
TO: Regional District of Nanaimo Board **MEETING:** June 26, 2018
FROM: Jacquie Hill
 Manager of Administrative Services **FILE:** 3900-01
SUBJECT: A Bylaw to Secure Long Term Debt for the City of Nanaimo Fire Station #1

RECOMMENDATION

1. That the Board consent to the borrowing of \$3,235,354 from the Municipal Finance Authority of British Columbia over a 20 year term for the purpose of funding the City of Nanaimo's Fire Station #1 reconstruction project.
2. That "Regional District of Nanaimo Security Issuing (City of Nanaimo) Bylaw No. 1774, 2018" be introduced and read three times.
3. That "Regional District of Nanaimo Security Issuing (City of Nanaimo) Bylaw No. 1774, 2018" be adopted.

SUMMARY

Following the procedures for securing long term debt, the City of Nanaimo has adopted a resolution authorizing the Regional District to prepare a bylaw to secure \$3,235,354 for the purpose of the reconstruction of Fire Station #1. Bylaw No. 1774 is introduced for this purpose and may be adopted without further assents or approvals.

BACKGROUND

City of Nanaimo Bylaw No. 7257 authorizes the borrowing of up to \$17,000,000 for the reconstruction of Fire Station #1 (Attachment 1). The Council of the City of Nanaimo adopted a resolution at its June 18, 2018 regular Council meeting requesting that the Regional District consent to the City of Nanaimo borrowing over a 20 year term and authorized the Regional District to secure \$3,235,354 in borrowing for the first phase of funding for this project (Attachment 2). The City of Nanaimo plans to borrow the remaining funds in three additional phases in years 2019, 2020 and 2021. On the basis of the resolution, staff have prepared a security issuing bylaw for the Board's consideration which can be adopted by the Board without further assents or approvals (Attachment 3).

ALTERNATIVES

1. Give "Regional District of Nanaimo Security Issuing (City of Nanaimo) Bylaw No. 1774, 2018" three readings and adopt the bylaw as presented.
2. Take no action on the request.

FINANCIAL IMPLICATIONS

Further Information with respect to Alternative 1

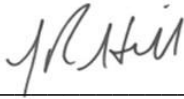
Under the terms of the bylaw the Regional District and its member municipalities are responsible for repayment of the debt; however, the City of Nanaimo is obligated to raise sufficient funds annually to make the estimated \$217,467 yearly debt payments. The City of Nanaimo has accounted for the debt in its five year Financial Plan so that this request is consistent with their budget documents.

Further Information with respect to Alternative 2

The Regional District could determine that it is not in the best interests of the region to secure these borrowings. There is no known reason to do so and it is recommended that the Board proceed to adopt the bylaw.

STRATEGIC PLAN IMPLICATIONS

Providing consent to the City of Nanaimo's borrowing over 20 years and including the borrowing in a Regional District security issuing bylaw supports the Board's governing principle to Work Effectively as a Team by cooperating and collaborating across jurisdictions to achieve a common vision.



Jacquie Hill
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June 15, 2018

Reviewed by:

- D. Wells, General Manager, Corporate Services
- P. Carlyle, Chief Administrative Officer

Attachments

1. City of Nanaimo Loan Authorization Bylaw No. 7257
2. City of Nanaimo Municipal Security Issuing Resolution
3. Regional District of Nanaimo Security Issuing (City of Nanaimo) Bylaw No. 1774, 2018