

# Report to Council



**Date:** November 22, 2021

**To:** Council

**From:** City Manager

**Subject:** MFA Borrowing for LAS for South Okanagan Mission Agricultural Users

**Department:** Financial Planning

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## **Recommendation:**

THAT Council approves borrowing from the Municipal Finance Authority of British Columbia, as part of their 2022 spring issue, for \$441,000 as authorized through Loan Authorization Bylaw No. 11746 which authorized the Local Area Service for the South Okanagan Mission Agricultural Users.

AND THAT the Regional District of Central Okanagan be requested to prepare a security issuing bylaw with a 20-year term

## **Purpose:**

To initiate long-term borrowing from the Municipal Finance Authority for a 20-year period for water works in the South Okanagan Mission Agricultural Users Local Area Service.

## **Background:**

In the Fall of 2016, federal and provincial Clean Water and Wastewater Fund programs became available for local government applications. The City of Kelowna made application for water infrastructure upgrades to complete integration and improvements for South Okanagan Mission Agricultural Users. Senior government funding was announced in 2017 and are intended to cover costs related to the City's supply integration infrastructure.

In January of 2019, owners of the affected properties signed in favor of a Local Area Service petition for the construction of the water improvements/upgrades. On February 25<sup>th</sup>, 2019, Bylaw No. 11746 was read a first, second, and third time by Municipal Council. The approval of the Inspector of Municipalities was received on March 28<sup>th</sup>, 2019, and the approval of the Electors by an Owner Initiated process under the Community Charter was completed on February 13<sup>th</sup>, 2019. Bylaw No. 11746 was adopted by the Municipal Council of the City of Kelowna on April 8<sup>th</sup>, 2019.

The infrastructure improvements have now been completed and all costs related to the project have been captured. Pending Council approval, the Financial Services Department will initiate the borrowing process with the Municipal Finance Authority of British Columbia such that the expenditures related to this project can be recovered, and that payments can be recovered from the South Okanagan Agricultural users through the annual tax levy process.

**Internal Circulation:**

Divisional Director, Financial Services

***Legal/Statutory Procedural Requirements:***

Under the Community Charter, Section 182, *Municipal financing through regional district*, the authority for the Regional District to proceed with borrowing through the Municipal Finance Authority of British Columbia requires a Council resolution and the adoption of a municipal loan authorization bylaw by the Regional District.

***Financial/Budgetary Considerations:***

All costs related to this project of \$441,000 have been incurred and finalized. Borrowing will be initiated from the Municipal Finance Authority of BC, and payments from South Okanagan Agricultural users will be implemented under the Local Area Service.

**Considerations not applicable to this report:**

***Existing Policy:***

***External Agency/Public Comments:***

***Communications Comments:***

Submitted by:

K, Hughes CPA, CA  
Financial Planning Manager

Approved for inclusion:

GD