

CITY OF FORT SASKATCHEWAN

Bylaw C7-15 to Incur Indebtedness by the Issuance of Debentures to the Alberta Capital Finance Authority for the Purpose of Sewer Service Reline Construction

Motion:

That Council give first reading to Bylaw C7-15 to incur indebtedness by the issuance of Debentures to the Alberta Capital Finance Authority for the purpose of sewer service reline construction, in an amount not to exceed \$1,200,000.

Purpose:

The purpose of this report is to present Council with information on Debenture Borrowing Bylaw C7-15 for the purpose of sewer service reline construction, and recommend that first reading of the bylaw be given.

Background:

As a result of Council approving the 2015 Capital Budget, and the requirements of the *Municipal Government Act*, a borrowing bylaw must be passed before construction of the sewer service reline project can begin. Once Council gives Bylaw C7-15 first reading, advertisements will be published in a local newspaper for two consecutive weeks. The bylaw will be presented for second and third reading once the required advertising has occurred.

Plans/Standards/Legislation:

Sections 251, 253, 254, and 258 of the *Municipal Government Act* outlines municipal legislation for debenture borrowing.

Financial Implications:

The borrowing bylaw is in an amount not to exceed \$1,200,000, as per approved Capital Project #15032. The anticipated annual cost of debt servicing at today's interest rate is approximately \$132,800 for 10 years. The term and interest rate of the borrowing will be determined upon application to the Alberta Capital Finance Authority.

The City's principal amount of the outstanding debt at December 31, 2013 was \$38,283,867. The 2013 debt limit for the City was \$89,401,408.

Internal Impacts:

Not applicable.

Alternatives:

1. That Council give first reading to Bylaw C7-15 to incur indebtedness by the issuance of Debentures to the Alberta Capital Finance Authority for the purpose of sewer service reline construction, in an amount not to exceed \$1,200,000.
2. That Council not give first reading to Bylaw C7-15 to incur indebtedness by the issuance of Debentures to the Alberta Capital Finance Authority for the purpose of sewer service reline construction, in an amount not to exceed \$1,200,000, and advise how they wish to proceed.

Attachment:

Bylaw C7-15

Prepared by:	Susan Morrissey Director, Finance	Date: January 26, 2015
Approved/Reviewed by:	Kelly Kloss City Manager	Date: February 2, 2015
Submitted to:	City Council	Date: February 10, 2015