

CITY OF FORT SASKATCHEWAN

Bylaw C19-16 Debenture Sewer Service Reline Construction

Motions:

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

The purpose of this report is to present Council with information on Debenture Borrowing Bylaw C19-16 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 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.

Bylaw C19-16 received first reading at the December 13, 2016 regular meeting of Council. In accordance with the *Municipal Government Act*, Administration placed advertisements in The Record on December 29, 2016 and January 5, 2017 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 January 13, 2017. A petition was not received by the Acting City Manager.

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. The anticipated cost of debt servicing at today's interest rate is approximately \$150,000 over 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, 2015 was \$41,331,223. The 2015 debt limit for the City was \$102,981,335.

Attachment:

Bylaw C19-16

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|---------------|---------------------------------------------------|------------------------|
| Prepared by: | Marshall Wight Finance Intern | Date: January 10, 2017 |
| Approved by: | Jeremy Emann Chief Financial Officer | Date: January 18, 2017 |
| Approved by: | John Dance General Manager, Corporate Services | Date: January 18, 2017 |
| Reviewed by: | Troy Fleming Acting City Manager | Date: January 18, 2017 |
| Submitted to: | City Council | Date: January 24, 2017 |