



Agenda No: 7.1
Mtg Date: July 23/12
Financial Services

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FINANCIAL SERVICES BOARD REPORT

TO: Board Directors
FROM: Marilyn Rilkoff, Director of Finance and Administration
DATE: July 23, 2012
SUBJECT: Security Issuing Bylaw for Upper Fintry, Shalal Road & Valley of the Sun Water System

Recommendation:

That the Board approve Regional District of Central Okanagan Security Issuing Bylaw No. 1310, 2012 for \$4,902,846.00.


Background:

Construction of the Upper Fintry, Shalal Road & Valley of the Sun Water System is complete. The cost per parcel is \$17,230. It was originally anticipated that the costs would be \$17,500 per parcel.

Owners of 56 out of 336 parcels have prepaid their share. As anticipated, the remainder must be financed. The total borrowing request is \$4,902,846.00 including Municipal Finance Authority borrowing costs.

The related bylaw required for this security issuing bylaw is "Regional District of Central Okanagan Upper Fintry, Shalal Road and Valley of the Sun Water Service Area Loan Authorization Bylaw No. 1255, 2009" which authorizes borrowing up to \$6 million for this project, and was passed March 23rd 2009.

In accordance with the petitions that residents signed, the financing period requested is 30 years. This request will be included in the Fall MFA Debt Issue.



Marilyn Rilkoff, CMA
Director of Finance and Administration



**REGIONAL DISTRICT OF CENTRAL OKANAGAN
Regional District Security Issuing Bylaw**

BYLAW NO. 1310

A bylaw to authorize the entering into of an Agreement respecting financing between the Regional District of Central Okanagan and the Municipal Finance Authority of British Columbia

WHEREAS the Municipal Finance Authority of British Columbia (the "Authority") may provide financing of capital requirements for Regional Districts and for their member municipalities by the issue of debentures, or other evidence of indebtedness of the Authority and lending the proceeds to the Regional District on whose request the financing is undertaken.

AND WHEREAS pursuant to the provisions of Section 825 of the "Local Government Act", the amount of borrowing authorized by each of the following loan authorization bylaws, the amount already borrowed under the authority thereof, the amount of authorization to borrow remaining thereunder and the amount being issued under the authority thereof by this bylaw is as follows:

<u>L/A</u> <u>Bylaw</u>	<u>Purpose</u>	<u>Amount of</u> <u>Borrowing</u> <u>Authorized</u>	<u>Amount</u> <u>Already</u> <u>Borrowed</u>	<u>Borrowing</u> <u>Authority</u> <u>Remaining</u>	<u>Term</u> <u>of</u> <u>Issue</u>	<u>Amount</u> <u>of</u> <u>Issue</u>
1255	Upper Fintry, Shalal Road & Valley of the Sun Water Distribution System	\$6,000,000.00	\$ 0.00	\$6,000,000.00	30 yrs.	\$4,902,846.00

TOTAL FINANCING pursuant to Section 825: \$4,902,846.00

AND WHEREAS the Regional Board, by this bylaw, hereby requests that such financing shall be undertaken through the Authority.

NOW THEREFORE THE REGIONAL BOARD OF THE REGIONAL DISTRICT OF CENTRAL OKANAGAN IN OPEN MEETING ASSEMBLED ENACTS AS FOLLOWS;

1. The Authority is hereby requested and authorized to finance from time to time the aforesaid undertakings at the sole cost and on behalf of the Regional District of Central Okanagan and its member municipalities up to, but not exceeding Four Million Nine Hundred and Two Thousand Eight Hundred and Forty Six Dollars (\$4,902,846.00), in lawful money of Canada (provided that the Regional District Of Central Okanagan may borrow all or part of such amount in such currency as the Trustees of the Authority shall determine but the aggregate amount in lawful money of Canada and in Canadian dollars equivalents so borrowed shall not exceed Four Million Nine Hundred and Two Thousand Eight Hundred and Forty Six Dollars (\$4,902,846.00) in Canadian Dollars) at such interest and with such discounts or premiums and expense as the Authority may deem appropriate in consideration of the market and economic conditions pertaining.

2. Upon completion by the Authority of financing undertaken pursuant hereto, the Chair and the Treasurer of the Regional District, on behalf of the Regional District and under its seal shall, at such time or times that the Trustees of the Authority may request, enter into and deliver to the Authority one or more Agreements which said Agreement or Agreements shall be substantially in the form annexed hereto as "Schedule 'A'" and made part of the Bylaw (such Agreement or Agreements as may be entered into, delivered or substituted hereinafter referred to as "Agreement") providing for payment by the Regional District to the Authority of the amounts required to meet the obligations of the Authority with respect to its borrowings undertaken pursuant hereto which Agreement shall rank as debenture debt of the Regional District.
3. The Agreement in the form of Schedule 'A' shall be dated and payable in the principal amount or amounts of money in Canadian dollars or as the Authority shall determine and subject to the Local Government Act, in such other currency or currencies as shall be borrowed by the Authority pursuant to Section 1 and shall set out the schedule of repayment of the principal amount together with interest on unpaid amounts as shall be determined by the Treasurer of the Authority.
4. The obligation incurred under the said Agreement shall bear interest from a date specified therein, which date shall be determined by the Treasurer of the Authority and shall bear interest at a rate to be determined by the Treasurer of the Authority.
5. The Agreement shall be sealed with the seal of the Regional District and shall bear the signatures of the Chair and Treasurer.
6. The obligations incurred under the said Agreement as to both principal and interest shall be payable at the Head Office of the Authority in Victoria and at such time or times as shall be determined by the Treasurer of the Authority.
7. During the currency of the obligation incurred under the said Agreement to secure borrowings in respect of Bylaw No. 1255 the anticipated revenues accruing to the Regional District from the operation of the Upper Fintry, Shalal Road and Valley of the sun Water Service Area are insufficient to meet the annual repayment of interest and the repayment of principal in any year, there shall be requisitioned an amount sufficient to meet any such insufficiency.
8. The Regional District shall provide and pay over to the Authority such sums as required to discharge its obligations in accordance with the terms of the Agreement, provided however that if the sums provided for in the Agreement are not sufficient to meet the obligations of the Authority, and deficiency in meeting such obligations shall be a liability of the Regional District to the Authority and the Regional District shall make provision to discharge such liability.
9. The Regional District shall pay over to the Authority at such time or times as the Treasurer of the Authority so directs such sums as are required pursuant to section 15 of the *Municipal Finance Authority Act* to be paid into the Debt Reserve Fund established by the Authority in connection with the financing undertaken by the Authority on behalf of the Regional District pursuant to the Agreement

10. This bylaw may be cited as "Regional District of Central Okanagan Security Issuing Bylaw No. 1310, 2012".

READ A FIRST TIME THIS	23 rd	DAY OF	July	2012.
READ A SECOND TIME THIS	23 rd	DAY OF	July	2012.
READ A THIRD TIME THIS	23 rd	DAY OF	July	2012.
RECONSIDERED AND ADOPTED THIS	23 rd	DAY OF	July	2012.

CHAIR

DIRECTOR OF CORPORATE SERVICES

I hereby certify the foregoing to be a true and correct copy of Bylaw No. 1310 cited as the "Regional District of Central Okanagan Security Issuing Bylaw No. 1310, 2012" as read a first, second and third time and adopted by the Regional Board on the 23rd day of July, 2012.

Dated at Kelowna, B.C. this
23rd day of July 2012

DIRECTOR OF CORPORATE SERVICES

SCHEDULE 'A'

CANADA

PROVINCE OF BRITISH COLUMBIA

AGREEMENT

REGIONAL DISTRICT OF CENTRAL OKANAGAN

The Regional District of Central Okanagan (the "Regional District") hereby promises to pay to the Municipal Finance Authority of British Columbia (the "Authority") at its Head Office in Victoria, British Columbia the sum of Four Million Nine Hundred and Two Thousand Eight Hundred and Forty Six Dollars (\$4,902,846.00) in lawful money of Canada, together with interest thereon from the day of 2012, at varying rates of interest calculated semiannually in each and every year during the currency of this Agreement; and payments of principal and interest shall be as specified in the table appearing on the reverse hereof commencing on the day of

2012 provided in the event the payments of principal and interest hereunder are insufficient to satisfy the obligations of the Authority undertaken on behalf of the Regional District, the Regional District shall pay over to the Authority such further sums as are sufficient to satisfy the obligations of the Regional District to the Authority.

Dated at Kelowna, British Columbia, this day of , 2012

IN TESTIMONY WHEREOF and under the authority of Bylaw No. 13XX cited as "Regional District of Central Okanagan Security Issuing Bylaw No. 13XX, 2012". This Agreement is sealed with the Corporate Seal of the Regional District of Central Okanagan and signed by the Chairperson and Treasurer thereof.

CHAIRPERSON

TREASURER

Pursuant to the "Local Government Act", I certify that this Agreement has been lawfully and validly made and issued and that its validity is not open to question on any ground whatever in any court of the Province of British Columbia.

Dated

INSPECTOR OF MUNICIPALITIES