

MINUTES OF THE REGULAR MEETING OF COUNCIL HELD IN THE COUNCIL CHAMBER AND ELECTRONICALLY (HYBRID) FROM CITY HALL, 141 WEST 14TH STREET, NORTH VANCOUVER, BC, ON **MONDAY, MAY 16, 2022**

REPORT

7. Temporary Loan Authorization Bylaw, 2022, No. 8904 – File: 05-1760-01-0001/2022

Report: Chief Financial Officer, May 4, 2022

Moved by Councillor Bell, seconded by Councillor Girard

PURSUANT to the report of the Chief Financial Officer, dated May 4, 2022, entitled “Temporary Loan Authorization Bylaw, 2022, No. 8904”:

THAT “Temporary Loan Authorization Bylaw, 2022, No. 8904” be considered.

CARRIED UNANIMOUSLY

BYLAW – FIRST, SECOND AND THIRD READINGS

8. “Temporary Loan Authorization Bylaw, 2022, No. 8904”

Moved by Councillor Bell, seconded by Councillor Girard

THAT “Temporary Loan Authorization Bylaw, 2022, No. 8904” be given first and second readings.

CARRIED UNANIMOUSLY

Moved by Councillor Bell, seconded by Councillor Girard

THAT “Temporary Loan Authorization Bylaw, 2022, No. 8904” be given third reading.

CARRIED UNANIMOUSLY



- Department Manager	 Director	 CAO
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The Corporation of **THE CITY OF NORTH VANCOUVER**
FINANCE DEPARTMENT

REPORT

To: Mayor Linda Buchanan and Members of Council

From: Larry Sawrenko, Chief Financial Officer

Subject: TEMPORARY LOAN AUTHORIZATION BYLAW, 2022, NO. 8904

Date: May 4, 2022 File No: 05-1760-01-0001/2022

The following is a suggested recommendation only. Refer to Council Minutes for adopted resolution.

RECOMMENDATION

PURSUANT to the report of the Chief Financial Officer, dated May 4, 2022, entitled "Temporary Loan Authorization Bylaw, 2022, No. 8904":

THAT "Temporary Loan Authorization Bylaw, 2022, No. 8904" be considered.

ATTACHMENTS

1. "Temporary Loan Authorization Bylaw, 2022, No. 8904" (CityDocs [2174428](#))

BACKGROUND

Council endorsed the HJCRC Financial Strategy at their Regular meeting of January 31, 2022. That strategy included temporary borrowing from the Municipal Finance Authority ("MFA") at the maximum amount permitted under the City's assent free zone. Five years after the initial draw, temporary MFA borrowing must be repaid in full, either refinanced with long-term borrowing (sale of debenture) or repaid from other sources (i.e. from land sale proceeds, etc.). The HJCRC Financial Strategy planned for this temporary MFA borrowing is to be repaid from the disposition of the Harry Jerome Neighborhood Lands ("HJNL") in 2025.

On April 5, 2022, the Ministry of Municipal Affairs approved the maximum amount of the City's assent free borrowing at \$109 million. Council then adopted "Harry Jerome Community Recreation Centre Loan Authorization Bylaw, 2022, No. 8909" on April 11,

2022. This HJCRC Loan Authorization Bylaw is for the long-term MFA borrowing needed should the disposition of the HJNL not materialize as planned and the City's temporary borrowing needs to be refinanced. A Temporary Loan Authorization Bylaw is also required to implement the HJCRC Financial Strategy.

DISCUSSION

The purpose of the Temporary Loan Authorization Bylaw is to allow the City to draw funds from the MFA only as required during HJCRC construction and at daily floating interest rates, which are typically lower than long term rates. The MFA's long-term interest rates, depending on the term selected, are approximately 3.3-3.7%. The daily floating interest rates available from the MFA are currently 1.4%. Borrowing by way of a temporary facility during construction is expected to reduce the City's total interest costs versus the option of going directly to a long-term MFA debt facility.

Consideration of this Temporary Loan Authorization Bylaw is one of many steps in securing the required debt financing. The remaining steps in the process to obtain MFA-administered short-term temporary debt are shown below:

Action	Performed By	Completion Date
One month quashing following adoption of original Loan Authorization Bylaw	No action	May 11
Application for Certificate of Approval from the Inspector of Municipalities	Staff	May 12
Three readings of the Temporary Loan Authorization Bylaw	Council	May 16
Final reading of the Temporary Loan Authorization Bylaw	Council	May 30
Certificate of Approval issued	Inspector of Municipalities	May 30*
Temporary Loan Application submitted to MFA	City Staff	May 31
Review of loan application and preparation of loan agreement	MFA	June 7*
Loan agreement executed and closing	City Staff	June 10

* Estimated, subject to Inspector of Municipalities and MFA

FINANCIAL IMPLICATIONS

The related temporary debt and debt servicing costs are included in the City's 2022-2026 Financial Plan.

INTER-DEPARTMENTAL IMPLICATIONS

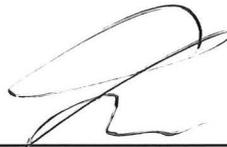
The Temporary Loan Authorization Bylaw has been reviewed by the City Solicitor.

STRATEGIC PLAN, OCP OR POLICY IMPLICATIONS

The securing of debt financing supports the replacement of the HJCRC, which supports Council's vision to be the Healthiest Small City in the World and multiple objectives of the OCP, including:

- Goal 5.2, support, enhance and maintain recreation as a vital aspect of a healthy community, and
- Goal 5.3, provide a variety of public spaces for community engagement and stewardship.

RESPECTFULLY SUBMITTED:



Larry Sawrenko
Chief Financial Officer

THE CORPORATION OF THE CITY OF NORTH VANCOUVER

BYLAW NO. 8904

A Bylaw to authorize temporary borrowing for the purpose of the design and construction of a new Harry Jerome Community Recreation Centre.

WHEREAS it is provided by S. 181 of the *Community Charter* that the Council may, where it has adopted a loan authorization bylaw, without further assents or approvals, borrow temporarily under the conditions therein set out;

WHEREAS the Council has adopted “Harry Jerome Community Recreation Centre Loan Authorization Bylaw, 2022, No. 8909”, authorizing borrowing for the purpose of the construction of a new Harry Jerome Community Recreation Centre, in the amount of One Hundred and Nine million dollars (\$109,000,000);

AND WHEREAS the sale of debentures, and disposition of the Harry Jerome Neighbourhood Lands, have been temporarily deferred;

NOW THEREFORE, the Council of The Corporation of the City of North Vancouver, in open meeting assembled, enacts as follows:

1. This Bylaw shall be known and cited for all purposes as “**Temporary Loan Authorization Bylaw, 2022, No. 8904**”.
2. The Council is hereby authorized and empowered to borrow an amount or amounts not exceeding the sum of One Hundred and Nine million dollars (\$109,000,000), as the same may be required.
3. The form of obligation to be given as acknowledgement of the liability shall be a promissory note or notes bearing the corporate seal and signed by the Mayor and the Corporate Officer.
4. The money so borrowed shall be used solely for the purposes set out in “Harry Jerome Community Recreation Centre Loan Authorization Bylaw, 2022, No. 8909”.

READ a first time on the <> day of <>, 2022.

READ a second time on the <> day of <>, 2022.

READ a third time on the <> day of <>, 2022.

ADOPTED on the <> day of <>, 2022.

MAYOR

CORPORATE OFFICER