
City of Kelowna

MEMORANDUM

DATE: June 7, 2004
FILE: 5340-07
TO: City Manager
FROM: Director of Financial Services
RE: MFA Borrowing for Byrns Baron Sewer Trunk
Prepared by: Rob Mayne, Financial Accounting and Systems Manager

RECOMMENDATION:

THAT Council approves the borrowing of \$3,865,700 over fifteen (15) years to fund the construction of the Byrns Baron Road Trunk Sewer Main;

AND THAT the Regional District of the Central Okanagan be notified and authorized to borrow from the Municipal Finance Authority of British Columbia under Loan Authorization Bylaw 8884.

BACKGROUND:

On July 29, 2002, Byrns/Baron Trunk Sewer Main Construction Loan Authorization Bylaw No. 8884 authorized the Works and Utilities Department to construct the sewer trunk main with costs estimated at \$4,600,000 and to borrow for the maximum term of fifteen years. The amount of the borrowing authorized totaled \$4,316,920.

The project is now complete and debenture borrowing in the amount of \$3,865,700 over fifteen (15) years is required to fund the Byrns/Baron Trunk Sewer Main Construction costs.

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 a municipal loan authorization bylaw (previously under the Local Government Act a security issue bylaw was required by the municipality).

Paul Macklem

RM/lt

c.c. Financial Planning Manager
Financial Accounting and Systems Manager

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