

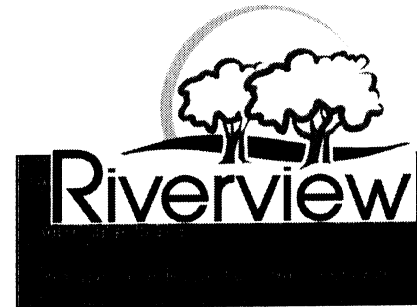
# Town of Riverview

## COUNCIL REPORT FORM

Presented to: Mayor and Council

Department: Finance

Date: January 22, 2018



**Subject: Long Term Debt Borrowing - 2018 Capital Projects**

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### **BACKGROUND**

During the 2018 budget deliberations Council approved a General Fund Capital Budget in the amount of \$9,776,960. The Capital Budget shall be financed through a combination of Capital from Operating Revenue (*"Pay as you go"*), Grant programs from senior levels of government and the balance of approximately \$5,400,000 through the issuance of long term debt.

The attached Resolution is required by the provincial Municipal Capital Borrowing Board (MCBB) to demonstrate that Town Council has approved the *Application for Authorization to Borrow*.

This Application is simply to obtain a *"pre-authorization"* to actually borrow at a later date. After the 2018 capital projects are substantially completed, and the amounts are known with more certainty, the Director of Finance will inform Council of the intention to submit additional necessary paperwork to the MCBB.

**CONSIDERATIONS** *Use this section to outline applicable areas that will be affected.*

Legal: N/A

Financial:

The projected debt service costs related to this proposed borrowing are included in the Council approved 2018 General Operating Budget.

Policy:

The Town must comply with the policies set out by the provincial MCBB each time borrowing is proposed.

Stakeholders: N/A

Strategic Plan:

This borrowing will enable the Town to continue to provide the service level(s) that have been discussed during Strategic Planning sessions. It will also enable staff to meet the related goals and objectives and address priorities as determined by Council.

Interdepartmental Consultation:

The Director of Finance has reviewed with the CAO the amount deemed necessary to borrow as well as the specific capital expenditures to which the borrowing relates.

Communication Plan:

As part of this application process the Town is required to publish a notice in the local newspaper advising ratepayers of the intention to borrow for these specific capital expenditures.

**OPTIONS**

- 1) Approve
- 2) Do not approve

If Option 2 is chosen that will mean that the Capital Project budget for 2018 will need to be reduced.

**RECOMMENDATION FROM STAFF**

Staff recommends that Council approve the Resolution to obtain a pre-authorization from the provincial Municipal Capital Borrowing Board to borrow up to the amount of \$5,400,000.

Prepared by: \_\_\_\_\_

*RS Horgan*

CAO Approval: \_\_\_\_\_

Date of Approval: \_\_\_\_\_

## **RESOLUTION OF COUNCIL**

**BE IT RESOLVED** that the Municipality of Town of Riverview submit to the Municipal Capital Borrowing Board an application for authorization to borrow for capital expense for the following terms and amounts.

<b><u>Purpose</u></b>	<b><u>Term</u></b>	<b><u>Amount</u></b>
<b><u>TRANSPORTATION SERVICES</u></b>		
<b>Roads and Streets Reconstruction</b>	<b>15 years</b>	<b>\$ 2,350,000</b>
<b>Major Intersection Upgrade</b>	<b>15 years</b>	<b>800,000</b>
<b>Vehicle - Storm Sewer Cleaner</b>	<b>10 years</b>	<b>550,000</b>
<b><u>RECREATION AND CULTURAL SERVICES</u></b>		
<b>Arena Upgrades – Slab and Boards</b>	<b>15 years</b>	<b>1,700,000</b>
		<hr/>
		<b><u>\$ 5,400,000</u></b>