

CITY OF FORT SASKATCHEWAN

Bylaw C24-15 Debenture Sewer Service Reline Construction

Recommendation:

1. That Council give second 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.
2. That Council give third 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:

To present Council with information on Debenture Borrowing Bylaw C24-15 for the purpose of sewer service reline construction, and recommend that second and third 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.

Bylaw C24-15 received first reading at the December 8, 2015 regular meeting of Council. In accordance with the *Municipal Government Act*, Administration placed advertisements in The Record on January 14, 2016 and January 21, 2016 advertising the borrowing bylaw. The advertisements included information pertaining to the ability to petition for a vote of the electors to determine whether the proposed bylaw should be passed. The deadline for petition submission was February 5, 2016. A petition was not submitted to the City Manager.

Plans/Standards/Legislation:

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

Financial Implications:

Borrowing Bylaw C24-15 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.

Recommendations:

That Council give second and third 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

Prepared by:	Marshall Wight Finance Intern	Date: January 28, 2016
Approved by:	Jeremy Emann Chief Financial Officer	Date: January 28, 2016
Reviewed by:	Kelly Kloss City Manager	Date: January 28, 2016
Submitted to:	City Council	Date: February 9, 2016