



WEST HANTS REGIONAL MUNICIPALITY REPORT

Information ☐	Recommendation ☒	Decision Request ☐	Councillor Activity ☐
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To: WHRM Council

Submitted by: _____
Carlee Rochon, Director, Financial Services

Date: October 8, 2024

Subject: Municipal Finance – Fall 2024 Debenture

LEGISLATIVE AUTHORITY

Municipal Government Act, Part VI, Power to Spend Money 65 (A) & Power to Borrow Money 66.

RECOMMENDATION or DECISION REQUEST

Council approves . . .

... the Mayor and Municipal Clerk to sign the Resolution for Pre-Approval of Debenture Issuance, subject to interest rate confirmation not to exceed 6.5% to enable West Hants Regional Municipality to issue a 5-year debenture of \$20,567, for the purchase of fire equipment and waterproofing of the truck bay wall at Hantsport Fire Station.

... the Mayor and Municipal Clerk to sign the Resolution for Pre-Approval of Debenture Issuance, subject to interest rate confirmation not to exceed 6.5% to enable West Hants Regional Municipality to issue a 10-year debenture of \$32,240, for the roof at Brooklyn Fire Department Station 2 backup generator.

... the Mayor and Municipal Clerk to sign the Resolution for Pre-Approval of Debenture Issuance, subject to interest rate confirmation not to exceed 6.5% to enable West Hants Regional Municipality to issue a 15-year debenture of \$1,327,769, for the paving of the member parking lot at Summerville Fire Department and the Hantsport Fire Department Quint purchase.

... the Mayor and Municipal Clerk to sign the Resolution for Pre-Approval of Debenture Issuance, subject to interest rate confirmation not to exceed 6.5% to enable West Hants Regional Municipality to issue a 20-year debenture of \$618,146, for the Mills Lake Road Construction.

BACKGROUND

Property ☐	Public Opinion ☐	Environment ☐	Social ☐	Economic ☒	Councillor Activity ☐
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Announced July 23rd, the 2024 Fall Debenture call has been scheduled for October 31st.

West Hants Regional Council approved the following capital projects to be funded through long-term borrowing:

<u>Item</u>	<u>Approved</u>		<u>Total Cost</u>
	<u>Amount</u>	<u>Budget Approval</u>	
HFD - Waterproof Truck Bay Wall	\$ 19,500	2023-24 Budget	\$ 14,887
SWH - APX 4000 Portables with Mic	\$ 8,412	2023-24 Budget	\$ 8,605
SWH - SCBA Bottles	\$ 19,138	2023-24 Budget	\$ 17,499
Total 5 Years	\$ 47,050		\$ 40,991
BFD 2 - Building Generator	\$ 100,324	2020-21 Budget	\$ 53,107
Total 10 Years	\$ 100,324		\$ 53,107
HFD - 100' Quint Replace Engine	\$ 1,716,750	2022-23 Budget	\$ 1,716,684
SFD - Member Parking Lot Paving	\$ 30,000	2024-25 Budget	\$ 33,059
Total 15 Years	\$ 1,746,750		\$ 1,749,743
Mills Lake Road Construction (Water)	\$ 678,823	2023-24 Budget	\$ 618,146
Total 20 Years	\$ 678,823		\$ 618,146
Total	\$ 2,572,947		\$ 2,461,987

Council approved the temporary borrowing resolution at the September 26th, 2024, council meeting. They have been sent to Department of Municipal Affairs and Housing for review and ministerial approval.

Once approved and received from the Department of Municipal Affairs and Housing these temporary borrowing resolutions will be submitted to the Municipal Finance Division for the fall debenture deadline of October 31, 2024.

DISCUSSION

Municipal Finance offers favorable fixed lending rates for municipal capital purchases. To meet the necessary lending requirements a Temporary Borrowing Resolution (TBR) is required, which needs Council and Minister approval. As well the project must be complete.

To be able to participate in the upcoming Municipal Finance semi-annual debenture call, a 'Resolution for Pre-Approval of Debenture Issuance Subject to Interest Rate' must be approved by Council. Approving this now would qualify the Municipality to take part in the fall debenture call.

It should be noted that the Minister approval date of the TBR in the resolution document has been left blank. The resolution document is a Municipal Finance's procedural step and should be left blank for Municipal Finance Division staff to complete.

NEXT STEPS

Should Council approve the Resolution for Pre-Approval of Debenture Issuance, a time will be scheduled for the Mayor and Municipal Clerk to sign the documents. The package will be prepared for submission to the Municipal Finance Division by 4:30pm on October 31, 2024.

FINANCIAL IMPLICATIONS

The full financing charges for these items already make up part of the current fiscal year's budget, so they will have no impact on the 2024-25 operating budget.

<u>Item</u>		<u>Debt</u>		<u>Total</u>	<u>Completion</u>
		<u>Total Cost</u>	<u>Servicing</u>	<u>Borrowing</u>	<u>Date</u>
HFD - Waterproof Truck Bay Wall		\$ 14,887	\$ (8,464)	\$ 6,423	31-Mar-24
SWH - APX 4000 Portables with Mic	Pre-Res 1	\$ 8,605	\$ (3,652)	\$ 4,953	30-Apr-24
SWH - SCBA Bottles		\$ 17,499	\$ (8,308)	\$ 9,191	21-Aug-24
Total 5 Years		\$ 40,991	\$ (20,424)	\$ 20,567	
BFD 2 - Building Generator	Pre-Res 2	\$ 53,107	\$ (20,867)	\$ 32,240	31-Mar-24
Total 10 Years		\$ 53,107	\$ (20,867)	\$ 32,240	
HFD - 100' Quint Replace Engine	Pre-Res 3	\$ 1,716,684	\$ (419,415)	\$ 1,297,269	22-May-24
SFD - Member Parking Lot Paving		\$ 33,059	\$ (2,559)	\$ 30,500	31-Jul-24
Total 15 Years		\$ 1,749,743	\$ (421,974)	\$ 1,327,769	
Mills Lake Road Construction (Water)	Pre-Res 4	\$ 618,146		\$ 618,146	23-Nov-23
Total 20 Years		\$ 618,146	\$ -	\$ 618,146	
Total		\$ 2,461,987	\$ (463,265)	\$ 1,998,722	

Participating in the Municipal Finance debenture will allow the Municipality to clear its internal loan between the General Operating fund and the Capital fund.

ALTERNATIVES

- Council could reject moving forward with the MFC fall debenture and direct staff as to how the item is to be funded. This is not the recommended approach.

ATTACHMENTS

- Resolution for Pre-Approval of Debenture Issuance Subject to Interest Rate – 5 Years
- Resolution for Pre-Approval of Debenture Issuance Subject to Interest Rate – 10 Years
- Resolution for Pre-Approval of Debenture Issuance Subject to Interest Rate – 15 Years
- Resolution for Pre-Approval of Debenture Issuance Subject to Interest Rate – 20 Years
- Temporary Borrowing Resolution – Fall 2024

CHIEF ADMINISTRATIVE OFFICER REVIEW

I support the recommendations.

Report Prepared by: _____
Carlee Rochon, Director, Financial Services

Report Approved by:  _____
Mark Phillips, Chief Administrative Officer

Resolution for Pre-Approval of Debenture Issuance Subject to Interest Rate

WHEREAS clause 66 (1) of the Municipal Government Act (the “Act”) provides that a municipality may borrow to carry out an authority to expend funds for capital purposes conferred by the Act or another Act of the Legislature;

AND WHEREAS clause 91(1)(a) of the Act provides that where a municipality is authorized to borrow money, subject to the approval of the Minister of Municipal Affairs and Housing (the “Minister”), that the sum shall be borrowed by the issue and sale of debentures, in one sum or by installments, as determined by the council;

AND WHEREAS clause 91(1)(b) of the *Municipal Government Act* authorizes the council to determine the amount and term of, and the rate of interest, on each debenture, when the interest on a debenture is to be paid, and where the principal and interest on a debenture are to be paid;

AND WHEREAS clause 91(2) of the *Municipal Government Act* states, that in accordance with the *Finance Act*, the mayor or warden and clerk or the person designated by the council, by policy, shall sell and deliver the debentures on behalf of the municipality at the price, in the sums and in the manner deemed proper;

AND WHEREAS the resolution of council to borrow for was approved by the municipal council on September 26, 2024_____.
(council’s TBR approval date)

BE IT THEREFORE RESOLVED

THAT under the authority of Section 91 of the *Municipal Government Act*, the

_____ West Hants Regional Municipality
(Name of Unit)

borrow by the issue and sale of debentures a sum or sums not exceeding \$ 20,567_____, for a period not to exceed 5_____ years, subject to the approval of the Minister;

THAT the sum be borrowed by the issue and sale of debentures of the

_____ West Hants Regional Municipality
(Name of Unit)

in the amount that the mayor or warden and clerk or the person designated by the council deems proper, provided the average interest rate of the debenture does not exceed the rate of 6.5%;

THAT the debenture be arranged with the Province of Nova Scotia with interest to be paid semi-annually and principal payments made annually;

THAT this resolution remains in force for a period not exceeding twelve months from the passing of this resolution.

For Province use only:

TBR #: _____

Minister signed: _____

THIS IS TO CERTIFY that the foregoing is a true copy of a resolution duly passed at a meeting of the Council of the
West Hants Regional Municipality

(Name of Unit)

held on the _____ day of October 2024

GIVEN under the hands of the Mayor/Warden and the Clerk of the
West Hants Regional Municipality

(Name of Unit)

this _____ day of October 2024

Mayor/Warden

Clerk

Resolution for Pre-Approval of Debenture Issuance Subject to Interest Rate

WHEREAS clause 66 (1) of the Municipal Government Act (the “Act”) provides that a municipality may borrow to carry out an authority to expend funds for capital purposes conferred by the Act or another Act of the Legislature;

AND WHEREAS clause 91(1)(a) of the Act provides that where a municipality is authorized to borrow money, subject to the approval of the Minister of Municipal Affairs and Housing (the “Minister”), that the sum shall be borrowed by the issue and sale of debentures, in one sum or by installments, as determined by the council;

AND WHEREAS clause 91(1)(b) of the *Municipal Government Act* authorizes the council to determine the amount and term of, and the rate of interest, on each debenture, when the interest on a debenture is to be paid, and where the principal and interest on a debenture are to be paid;

AND WHEREAS clause 91(2) of the *Municipal Government Act* states, that in accordance with the *Finance Act*, the mayor or warden and clerk or the person designated by the council, by policy, shall sell and deliver the debentures on behalf of the municipality at the price, in the sums and in the manner deemed proper;

AND WHEREAS the resolution of council to borrow for was approved by the municipal council on September 26, 2024_____.
(council’s TBR approval date)

BE IT THEREFORE RESOLVED

THAT under the authority of Section 91 of the *Municipal Government Act*, the

_____ West Hants Regional Municipality
(Name of Unit)

borrow by the issue and sale of debentures a sum or sums not exceeding \$ 32,240 _____, for a period not to exceed 10 _____ years, subject to the approval of the Minister;

THAT the sum be borrowed by the issue and sale of debentures of the

_____ West Hants Regional Municipality
(Name of Unit)

in the amount that the mayor or warden and clerk or the person designated by the council deems proper, provided the average interest rate of the debenture does not exceed the rate of 6.5%;

THAT the debenture be arranged with the Province of Nova Scotia with interest to be paid semi-annually and principal payments made annually;

THAT this resolution remains in force for a period not exceeding twelve months from the passing of this resolution.

For Province use only:

TBR #: _____

Minister signed: _____

THIS IS TO CERTIFY that the foregoing is a true copy of a resolution duly passed at a meeting of the Council of the West Hants Regional Municipality

(Name of Unit)

held on the _____ day of October 2024

GIVEN under the hands of the Mayor/Warden and the Clerk of the West Hants Regional Municipality

(Name of Unit)

this _____ day of October 2024

Mayor/Warden

Clerk

Resolution for Pre-Approval of Debenture Issuance Subject to Interest Rate

WHEREAS clause 66 (1) of the Municipal Government Act (the “Act”) provides that a municipality may borrow to carry out an authority to expend funds for capital purposes conferred by the Act or another Act of the Legislature;

AND WHEREAS clause 91(1)(a) of the Act provides that where a municipality is authorized to borrow money, subject to the approval of the Minister of Municipal Affairs and Housing (the “Minister”), that the sum shall be borrowed by the issue and sale of debentures, in one sum or by installments, as determined by the council;

AND WHEREAS clause 91(1)(b) of the *Municipal Government Act* authorizes the council to determine the amount and term of, and the rate of interest, on each debenture, when the interest on a debenture is to be paid, and where the principal and interest on a debenture are to be paid;

AND WHEREAS clause 91(2) of the *Municipal Government Act* states, that in accordance with the *Finance Act*, the mayor or warden and clerk or the person designated by the council, by policy, shall sell and deliver the debentures on behalf of the municipality at the price, in the sums and in the manner deemed proper;

AND WHEREAS the resolution of council to borrow for was approved by the municipal council on September 26, 2024_____.
(council’s TBR approval date)

BE IT THEREFORE RESOLVED

THAT under the authority of Section 91 of the *Municipal Government Act*, the

West Hants Regional Municipality
(Name of Unit)

borrow by the issue and sale of debentures a sum or sums not exceeding \$_1,327,769_ , for a period not to exceed ____15____ years, subject to the approval of the Minister;

THAT the sum be borrowed by the issue and sale of debentures of the

West Hants Regional Municipality
(Name of Unit)

in the amount that the mayor or warden and clerk or the person designated by the council deems proper, provided the average interest rate of the debenture does not exceed the rate of 6.5%;

THAT the debenture be arranged with the Province of Nova Scotia with interest to be paid semi-annually and principal payments made annually;

THAT this resolution remains in force for a period not exceeding twelve months from the passing of this resolution.

For Province use only:

TBR #: _____

Minister
signed: _____

THIS IS TO CERTIFY that the foregoing is a true copy of a resolution duly passed at a meeting of the Council of the
West Hants Regional Municipality

(Name of Unit)

held on the day of October 2024

GIVEN under the hands of the Mayor/Warden and the Clerk of the
West Hants Regional Municipality

(Name of Unit)

this day of October 2024

Mayor/Warden

Clerk

Resolution for Pre-Approval of Debenture Issuance Subject to Interest Rate

WHEREAS clause 66 (1) of the Municipal Government Act (the “Act”) provides that a municipality may borrow to carry out an authority to expend funds for capital purposes conferred by the Act or another Act of the Legislature;

AND WHEREAS clause 91(1)(a) of the Act provides that where a municipality is authorized to borrow money, subject to the approval of the Minister of Municipal Affairs and Housing (the “Minister”), that the sum shall be borrowed by the issue and sale of debentures, in one sum or by installments, as determined by the council;

AND WHEREAS clause 91(1)(b) of the *Municipal Government Act* authorizes the council to determine the amount and term of, and the rate of interest, on each debenture, when the interest on a debenture is to be paid, and where the principal and interest on a debenture are to be paid;

AND WHEREAS clause 91(2) of the *Municipal Government Act* states, that in accordance with the *Finance Act*, the mayor or warden and clerk or the person designated by the council, by policy, shall sell and deliver the debentures on behalf of the municipality at the price, in the sums and in the manner deemed proper;

AND WHEREAS the resolution of council to borrow for was approved by the municipal council on September 26, 2024_____.
(council’s TBR approval date)

BE IT THEREFORE RESOLVED

THAT under the authority of Section 91 of the *Municipal Government Act*, the

West Hants Regional Municipality
(Name of Unit)

borrow by the issue and sale of debentures a sum or sums not exceeding \$_618,146___, for a period not to exceed ____20____ years, subject to the approval of the Minister;

THAT the sum be borrowed by the issue and sale of debentures of the

West Hants Regional Municipality
(Name of Unit)

in the amount that the mayor or warden and clerk or the person designated by the council deems proper, provided the average interest rate of the debenture does not exceed the rate of 6.5%;

THAT the debenture be arranged with the Province of Nova Scotia with interest to be paid semi-annually and principal payments made annually;

THAT this resolution remains in force for a period not exceeding twelve months from the passing of this resolution.

For Province use only:

TBR #: _____

Minister signed: _____

THIS IS TO CERTIFY that the foregoing is a true copy of a resolution duly passed at a meeting of the Council of the
West Hants Regional Municipality

(Name of Unit)

held on the day of October 2024

GIVEN under the hands of the Mayor/Warden and the Clerk of the
West Hants Regional Municipality

(Name of Unit)

this day of October 2024

Mayor/Warden

Clerk

MUNICIPAL COUNCIL OF THE
West Hants Regional Municipality
TEMPORARY BORROWING RESOLUTION

Amount: \$ 2,461,987

Capital Projects: Detailed in Schedule "A"

WHEREAS Section 66 of the Municipal Government Act provides that the Council of the West Hants Regional Municipality, subject to the approval of the Minister of Municipal Affairs and Housing, may borrow to expend funds for a capital purpose as authorized by statute;

WHEREAS the Council of the West Hants Regional Municipality has adopted a capital budget for this fiscal year as required by Section 65 of the Municipal Government Act and are so authorized to expend funds for capital purposes as identified in their capital budget; 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 Council of the West Hants Regional Municipality borrow a sum or sums not exceeding Two Million Four Hundred Sixty-One Thousand Nine Hundred Eighty-Six Dollars (\$ 2,461,987) for the purpose set out above, subject to the approval of the Minister of Municipal Affairs and Housing;

THAT the sum be borrowed by the issue and sale of debentures of the Council of the West Hants Regional Municipality 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 a sum or sums not exceeding Two Million Four Hundred Sixty-One Thousand Nine Hundred Eighty-Six Dollars (\$ 2,461,987) in total be borrowed from time to time 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 approval of the Minister of Municipal Affairs and Housing of this resolution;

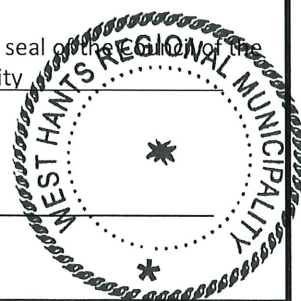
THAT the interest payable on the borrowing be paid at a rate to be agreed upon; and

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 read and duly passed at a meeting of the Council of the West Hants Regional Municipality held on the 26 day of September 2024

GIVEN under the hands of the Clerk and under the seal of the Council of the West Hants Regional Municipality this 1 day of October, 2024.

Wanna Shair
Clerk



**MUNICIPAL COUNCIL OF THE
West Hants Regional Municipality
TEMPORARY BORROWING RESOLUTION**

Amount: \$ 2,461,987

Capital Projects: Detailed in Schedule "A"

**SCHEDULE "A"
CAPITAL PROJECTS**

		<u>Estimates \$</u>
Heading / Category: 5 year		
Item	HFD - Waterproof Truck Bay Wall	14,887
Item	SWH - APX 4000 Portables with Mic	8,605
Item	SWH - SCBA Bottles	17,499
Item		
Heading Sub Total:		40,991
Heading / Category: 10 year		
Item	BFD Station 2 - Building Generator	53,107
Item		
Item		
Item		
Heading Sub Total:		53,107
Heading / Category: 15 year		
Item	HFD - 100' Quint Apparatus	1,716,684
Item	Member Parking Lot Paving	33,059
Item		
Item		
Heading Sub Total:		1,749,743
Heading / Category: 20 year - Water		
Item	Mills Lake Road Construction (Water)	618,146
Item		
Item		
Item		
Heading Sub Total:		618,146
Heading / Category:		
Item		
Item		
Item		
Item		
Heading Sub Total:		0
Heading / Category:		
Item		
Item		
Item		
Item		
Heading Sub Total:		0
TOTAL REQUEST CONTAINED WITHIN THIS RESOLUTION		2,461,987