

Town of Riverview

COUNCIL REPORT FORM

Presented to: Mayor and Council

Department: Finance

Date: January 28, 2019

Subject: Long Term Borrowing – 2019 Capital Projects



Agenda Item:

Meeting Date:

For use by Office of the Town Clerk only

BACKGROUND

During the 2019 budget deliberations Council approved a General Fund Capital Budget in the amount of \$9,269,400. The Capital Budget shall be financed through a combination of Capital from Operating Revenue (*"Pay as you go"*), grants from senior levels of government and the balance of \$5,300,000 through the issuance of long-term debt.

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

The Application is simply to obtain a "pre-authorization" to actually borrow at a later date. After the 2019 capital projects are substantially completed, and the amounts are known with greater certainty, the Director of Finance will inform Council of the intention to submit additional necessary paperwork to the MCBB.

CONSIDERATIONS

Legal N/A

Financial

The projected debt service costs related to this proposed borrowing are included in the Council approved 2019 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

The borrowing will enable the Town to continue to provide the service level(s) that are consistent with our Strategic Plan. 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 proposed borrowing relates.

Communication Plan

As part of this application process the Town will publish a notice in the local newspaper advising ratepayers of the intention to borrow for these specific capital expenditures. As well, the approved Resolution shall be included in the published Minutes of the RCM of February 11, 2019.

OPTIONS

- 1) Approve
- 2) Do not approve

If Option 2 is chosen that will mean that the Capital Budget for 2019 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 \$5,300,000.

Prepared by: _____

CAO Approval: _____

Date of Approval: _____