

RE: LOCAL IMPROVEMENTS PERMANENT FINANCING
MUNICIPAL MANAGER'S RECOMMENDATION:

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

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TO: MUNICIPAL MANAGER
 FROM: DIRECTOR FINANCE
 SUBJECT: LOCAL IMPROVEMENT PERMANENT FINANCING
 PURPOSE: To obtain approval to permanently finance 1987
 local improvement projects from internal reserves.

1989 October 30
 File: I52-4

RECOMMENDATION

1. That a bylaw be brought down to appropriate \$324,870.29 from the Local Improvement Reserve, to finance the works shown in this report.

REPORT


In 1989 August Council approved the financing of local improvements from reserves rather than through the Municipal Finance Authority. 80% of the estimated cost of the 1987 local improvement street construction program has been financed by external borrowing through the Municipal Finance Authority. The works have now been completed and rather than borrow the remainder, a bylaw needs to be adopted to appropriate funds from the Local Improvement Reserve Fund to permanently finance the balance of the work.

The Local Improvement Reserve Fund currently has an uncommitted balance of approximately \$5.2 million. It is proposed to appropriate \$324,870.29 from this fund with repayment over 15 years, the same as previous street construction borrowings. Funds repaid will return to the Local Improvement Reserve Fund. The works are as follows:

Construction Bylaw No.	Cost of Works \$	Borrowed from M.F.A. (80%) \$	Surplus From Previous Borrowings \$	Financing Required \$
8979	800,308.07	650,080.00	Nil	150,228.07
8980	601,590.70	464,480.00	Nil	137,110.70
8981	<u>159,777.31</u>	<u>118,000.00</u>	<u>4,245.79</u>	<u>37,531.52</u>
	<u>1,561,676.08</u>	<u>1,232,560.00</u>	<u>4,245.79</u>	<u>324,870.29</u>

The interest rate to be used for this bylaw is the same rate that we use for all other internal long term financing. The rate is determined annually when the provisional budget is prepared; for 1989 the rate is 8%.

It is recommended that a bylaw be brought down to appropriate \$324,870.29 from the Local Improvement Reserve to finance the works shown in this report.


 Howard Karras
 DIRECTOR FINANCE

AML:gw
 cc: Municipal Clerk
 Municipal Solicitor