS**

- The next step in the process to replace Fire Station #1 and obtain borrowing is for Council to pass a Municipal Security Issuing Resolution (MSIR).
- All long-term financing under Section 179 of the *Community Charter*, must be done through a regional district, and the Municipal Finance Authority of BC.
- As this resolution is a requirement to continue in the process, if Council chose to not pass the recommendation then the process would not proceed.

**Submitted by:**

Sheila Gurrie  
City Clerk and Corporate Officer