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## City of Kelowna

# MEMORANDUM

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DATE: May 30, 2005  
FILE: 5341-20  
TO: City Manager  
FROM: Financial Accounting and Systems Manager  
RE: MFA Borrowing for Sewer Specified Area 20

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### **RECOMMENDATION:**

THAT Council approves the borrowing from the Municipal Finance Authority of British Columbia, as part of their fall issue, **\$6,821,900**, as authorized through Loan Authorization Bylaw No. 8929, Sewer Specified Area No. 20 – North Rutland;

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 December 16, 2002, Bylaw 8929 established a specified area for the purpose of providing a sanitary sewer system for the special benefit of the North Rutland Sewer Specified Area 20 and to authorize the borrowing of the estimated cost thereof. The amount of the borrowing authorized totaled \$13,393,924

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 \$6,821,900 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).

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Rob Mayne, CMA  
Financial Accounting & Systems Manager

Approved for inclusion

Paul Macklem, CMA  
Director of Financial Services

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Enc.

c.c. Financial Planning Manager  
Revenue Supervisor