

The following is an excerpt from the minutes of meeting of City Council held on March 22, 2010:

MATTERS REQUIRING PUBLIC NOTICE

- 8a) **Intent to Borrow**
(File Nos. CK. 1750-1 and CS 1702-1, 1750-1)

REPORT OF THE CITY CLERK:

“The following is a report of the General Manager, Corporate Services Department dated March 12, 2010:

‘RECOMMENDATION: that City Council authorize the planned borrowing to finance the following projects approved, in principle, through Capital Budgets and capital plans:

- a) up to \$60,000,000 for Circle Drive South – River Crossing (Capital Project 993) to finance the construction of the roadways and bridge for Circle Drive South;
- b) an additional \$8,100,000 (up to \$39,000,000) for the Water Treatment New Intake Facility (Capital Project 1208), to finance the additional budgeted expansion of the Ave. H water reservoir;
- c) up to \$53,000 for Waste Water – Lift Station Upgrades (Capital Project 1243) to finance the upgrade of sanitary sewers throughout the city;
- d) up to \$4,000,000 for the Waste Water Treatment Plant – Primary Digestion Process Update (Capital Project 1248) to finance the design and installation of a new mixing system at the Wastewater Treatment Plant;
- e) an additional \$13,000,000 for the Destination Centre (Capital Project 1786), to finance the design and construction of Destination Centre at River Landing;

- f) up to \$3,000,000 for the Water Treatment Plant – High Lift Pump Station Upgrade (Capital Project 2193) to finance the design and construction of a new High Lift Pump Station at the Water Treatment Plant;
- g) up to \$13,400,000 for the Water Reservoir Expansion (Capital Project 2198), to finance the expansion of the Ave. H water reservoir;
- h) up to \$760,000 for the Gordon Howe Campsite Electrical Upgrade (Capital Project 2358), to finance the upgrade of the electrical services at the Campground; and,
- i) up to \$1,400,000 for the Automated Irrigation Management System (Capital Project 1630), to finance the purchase and installation of a centralized irrigation management system for City parks.

REPORT

The Cities Act and City Council Bylaw 8171 require that City Council give Public Notice before borrowing money, lending money or guaranteeing the repayment of a loan.

Capital Budget Borrowing

The projects in the above-noted recommendation are included in the 2010 Capital Budget. Through its Capital Budget deliberations, City Council has authorized these projects to proceed, subject to a Public Notice Hearing for borrowing. While some expenditures may have already been incurred, no borrowing has been undertaken pending this Public Hearing. It should also be noted that while authorization is being requested for the full borrowing requirements for all of these projects, actual borrowing will occur based on cash flow requirements and/or prevailing market conditions. Debt repayment on all these capital projects is supported by mill rate or water and wastewater utility rates. The debt repayment on the South River Crossing project is a combination of a reallocation of debt retirement from the borrowing for the Circle Drive and Attridge Drive Overpass and Circle Drive and 22nd Street Overpass projects to this borrowing, as well as a disbursement from the water utility.

Project 2358 – Gordon Howe Campground Upgrades, as well as Project 1630 – Automated Irrigation Management System, were included in the 2009 Capital Budget and Public Notice is still required for the internal borrowing. The internal loan on Project 2358 is to be repaid through a combination of increased revenues and reallocated internal debt retirement while the “green loan” for Project 1630 is being repaid through related utility savings from the implementation of the new system.

OPTIONS

The alternative option is not to proceed with the construction of the various capital projects noted above, or to finance these projects without borrowing.

POLICY IMPLICATIONS

City Council should be aware that your Administration will follow its existing practice with respect to borrowing. Once an Administrative decision has been made to borrow, Council will be requested to authorize the General Manager, Corporate Services, to effect that borrowing within specified ranges (interest rates, for example). Once a borrowing has occurred, the Administration will draft and present a borrowing bylaw, with all of the relevant data related to the transaction, for Council’s approval.

City Council is also asked to allow a 10% variance on the borrowing requirements for each project identified. Any variance greater than 10% of the borrowing amount identified must be reported to City Council.

FINANCIAL IMPACT

The requested borrowing identified in the recommendation is being proposed within the capital budget plan with debt repayment covered through mill rate funding that is in place or through water and wastewater utility rates.

PUBLIC NOTICE

Public Notice is required for consideration of this matter, pursuant to Section 3e) of Policy No. C01-021 (Public Notice Policy). The following notice was given:

- Advertised in the *Saskatoon StarPhoenix* on Saturday, March 13, and Saturday, March 20, 2010.
- Posted on City Notice board on March 12, 2010.
- Posted on City Website on March 12, 2010.

ATTACHMENT

1. Photocopy of Public Notice.’’

General Manager, Corporate Services Department Bilanski presented her report and indicated that item b) noted above was incorrectly advertised so that one item is being retracted and it will be re-advertised for the next meeting of City Council.

His Worship the Mayor ascertained that there was no one present in the gallery who wished to address Council on this matter.

Moved by Councillor Dubois, Seconded by Councillor Wyant,

THAT City Council authorize the planned borrowing to finance the following projects approved, in principle, through Capital Budgets and capital plans:

- a) up to \$60,000,000 for Circle Drive South – River Crossing (Capital Project 993) to finance the construction of the roadways and bridge for Circle Drive South;*
- b) up to \$53,000 for Waste Water – Lift Station Upgrades (Capital Project 1243) to finance the upgrade of sanitary sewers throughout the city;*
- c) up to \$4,000,000 for the Waste Water Treatment Plant – Primary Digestion Process Update (Capital Project 1248) to finance the design and installation of a new mixing system at the Wastewater Treatment Plant;*
- d) an additional \$13,000,000 for the Destination Centre (Capital Project 1786), to finance the design and construction of Destination Centre at River Landing;*
- e) up to \$3,000,000 for the Water Treatment Plant – High Lift Pump Station Upgrade (Capital Project 2193) to finance the design and construction of a new High Lift Pump Station at the Water Treatment Plant;*
- f) up to \$13,400,000 for the Water Reservoir Expansion (Capital Project 2198), to finance the expansion of the Ave. H water reservoir;*
- g) up to \$760,000 for the Gordon Howe Campsite Electrical Upgrade (Capital Project 2358), to finance the upgrade of the electrical services at the Campground; and*

- h) up to \$1,400,000 for the Automated Irrigation Management System (Capital Project 1630), to finance the purchase and installation of a centralized irrigation management system for City parks.*

CARRIED.