



City of Delta
COUNCIL REPORT
Regular Meeting

To: **Council**

From: **Finance Department**

Bylaw No(s): **8505**

Date: **May 12, 2025**

Temporary Loan Authorization Bylaw No. 8505, 2025

The following report has been reviewed and endorsed by the City Manager's Office.

▪ **RECOMMENDATIONS:**

- A. THAT Temporary Loan Authorization Bylaw No. 8505, 2025 (Attachment A) be given first, second and third readings.
- B. THAT the General Manager, Finance and City Manager be authorized to execute all documents required to establish temporary borrowing with the Municipal Finance Authority of B.C.

▪ **PURPOSE:**

This report seeks Council approval for Temporary Loan Authorization Bylaw No. 8505, 2025 (Attachment A). The bylaw will permit the City to borrow funds from the Municipal Finance Authority of B.C. (MFA), as needed, during the design and construction phases of the Winskill Aquatic and Fitness Centre and adjacent park upgrades while minimizing interest costs.

▪ **BACKGROUND:**

At the December 2, 2024 Regular Meeting, Council gave three readings to the Winskill Aquatic and Fitness Centre Loan Authorization Bylaw No. 8467, 2024 (Attachment B). This bylaw initiated the process to enable the City to borrow up to \$120 million for the Winskill Aquatic and Fitness Centre rebuild.

In February 2025, the City obtained statutory approval of the Bylaw from the Inspector of Municipalities. Council adopted the Bylaw at the March 3, 2025 Regular Meeting. The City observed a one-month quashing period, which concluded on April 4, 2025, without any challenges. The City Clerk completed the certification of the Bylaw and staff submitted a request to the Inspector of Municipalities for its final Certificate of Approval, which was granted on April 25, 2025 (Attachment C).

▪ **DISCUSSION:**

Loan Authorization Bylaw No. 8467 was required under *Community Charter* S.179 to enable the City to obtain long-term financing through the MFA.

The purpose of Temporary Loan Authorization Bylaw No. 8505 is to allow Delta to secure short-term borrowing from the MFA during construction. The MFA offers municipalities an option to draw on only the funds required during the construction period and thereby minimizing interest costs. Interest on the temporary loan is calculated at a daily floating rate, with interest-only payments due monthly.

Upon completion of construction of the Winskill Aquatic and Fitness Centre, the outstanding short-term debt will be converted to long-term borrowing through the MFA, in accordance with the *Community Charter*. The final loan amount, term, and applicable interest rate will be determined at the time of conversion.

If Council adopts the proposed bylaw, the City will proceed with the MFA's application process for temporary borrowing. The MFA will prepare a standard loan establishment agreement. It is recommended that the authority to execute this document be delegated to the General Manager, Finance and City Manager. Loan withdrawals during the construction phase will be approved by the General Manager, Finance under existing signing authority with the MFA. This will ensure the funds can be secured in a timely manner to support the project schedule.

Implications:

Financial Implications - Securing debt financing allows City of Delta to proceed with the Winskill Aquatic and Fitness Centre rebuild project. Establishing temporary borrowing assists in minimizing interest costs during the construction phase of the project. The related debt and servicing costs are provided for in the City's financial plan.

▪ **CONCLUSION:**

It is recommended that Temporary Loan Authorization Bylaw No. 8505, 2025 be given three readings and that the General Manager, Finance and City Manager be authorized to execute all required documents to establish temporary borrowing with the MFA.



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Nc/lb/eg

▪ **ATTACHMENTS:**

- A. Temporary Loan Authorization Bylaw No. 8505, 2025
- B. Winskill Aquatic and Fitness Centre Loan Authorization Bylaw No. 8467, 2024
- C. Certificate of Approval - Bylaw No. 8467, 2024