

District of Barriere

REPORT TO COUNCIL

Request for Decision

Date: September 21 st , 2026	File: 5b
To: Council	From: K. Abel, Chief Financial Officer
Re: DRAFT Revenue Anticipation Borrowing Bylaw No. 282	
<u>Recommendation:</u> THAT Council give first three readings to the Revenue Anticipation Borrowing Bylaw No. 282	

Purpose

To renew, by Bylaw, the District's annual *Revenue Anticipation Bylaw No. 263* which allows the District to obtain interim funding for the construction of its Wastewater Treatment Upgrade project funded in part under the Investing in Canada Infrastructure Program (ICIP). The Province will make financial contributions to the District which will not exceed the lesser of seventy three point thirty three percent (73.33%) of the total Eligible Expenditures of the Project or Five Million Two Hundred Thirteen Thousand Three Hundred Dollars and Zero Cents (\$5,213,376) being the maximum amount (the 'Total Contribution') approved to be paid under the funding agreement to pay for Eligible Expenditures incurred by the District.

Background

Section 177 of the *Community Charter* (Revenue Anticipation Borrowing) gives municipalities the authority to borrow money for a short term in anticipation of the receipt of funding such as grant payments from other levels of government, or to fund operating expenditures pending the receipt of current year property taxes. The maximum allowable term for this borrowing is one year. Council adopted Revenue Anticipation Bylaw No. 263 in December 2025 and it applied to the year 2026. A new bylaw must be adopted to apply for any necessary borrowing for this purpose in 2027.

The District is forecasting significant capital expenditures towards the Wastewater Treatment Upgrade project in 2027 and may face cash flow shortfalls due to the turnaround time between cash being outlaid and reimbursed by the Provincial government.

The overall project has been budgeted at \$7.1M, with contributions from the District making up the difference between total project cost and grant funds. The table below provides a snapshot of the Wastewater Treatment Project as of September 2026. Of the remaining \$6,083,854.63 expected expenses, \$4,468,236.60 will be grant funded and \$1,615,618.10 will be funded by District funds.

Total Approved Project Budget	Total DoB Funding Committed	Total Grant Funding Approved	Total Costs to Date	Costs Submitted for Grant Reimbursement	DoB Funds Utilized	Overall Costs Remaining
\$ 7,100,000.00	\$ 1,886,624.00	\$ 5,213,376.00	\$ 1,016,145.37	\$ 745,139.41	\$ 271,005.97	\$ 6,083,854.63

Any borrowing under this bylaw will only be used to fund expenditures which have been included in the 2026-2030 financial plan and will be included in the 2027-2031 Financial Plan.

The loan would be in the form of a non-revolving line of credit with the Municipal Finance Authority, with interest payable only when drawdowns are made against it.

Council approved similar bylaws in 2012, and 2017 to finance the Solar Aquatics Wastewater Reclamation and the Water Supply and Distribution System Improvement projects, respectively. The same scenario is expected in 2027 as it was in 2026, and use of these funds is only a last resort to fund unforeseen cashflow constraints that may arise.

This bylaw, No. 282, relates only to the grant revenue available under the ICIP program, as it relates to capital expenditures for Wastewater Treatment Upgrades, and is separate and distinct from Bylaw No. 281, which applies to the District's proposed operating line of credit with Beem Credit Union. Although borrowing for both the credit union and MFA could be included in a single bylaw, the Municipal Finance Authority has recommended that the District adopt two separate bylaws.

Benefits or Impacts

General

Revenue anticipation borrowing bylaws can cause confusion. For clarification, this bylaw does not allow the District to take on a debt in the amount of \$5.2million. This bylaw reflects that the District has already been approved for and will be receiving, prior to the end of 2027, \$4,468,236.59 to complete an already approved and funded project. It also allows the District to borrow up to 4.5m to cover project expenses while awaiting reimbursement, if sufficient cash is not available without impacting day to day operations. Any borrowed funds must be repaid by December 31, 2027.

The bylaw presented has been amended to increase the maximum outstanding amount at any given time to \$3,000,000 from \$2,000,000. With claim reimbursements from the province taking longer, the increased allowable amount provides better support to manage cashflow constraints. As noted previously, this is a purely precautionary and proactive measure to ensure the District can continue meeting their short-term grant-funded capital project expenditure cashflows.

Finances

This short-term borrowing would be at a variable interest rate which, at the time of writing this report is 2.89%. Interest charges are not eligible expenses under the ICIP funding agreement. This expense will not be incurred unless the District utilizes the loan.

Strategic Impact

Priority #3 – Goal 1 – Complete Wastewater Treatment Project

Risk Assessment

Compliance:

This is an annual bylaw authorized under Section 177 of the *Community Charter* and is required to set up short-term credit with the Municipal Finance Authority, and will expire at the 2027 year end.

Risk Impact:

Moderate.

Internal Control Process:

Staff will need to provide the Municipal Finance Authority with a copy of the bylaw upon adoption, as well as a copy of this report.

Any funds received from the Federal or Provincial Governments as included in this bylaw, must be used to repay amounts borrowed under this bylaw, with the loan repayable in full by the end of the year.

Next Steps / Communication

If Council provides this draft Bylaw's first three readings at this meeting, the bylaw will return for adoption consideration at the next Regular Council Meeting. From there, if adopted, Staff will proceed with renewing the line of credit with the Municipal Finance Authority.

Attachments

- 1) DRAFT Revenue Anticipation Borrowing Bylaw, No. 282
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Recommendation

THAT Council gives first three readings to Revenue Anticipation Borrowing Bylaw, No. 282

Alternative Options

1. Council could choose not to consider this draft bylaw. In that case, the District would not be able to access any short-term borrowing to fund Water Treatment Upgrade expenditures and a cash flow issue will most likely occur.



DRAFT - BYLAW NO. 282

REVENUE ANTICIPATION BORROWING BYLAW

DISTRICT OF BARRIERE

A bylaw to provide for the borrowing of money in anticipation of revenue

WHEREAS the District of Barriere does not have sufficient money on hand to meet the current lawful expenditures of the municipality;

AND WHEREAS it is provided by Section 177 of the *Community Charter* that Council may, without the assent of the electors or the approval of the Inspector of Municipalities, provide for the borrowing of such sums of money as may be necessary to meet the current lawful expenditures of the municipality provided that the total of the outstanding liabilities does not exceed the sum of:

- a) The whole amount remaining unpaid of the taxes for all purposes levied during the current year, provided that prior to the adoption of the annual property tax bylaw in any year, the amount of the taxes during the current year for this purpose shall be deemed to be 75% of the taxes levied for all purposes in the immediately preceding year; and
- b) The whole amount of any sums of money remaining due from other governments;

AND WHEREAS the District of Barriere's grant application for a Wastewater Treatment Upgrade has been approved under the Investing in Canada Infrastructure Program (ICIP) for the amount of \$5,213,376.00 or 73.33% of the actual eligible costs;

AND WHEREAS \$4,468,236.59 of the ICIP grant is still outstanding;

AND WHEREAS claims will be submitted to the Province on a quarterly basis;

AND WHEREAS a maximum of Three Million Dollars (\$3,000,000) may be outstanding under this bylaw at any given time;

AND WHEREAS there are no liabilities outstanding under Section 177;

NOW THEREFORE the Council of the District of Barriere, in open meeting assembled, enacts as follows:

1. This bylaw may be cited as "Revenue Anticipation Borrowing Bylaw No. 282."
2. The Council shall be and is hereby empowered and authorized to borrow upon the credit of the municipality an amount or amounts not exceeding the sum of Four Million, Four Hundred and Sixty Eight Thousand, Two Hundred and Thirty Six Dollars and Fifty Nine Cents (\$4,468,236.59), of which a maximum of Three Million Dollars (\$3,000,000.00) may be outstanding at any given time.

3. The form of obligation to be given as acknowledgement of the liability shall be a promissory note or notes bearing the corporate seal and signed by the Mayor and Financial Officer.
4. All ICIP funds received or so much thereof as may be necessary shall, when collected, be used to repay the money so borrowed.
5. Any money so borrowed shall be paid before December 31, 2027.

READ A FIRST TIME this day of , 2026.

READ A SECOND TIME this day of , 2026.

READ A THIRD TIME this day of , 2026.

RECONSIDERED ADOPTED this day of , 2026

Mayor Rob Kerslake

Tasha Buchanan, Corporate Officer

Certified Correct:

T. Buchanan, Corporate Officer