



**City of Lloydminster
Request for Decision (RFD)**

Subject Matter: Bylaw No. 03-2024 Borrowing Bylaw - Lloydminster Golf & Curling Centre Maintenance Shop

Department: Chief Financial Officer

Presented By: Denise MacDonald

Council Meeting Date: January 22, 2024

Recommendation:

That Council grant first reading to Bylaw No. 03-2024, with a maximum borrowing amount of \$3,100,000 for a period not to exceed 30 years for the design and construction of the Maintenance Shop at the Lloydminster Golf & Curling Centre.

Issue: On November 20, 2023, Council approved the 2024 Capital Budget which included the design and construction of the Maintenance Shop at the Lloydminster Golf and Curling Centre (LGCC). The 2024 Capital Budget approved \$3,100,000 in expenditures which are to be funded by debenture. The municipal requirements of a capital borrowing Bylaw include that construction cannot commence until the borrowing bylaw is passed.

Background: The LGCC Maintenance Shop has come to the end of its useful life and is due for replacement. The first phase of the LGCC Maintenance Shop Replacement Project, i.e., Building Programming and Concept Design Development, including Geotechnical, is complete. For phase II, Administration recommends proceeding with Design-Build procurement, which will provide the final detailed design and construction of the building, and development of the site to the west of the current LGCC Maintenance Shop.

The City approved \$150,000 of municipal reserves towards this project in a prior year, resulting in total project costs estimated at \$3,250,000. As the City anticipates funding the project by debenture and municipal reserves, Administration proposes a Borrowing Bylaw No. 03-2024 to debenture the amount of \$3,100,000 for a period not to exceed thirty (30) years at a maximum rate of ten (10) percent.

Bylaw No. 03-2024 establishes the maximum threshold for the amount, interest rate and the length of term for the borrowing. The City may choose to borrow below that threshold. Province of Alberta's interest rate on January 15, 2024, with a 30-year term is 5.22% with semi-annual payments of principal and interest of \$102,823. Interest rates are subject to change quarterly.

Capital borrowing bylaws are subject to advertising requirements under S.159(2) of the *Lloydminster Charter* and Bylaw 13-2023 the Public Notification and Advertisement Bylaw which means that a Notice of Electors will be advertised for two consecutive weeks in the local newspaper, as well as on the City's website. In accordance with S.172(3) of the *Lloydminster Charter*, there is a 15-day petition period before the bylaw can return to Council for second and third readings.

The principal amount of outstanding debenture debt of the City as at December 31, 2023 is \$55,893,041. As per our last Audited Financial Statements, our annual debt limit was \$133,096,359 of which the City has incurred debt of \$54,750,063.

Options:

1. That Council grant first reading to Bylaw No. 03-2024, with a maximum borrowing amount of \$3,100,000 for the design and construction of the Lloydminster Golf & Curling Centre Maintenance Shop.
2. That Council not approve first reading to Bylaw No. 03-2024, with a maximum borrowing amount of \$3,100,000 for the design and construction of the Lloydminster Golf & Curling Centre Maintenance Shop.
3. That Council request further information and that the item be brought forward to a future Regular Council Meeting for decision.

Alignment with Strategic Plan: This item is in alignment with the following strategic area: Delivering Good Governance. The proposed Borrowing Bylaw No. 03-2024 is an equitable and efficient means of financing a long-term capital asset.

Legal Review: N/A

Governance Implications: Following final reading, the borrowing bylaw is subject to a 30-day appeal period in accordance with S.217(2) of the *Lloydminster Charter*.

Budget/Financial Implications: With semi-annual interest payments, the initial principal and interest payment will occur six (6) months following the first draw on the borrowing bylaw and the budgets will be adjusted accordingly.

Environmental Implications: N/A



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Report Approval Details

Document Title:	Bylaw No. 03-2024 LGCC Maintenance Shop Borrowing.docx
Attachments:	- Public Notice and Information for Electors.docx - Borrowing Bylaw - LGCC Maintenance Shop.docx
Final Approval Date:	Jan 18, 2024

This report and all of its attachments were approved and signed as outlined below:

Denise MacDonald

Doug Rodwell

Dion Pollard