

RE: LONG TERM FINANCING - LOCAL IMPROVEMENT WORKS

ACTING MUNICIPAL MANAGER'S RECOMMENDATION:

1. THAT the recommendations of the Director Finance be adopted.

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TO: MUNICIPAL MANAGER
FROM: DIRECTOR FINANCE

RE: LONG TERM FINANCING - LOCAL IMPROVEMENT WORKS

RECOMMENDATIONS

1. THAT a security issuing by-law be brought down to finance local improvement works constructed totalling \$1,180,000; and
2. THAT the Director Finance be directed to make application to the Greater Vancouver Regional District for this financing.

REPORT

In the past, Council has approved by-laws to authorize the construction of various local improvement street works and lighting. A construction by-law gives the authority to do the work, but a security issuing by-law is necessary when it comes time to finance that work on a long term basis. Schedule A attached lists those construction by-laws for which the work has been completed but for which the long term financing has not been completed. It is now being recommended that a security issuing by-law be brought down and an application be made to the Greater Vancouver Regional District to finance \$1,180,000 in completed works as shown in the schedule.

All long term municipal financing in the Province, with the exception of the City of Vancouver, is done through the Municipal Finance Authority (M.F.A.), but local communities must make application through their Regional District. The M.F.A. is expecting to market about \$50-55 million in long term debt in Canada in 1983 May, and it is my objective that our unfinanced local improvement works be part of that issue. To do that we need a security issuing by-law in place in order to make application to the G.V.R.D.

According to discussions I have had with the M.F.A., long term bonds are now being marketed at a cost of around 12 3/4%. The long term interest trend is expected to decline and flatten to some extent in April or May to about 12% to 12 1/4%. These rates compare with 14% when last the M.F.A. borrowed funds on our behalf in 1981 April, and 11 3/8% in 1980 June.

It is recommended that a security issuing by-law be brought down to finance local improvement works constructed totalling \$1,180,000; and

That the Director Finance be directed to make application to the Greater Vancouver Regional District for this financing.



Howard Karas
DIRECTOR FINANCE

Attach.

cc: Municipal Clerk
Municipal Solicitor
Director Engineering

ITEM 6
MANAGER'S REPORT NO. 9
COUNCIL MEETING 1983 02 07

1983 February 02
File: G70-1-1

THE CORPORATION OF THE DISTRICT OF BURNABY

SCHEDULE A

LONG TERM FINANCING REQUIREMENTS
 TERM OF ISSUE - 15 YEARS

LOCAL IMPROVEMENT STREET WORKS

Construction By-law	By-law Estimate	Construction Costs	Amount Already Borrowed(1)	Amount to be Borrowed (2)
7535	\$ 15,120	\$ 21,635.22	\$ 12,096.00	\$ 9,539.22
7536	148,580	134,961.07	118,864.00	16,097.07
7537	110,905	176,943.81	88,724.00	88,219.81
7538	460,365	637,804.19	455,502.48	182,301.71
7539	1,600	2,702.66	1,280.00	1,422.66
7540	54,180	72,005.53	43,344.00	28,661.53
7541	5,650	11,719.16	4,520.00	7,199.16
7542	23,100	33,277.93	18,480.00	14,797.93
7543	119,528	293,727.50	95,622.00	198,105.50
7544	253,770	296,475.10	203,016.00	93,459.10
7546	88,450	144,245.92	70,760.00	73,485.92
7547	260,128	340,962.38	208,102.00	132,860.38
7556	131,920	168,223.96	105,536.00	62,687.96
7605	169,415	263,770.86	nil	263,770.86
	<u>\$1,842,711</u>	<u>\$2,598,455.29</u>	<u>\$1,425,846.48</u>	<u>1,172,608.81</u>
Estimate of Municipal Finance Authority issue costs				<u>7,391.19</u>
Total financing required				<u><u>\$1,180,000.00</u></u>

(1) 80% of the estimated cost of the work was borrowed when the construction by-law was passed.

(2) Pending long term financing, amounts to be borrowed are financed by a separate Local Improvement Fund reserve.