

REPORT

Finance

To: Mayor Cote and Members of Council **Date:** April 25, 2022

From: Harji Varn
CFO/Director of Finance **File:**

Item #: 2022-290

Subject: Municipal Security Issuing Resolutions

RECOMMENDATION

THAT Council approves borrowing from the Municipal Finance Authority of British Columbia (MFA), as part of their 2022 Fall Borrowing Session, \$93,600,000 as authorized through the New Westminster Aquatics and Community Centre Loan Authorization Bylaw No. 8073, 2019; and

THAT Metro Vancouver be requested to consent to the City borrowing \$93,600,000 over a 20-year term and include the borrowing in their security issuing bylaw.

THAT Council approves borrowing from the Municipal Finance Authority of British Columbia (MFA), as part of their 2022 Fall Borrowing Session, \$25,000,000 as authorized through the Electric Utility Infrastructure Loan Authorization Bylaw No. 8041, 2018; and

THAT Metro Vancouver be requested to consent to the City borrowing \$25,000,000 over a 20-year term and include the borrowing in their security issuing bylaw.

THAT Council approves borrowing from the Municipal Finance Authority of British Columbia (MFA), as part of their 2022 Fall Borrowing Session, \$3,830,000 as authorized through the New Westminster Civic Infrastructure Loan Authorization Bylaw No. 7842, 2016; and

THAT Metro Vancouver be requested to consent to the City borrowing \$3,830,000 over a 20-year term and include the borrowing in their security issuing bylaw.

PURPOSE

To seek Council's approval to proceed with securing long-term debt for the təməsewtxw Aquatic and Community Centre, the Queensborough Substation and Civic Infrastructure from MFA through their Fall 2022 Long Term Debt Issue.

BACKGROUND

New Westminster Aquatics and Community Centre Loan Authorization Bylaw No. 8073, 2019

In 2019, the City underwent an alternative approval process (AAP) to obtain elector approval to adopt the New Westminster Aquatics and Community Centre Loan Authorization Bylaw No. 8073, 2019 (LA Bylaw 8073) (Attachment 1). LA Bylaw 8073 is to provide the authority to borrow up to \$93,600,000 for funding the replacement of the Canada Games Pool and Centennial Community Centre with a new Aquatics and Community Centre.

The AAP was successful and the City adopted LA Bylaw 8073 on June 24, 2019. The LA Bylaw 8073 was given the Certificate of Approval by the Deputy Inspector of Municipalities of BC on August 20, 2019.

Construction is now underway and expected to be substantially completed in 2023. It is estimated that \$79M of project costs will be incurred by December 2022.

Electric Utility Infrastructure Loan Authorization Bylaw No. 8041, 2018

In 2019, the City underwent an AAP to obtain elector approval to adopt the Electric Utility Infrastructure Loan Authorization Bylaw No. 8041, 2018 (LA Bylaw 8041) (Attachment 2). LA Bylaw 8041 is to provide the authority to borrow up to \$30,000,000 for the purpose of constructing an electrical substation.

The AAP was successful and the City adopted LA Bylaw 8041 on April 8, 2019. The LA Bylaw 8041 was given the Certificate of Approval by the Deputy Inspector of Municipalities of BC on June 24, 2019.

Construction is now underway and expected to be completed by the end of 2022. It is estimated that \$25M, excluding contingency, of project costs will be incurred by December 2022.

New Westminster Civic Infrastructure Loan Authorization Bylaw No. 7842, 2016

In 2016, the City underwent an AAP to obtain elector approval to adopt the New Westminster Civic Infrastructure Loan Authorization Bylaw No. 7842, 2016 (LA Bylaw 7842) (Attachment 3). LA Bylaw 7842 is to provide the authority to borrow up to

\$28,300,000 for constructing and improving civic infrastructure as set out in Schedule A of LA Bylaw 7842.

The AAP was successful and the City adopted LA Bylaw 7842 on August 29th, 2016. The LA Bylaw 7842 was given the Certificate of Approval by the Deputy Inspector of Municipalities of BC on November 8th, 2016.

As of December 31, 2021, the City has secured long term debt of \$22,145,000 and has temporarily borrowed \$3,830,000 under the authority of LA Bylaw 7842 for the City Hall and Uptown Library improvements, land purchases and fibre optic infrastructure as shown in the following table.

Projects per Schedule A of LA Bylaw 7842	Maximum	Long Term Borrowed to December 2021	Short term Borrowed to December 2021	Total to December 31 2021
Major building improvements to City Hall	\$ 6,000,000	\$ 5,266,328	\$ 466,545	\$ 5,732,873
Major building improvements to Uptown Library	4,800,000	4,151,081	573,672	4,724,753
Land purchases for the future placement of an electrical substation and district energy plant	8,500,000	6,035,021	1,520,572	7,555,593
Fibre Optic Network Infrastructure	9,000,000	6,692,570	1,269,211	7,961,781
Total	\$28,300,000	\$ 22,145,000	\$ 3,830,000	\$ 25,975,000

The short term borrowing under this LA Bylaw must be converted to long term borrowing by December 29, 2022 under the terms of the loan agreement with the MFA or be repaid.

EXISTING POLICY AND PRACTICE

Security Issuing Procedures

The MFA issues long term debt twice a year - once in the spring and once in the fall. In order to participate in the fall issue, the City is required to submit a Municipal Security Issuing Resolution to the MFA as well as a resolution to Metro Vancouver requesting them to include the borrowing in their security issuing bylaw.

At the time of writing this report the MFA 20 year borrowing rate was 3.82%. The interest rate for the debt will be set at the time of issue when MFA has secured the financing.

OPTIONS

The following options are presented for Council’s consideration:

1. That Council approves borrowing from the Municipal Finance Authority of British Columbia (MFA), as part of their 2022 Fall Borrowing Session, \$93,600,000 as authorized through the New Westminster Aquatics and Community Centre Loan Authorization Bylaw No. 8073, 2019;

2. That Metro Vancouver be requested to consent to the City borrowing \$93,600,000 over a 20-year term and include the borrowing in their security issuing bylaw;
3. That Council approves borrowing from the Municipal Finance Authority of British Columbia (MFA), as part of their 2022 Fall Borrowing Session, \$25,000,000 as authorized through the Electric Utility Infrastructure Loan Authorization Bylaw No. 8041, 2018;
4. That Metro Vancouver be requested to consent to the City borrowing \$25,000,000 over a 20-year term and include the borrowing in their security issuing bylaw;
5. That Council approves borrowing from the Municipal Finance Authority of British Columbia (MFA), as part of their 2022 Fall Borrowing Session, \$3,830,000 as authorized through the New Westminister Civic Infrastructure Loan Authorization Bylaw No. 7842, 2016;
6. That Metro Vancouver be requested to consent to the City borrowing \$3,830,000 over a 20-year term and include the borrowing in their security issuing bylaw;
7. That Council provide other direction.

Staff recommend options 1, 2 3, 4, 5 and 6.

ATTACHMENTS

- Attachment 1 – New Westminister Aquatics and Community Centre Loan Authorization Bylaw No. 8073, 2019
- Attachment 2 – Electric Utility Infrastructure Loan Authorization Bylaw No. 8041, 2018
- Attachment 3 – New Westminister Civic Infrastructure Loan Authorization Bylaw No. 7842, 2016

This report was prepared by:

Lorraine Lyle
Senior Manager Financial Services

This report was approved by:

Harji Varn
CFO/Director of Finance

Lisa Spitale
Chief Administrative Officer