



FINANCIAL SERVICES

TO:	Council	
DATE:	September 13, 2022	DIVISION: All
FILE:	0650	APPLICATION: N/A
SUBJECT:	Borrowing Bylaw C-8333-2022 and C-8334-2022 - Blazer Water System and Horse Creek Water & Waste Water Services	

POLICY DIRECTION:

Section 261 of the *Municipal Government Act* (MGA) provides that if the purpose of a proposed borrowing is to refinance, redeem, or restructure the unpaid principal of existing borrowings, the borrowing bylaw does not have to be advertised.

EXECUTIVE SUMMARY:

Bylaws C-8333-2022 and C-8334-2022 for the Blazer Water System and Horse Creek Water & Waste Water Services respectively will restructure existing borrowings to reflect a higher maximum interest rate. Currently, the existing bylaws reflect a 5% interest rate. The new bylaw will increase this rate to 8%. This is consistent with other borrowing bylaws of a similar nature; for example, the Local Improvement for the Wintergreen Woods Water Supply Upgrade. All other terms remain the same.

Currently, the debt associated with these bylaws is held with ATB and the interest rate is 4.7%. The current interest rate from Loans to Local Authorities (Provincial Government) is 4.71%.

ADMINISTRATION RECOMMENDATION:

Administration recommends approval in accordance with Option #1.

BACKGROUND:

On May 11, 2021, Council approved Borrowing Bylaw C-8165-2021 for the Blazer Water System acquisition, and associated budget adjustment of \$9 million, as well as Borrowing Bylaw C-8166-2021 for the Horse Creek Water & Waste Water Services Inc. acquisition, and associated budget adjustment of \$10.45 million.

As interest rates continue to rise, Administration continues to monitor our debt instruments to ensure we are balancing flexibility with cost. When these borrowing bylaws were passed in 2021, interest rates were quite low, and was subsequently reflected in the original bylaws.

BUDGET IMPLICATIONS:

There are no budget implications to consider.

Administration Resources

Kent Robinson, Executive Director Corporate Services



OPTIONS:

Borrowing Bylaw C-8333-2022: Blazer Water System

- Option # 1: Motion #1 THAT Bylaw C-8333-2022 be given first reading.
- Motion #2 THAT Bylaw C-8333-2022 be given second reading.
- Motion #3 THAT Bylaw C-8333-2022 be considered for third reading
- Motion #4 THAT Bylaw C-8333-2022 be given third and final reading.
- Option # 2: THAT alternative direction be provided.

Borrowing Bylaw C-8334-2022: Horse Creek Water & Waste Water Services

- Motion #1 THAT Bylaw C-8334-2022 be given first reading.
- Motion #2 THAT Bylaw C-8334-2022 be given second reading.
- Motion #3 THAT Bylaw C-8334-2022 be considered third reading.
- Motion #4 THAT Bylaw C-8334-2022 be given third and final reading.
- Option # 2: THAT alternative direction be provided.

Respectfully submitted,

Concurrence,

“Kent Robinson”

“Dorian Wandzura”

Executive Director, Corporate Services

Chief Administrative Officer

KR/ls

ATTACHMENTS:

- ATTACHMENT ‘A’: Borrowing Bylaw C-8333-2022
- ATTACHMENT ‘B’: Borrowing Bylaw C-8334-2022