



# Special Town Council Meeting

Tuesday, May 2, 2017

(On Completion of Committee of the Whole Meeting)

Council Chambers, Town Hall

359 Main Street

## Agenda

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**1. Approval of Agenda**

**2. Motions/Recommendations from Committee of the Whole Meeting, May 2, 2017**

- a. RFD 031-2017 Temporary Borrowing Resolution 2017/18  
Capital Program

**3. Question Period**

Procedure: A thirty-minute time period will be provided for members of the public to address Council regarding questions, concerns and/or ideas. Each person will have a maximum of two minutes to address Council with a second two-minute time period provided if there is time remaining within the thirty-minute Public Input/Question Period timeframe.

**4. Special Town Council Meeting Adjourned**

**REQUEST FOR DECISION 031-2017**

Title: Temporary Borrowing Resolutions  
2017/18 Capital Program  
Date: 2017-05-02  
Department: Finance

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## SUMMARY

### Temporary Borrowing Resolution – 2017/18 Capital Program

This RFD deals with part of the annual process required each year by municipalities planning to use long term debt as part of their funding source for their capital budget. Permanent long term debt (debentures) can only be put in place after completion of the capital projects in scope and the Temporary Borrowing Resolution (TBR) provides the mechanism to have temporary debt to cover the cost until the first opportunity arrives to put in place a fixed term, debenture.

#### DRAFT MOTION:

That Council approve the attached Temporary Borrowing Resolutions;

• TBR #17/18-01 Various purposes Town	\$ 864,750
Water Distribution	<u>270,000</u>
Total Borrowing	<u>\$1,134,750</u>

to cover loan facilities with the Bank of Montreal until such time as the short-term loans are replaced with debenture borrowings as per the 2017/18 Town Capital Budget, Ten Year Capital Investment Plan (CIP), Water Utility Budget, and Town Capital Asset Funding Policy.

## REQUEST FOR DECISION 031-2017

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### 1) CAO COMMENTS

The CAO supports the recommendations of staff.

### 2) LEGISLATIVE AUTHORITY

- Refer to the MGA section 88 which requires Ministerial approval related to municipal borrowings.

### 3) STAFF RECOMMENDATION

That Council approve the TBR requirements for the 2017/18 capital budget season to ensure previously approved funding is in place in a timely manner.

### 4) REFERENCES AND ATTACHMENTS

- 2017/18 Operations Plan, including Ten Year Capital Investment Plan
- Capital Asset Funding Policy.

### 5) DISCUSSION

Annually this is a housekeeping matter as it relates to capital purchases/projects previously approved by Council as part of the annual budget process. In this case it relates to the 2017/18 Budget approved on March 21, 2017.

The **TBR forms the first required step** in the process by which Town's obtain debenture funding through the NS Municipal Finance Corporation (MFC). It also becomes part of the paperwork required by the Bank of Montreal to set up the temporary loan facility. The TBR template issued by the Department of Municipal Affairs is a standard form with a twelve month term.

The budget plan is to replace the TBR funds with 15-20 year debenture proceeds (in accordance with Town Policy on capital asset funding). Based on our expected capital financing, the Town's total debt repayments over the next 4 years, page 70 of Operations Plan, (excluding Water Utility that functions with its own debt ratio) will be approximately:

2017/18	\$649,700	(7.2% Debt Service Ratio based on own sourced revenue of \$9 million)
2018/19	\$728,000	(7.9% DSR)
2019/20	\$765,000	(8.2% DSR)
2020/21	\$834,000	(8.7% DSR)

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Our total own source revenue is budgeted to be \$9 million (total revenue less school board funding, corrections and regional housing, and provincial/federal grants). As demonstrated by the debt service ratio calculations, the town's debt costs are well within the capacity of town to manage. Projections of future funding requirements (including increased debt payments) are based on transfers to reserves moving up or down with changes in debt repayments. This provides consistent/predictable capital contributions in relation to the town's tax requirement.

The Town's ability to take on the approved capital budget debt funding is reflected in the provincial financial indicators recently released by the province, which notes Wolfville's Debt Service Ratio at 5.9% which is 17% lower than the Town's average and 60% lower than the provinces required benchmark.

Note that we have two separate TBR's, one for Town infrastructure and one for Water Utility infrastructure. Once Council approves the TBR's, the following occurs:

- Town related TBR (17/18-01 this year) goes back to Dept. Municipal Affairs (DMA) for Ministerial approval.
- Water Utility related TBR goes back to DMA, but awaits UARB approval of the Water Utility Capital Budget before Ministerial sign off.

By using two TBR's, there can be a quicker turnaround from DMA for at least the Town portion of work.

## 6) FINANCIAL IMPLICATIONS

Already covered as part of budget process.

## 7) REFERENCES TO COUNCIL STRATEGIC PLAN AND TOWN REPORTS

As noted above, this RFD is a required step for projects already approved in the 2017/18 Operations Plan, including Ten Year CIP..

## 8) COMMUNICATION REQUIREMENTS

There will be formal communications with external sources in three areas:

- With Department of Municipal Affairs to obtain Ministerial approval;
- With NS UARB to obtain approval for Water Utility projects;
- With BMO to arrange our line of credit renewal based on the approved TBR amounts.

## 9) ALTERNATIVES

**REQUEST FOR DECISION 031-2017**

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- No true alternatives exist as this TBR relates to previously approved capital project funding. Not approving the TBR would require putting major portions of the 2017/18 Capital Budget on hold pending identification of other funding sources.

**TOWN OF WOLFVILLE**  
**TEMPORARY BORROWING RESOLUTION**

\$864,750

File No. 17/18-01  
Various Purposes

**WHEREAS** Section 66 of the Municipal Government Act provides that the Town of Wolfville, subject to the approval of the Minister of Municipal Affairs, may borrow to expend funds for a capital purpose authorized by statute;

**AND WHEREAS** clause 65 of the Municipal Government Act authorizes the Town of Wolfville to expend funds for the capital purpose of:

- streets, culverts, retaining walls, sidewalks, curbs and gutters;
- wastewater facilities and stormwater systems;

**AND WHEREAS** the specific amounts and descriptions of the projects are contained in Schedule "A" (attached);

**BE IT THEREFORE RESOLVED**

**THAT** under the authority of Section 66 of the Municipal Government Act, the Town borrow a sum or sums not exceeding Eight Hundred Sixty-Four Thousand, Seven hundred and Fifty Dollars (\$864,750) for the purpose set out above, subject to the approval of the Minister of Municipal Affairs;

**THAT** the sum be borrowed by the issue and sale of debentures of the Town to such an amount as the Council deems necessary;

**THAT** the issue of debentures be postponed pursuant to Section 92 of the Municipal Government Act and that the Town borrow from time to time a sum or sums not exceeding Eight Hundred Sixty-Four Thousand, Seven hundred and Fifty Dollars (\$864,750) in total from any chartered bank or trust company doing business in Nova Scotia;

**THAT** the sum be borrowed for a period not exceeding Twelve (12) Months from the date of the approval of the Minister of Municipal Affairs of this resolution.

**THAT** the interest payable on the borrowing be paid at a rate to be agreed upon; and

**THAT** the amount borrowed be repaid from the proceeds of the debentures when sold.

**THIS IS TO CERTIFY** that the foregoing is a true copy of a resolution duly passed at a meeting of the Council of the Town of Wolfville held on the \_\_\_\_\_ day of \_\_\_\_\_ 2017.

**GIVEN** under the hands of the Mayor and the Clerk and under the seal of the Town this \_\_\_\_\_ day of \_\_\_\_\_ 2017.

\_\_\_\_\_  
Mayor

\_\_\_\_\_  
Clerk

For DMA Use Only

**TOWN OF WOLFVILLE**  
**TEMPORARY BORROWING RESOLUTION**  
**SCHEDULE 'A'**

\$864,750

File No. 17/18-01  
Various Purposes

Street Infrastructure (including underground where applicable)	\$634,750
Storm Water – replace at Waterfront Park	\$55,000
Sidewalks	\$125,000
Cemetery Wall	<u>\$150,000</u>
Grand Total	<u><b>\$864,750</b></u>

TOWN OF WOLFVILLE

TEMPORARY BORROWING RESOLUTION

\$270,000

File No. 17/18-02  
Water Distribution Infrastructure

**WHEREAS** Section 66 of the Municipal Government Act provides that the Town of Wolfville, subject to the approval of the Minister of Municipal Affairs, may borrow to expend funds for a capital purpose authorized by statute;

**AND WHEREAS** clause 65 of the Municipal Government Act authorizes the Town of Wolfville to expend funds for the capital purpose of water systems;

**BE IT THEREFORE RESOLVED**

**THAT** under the authority of Section 66 of the Municipal Government Act, the Town borrow a sum or sums not exceeding Two Hundred Seventy Thousand Dollars (\$270,000) for the purpose set out above, subject to the approval of the Minister of Municipal Affairs;

**THAT** the sum be borrowed by the issue and sale of debentures of the Town to such an amount as the Council deems necessary;

**THAT** the issue of debentures be postponed pursuant to Section 92 of the Municipal Government Act and that the Town borrow from time to time a sum or sums not exceeding Two Hundred Seventy Thousand Dollars (\$270,000) in total from any chartered bank or trust company doing business in Nova Scotia;

**THAT** the sum be borrowed for a period not exceeding Twelve (12) Months from the date of the approval of the Minister of Municipal Affairs of this resolution.

**THAT** the interest payable on the borrowing be paid at a rate to be agreed upon; and

**THAT** the amount borrowed be repaid from the proceeds of the debentures when sold.

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Mayor

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Clerk

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