

CITY OF FORT SASKATCHEWAN

Bylaw C19-16 Debenture Sewer Service Reline Construction

Motion:

That Council give first reading to Bylaw C19-16 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 C19-16 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 2017 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 C19-16 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 #17021, included in the 2017 Budget. The anticipated cost of debt servicing using the current interest rate is approximately \$150,000 over 10 years. The actual 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, 2015 was \$41,331,223. The 2015 debt limit for the City was \$102,981,335.

Recommendation:

That Council give first reading to Bylaw C19-16 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 C19-16

Prepared by:	Marshall Wight Finance Intern	Date: December 5, 2016
Approved by:	Jeremy Emann Chief Financial Officer	Date: December 5, 2016
Approved by:	John Dance General Manager, Corporate Services	Date: December 6, 2016
Reviewed by:	Kelly Kloss City Manager	Date: December 7, 2016
Submitted to:	City Council	Date: December 13, 2016