

## CITY OF FORT SASKATCHEWAN

### Bylaw C24-15 Debenture Sewer Service Reline Construction

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#### **Motion:**

That Council give first reading to Bylaw C24-15 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:**

This report is to present Council with information on Debenture Borrowing Bylaw C24-15 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 2016 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 C24-15 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 #16020. The anticipated annual cost of debt servicing at today's interest rate is approximately \$134,300 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, 2014 was \$43,739,110. The 2014 debt limit for the City was \$102,962,026.

#### **Recommendation:**

That Council give first reading to Bylaw C24-15 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.

**Attachment:**

Bylaw C24-15

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Prepared by:	Marshall Wight Finance Intern	Date: December 1, 2015
Approved by:	Jeremy Emann Chief Financial Officer	Date: December 1, 2015
Reviewed by:	Kelly Kloss City Manager	Date: December 2, 2015
Submitted to:	City Council	Date: December 8, 2015