

ADMINISTRATIVE REPORT

TO: Shane Bourke, City Manager	DATE: April 29, 2025
FROM: Danielle Whiteway, Chief Financial Officer	MEETING: Financial & Administrative Services Committee
REPORT WRITER: Alex Shepherd, Manager of Assets	
SUBJECT: Bylaw C-1478 - Borrowing Bylaw (Montrose Cultural Centre)	

RECOMMENDATIONS

That Committee recommend Council give first reading to Bylaw C-1478 as presented.

PREVIOUS COUNCIL / COMMITTEE DIRECTIONS

In the 2024 Mid-Year Capital Requests, the Montrose Cultural Centre Deficiencies project was identified, and brought forward for funding on July 23, 2024 and approved by Council on July 29, 2024 during a regular Council meeting.

BACKGROUND

The Montrose Cultural Centre (MCC) remediation project, addressing deficiencies from the original construction, has commenced. Phase 1 is currently underway, with funding for phases 2 and 3 to be incorporated from the approved mid-year capital requests. Phase 2, focusing on the library's electrical system, lighting, and building envelope, is projected for completion in 2025. Phase 3, which addresses the art gallery's building envelope, ventilation system, and Teresa Sargent Hall's structural floor, is projected for completion in 2027.

Phase 2 - \$1,102,000.00

Phase 3 - \$2,245,000.00

Requiring a borrowing bylaw, funded via debt for \$3,347,000.00.

ANALYSIS

A project of this magnitude and with a long useful life (depending on structure choice is more appropriate to be funded by way of debt. Annual debt payments will be estimated and incorporated in the 2026-2030 operating budget and will be paid over a 25-year term.

Debt Limitations

As of Q4 2024, the City's remaining debt limit as per Policy 350 was \$110,187,918.00 and debt servicing available was \$8,134,595. The debt limit already included budgeted (but not yet finalized) borrowings for Maskwa Medical, MCC Remediation (Phases II & III) and the Indoor Recreation

Facility, as those projects required internal funding. The debt servicing at Q3 does not include anticipated payments for the Indoor Recreation Facility, however the \$7,212,289 more than covers the required annual servicing expected of **\$237,000**. There is sufficient capacity for the City to borrow for this project, both in debt limit and debt servicing.

Loan Amount	3,347,000
Annual Interest Rate	4.96%
Loan Term	25 Years
Annual Payment	\$237,000

This is the best estimate for annual payments overall

Borrowing bylaws are required to be advertised under section 251(3) of the Municipal Government Act (MGA) subsequent to first reading by Council. When the bylaw has been advertised for two consecutive weeks and a petition for a vote has not been received within 15 days of the last advertised date, the bylaw is eligible to return to Council for second and third readings.

Relationship to City Council's Areas of Focus / Strategic Priorities

Infrastructure – Ensure existing and new infrastructure meets the future needs of the community.

Environmental Impact

None identified in this report.

Economic Impact

The MCC has many events that are hosted within the Hall, and library programs. It would be an economic risk to have this facility unable to provide programming and events. The borrowing bylaw will reduce the City’s available debt servicing limit.

Social Impact

The impact of having the MCC closed, can have a significant social impact due to lost social services in the library.

Relevant Statutes / Master Plans / City Documents

Section 251 – Borrowing Bylaw of the Municipal Government Act

Risk

None Identified.

Alternatives (Optional)

There are no other funding sources available as an alternative.

STAKEHOLDER ENGAGEMENT

The Borrowing Bylaw, as required by the MGA, will be advertised publicly for 14 days on the City’s website. There will be an additional 15 days available for petitions after the ending date of advertisement.

BUDGET / FINANCIAL IMPLICATIONS

Debt servicing costs for the loan are incorporated into the 2025 operating budget. With the current timelines, it is anticipated this project will start in the Summer of 2025. The Borrowing Bylaw will have a total amount of \$3,347,000.00 with interest, to be paid over 25 years via the operating budget. Administration reviews and adjusts operating budgets annually for presentation to Council, so any required changes will be incorporated into future budgets.

SUMMARY / CONCLUSION

The MCC Deficiencies project is approved to be funded via debt, through borrowing bylaw C-1478. This project addresses the electrical, lighting systems, ventilation system and structural floor issues addressed, while also working on the building envelopes of the library and art gallery.

Administration recommends proceeding with a borrowing bylaw C-1478 of \$3,347,000.00 over 25 years to fund the remainder of this project.

ATTACHMENTS

A – Bylaw C-1478 Montrose Cultural Centre Deficiencies Project