
City of Kelowna

MEMORANDUM

DATE: April 28, 2005
FILE: 5341-20
TO: City Manager
FROM: Financial Accounting and Systems Manager
RE: MFA Borrowing for Okaview Sewer Specified Area 28A

RECOMMENDATION:

THAT Council approves borrowing from the Municipal Finance Authority of British Columbia, as part of their fall issue, **\$638,450**, as authorized through Loan Authorization Bylaw No. 9088, Sewer Specified Area No. 28A – Okaview Road;

AND THAT the Regional District of the Central Okanagan be requested to consent to our borrowing over a 20 year term and include the borrowing in their security issuing bylaw.

BACKGROUND:

On January 12, 2004, Bylaw 9088 established a specified area for the purpose of providing a sanitary sewer system for the special benefit of the Okaview Road Sewer Specified Area 28A and to authorize the borrowing of the estimated cost thereof. The amount of the borrowing authorized totaled \$1,784,098.

Construction was completed in 2004 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 \$638,450 is required to cover the taxpayers who chose the annual option. Annual Sewer Specified levies will be charged to meet the debt servicing and repayment costs 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).

Rob Mayne, CMA
Financial Accounting and Systems Manager

Approved for inclusion

Paul Macklem, CMA
Director of Financial Services

RM/lt

Enc.

c.c. Financial Planning Manager
Revenue Supervisor