
City of Kelowna

MEMORANDUM

DATE: June 7, 2004
FILE: 5341-20
TO: City Manager
FROM: Director of Financial Services
RE: MFA Borrowing for McKenzie Bench Sewer Specified Area 21A
Prepared by: Rob Mayne, Financial Accounting and Systems Manager

RECOMMENDATION:

THAT Council approves the borrowing of \$1,350,000 over 20 years for the non-commuted portion of the McKenzie Bench Sewer Specified Area 21A;

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 8658.

BACKGROUND:

On May 14, 2001, Bylaw 8658 established a specified area for the purpose of providing a sanitary sewer system for the special benefit of the McKenzie Bench Sewer Specified Area 21A and to authorize the borrowing of the estimated cost thereof. The amount of the borrowing authorized totaled \$2,195,338.

Construction was completed in 2003 and the benefiting property owners were provided the option of an up-front payment or an annual levy to pay for their proportionate share of the works.

The borrowing in the amount of \$1,350,000 is required to cover the taxpayers who chose the annual option. Annual Sewer Specified levies will be charged to cover the cost of the 20 year debenture.

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
Revenue Supervisor
Financial Accounting and Systems Manager

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