



CITY OF ST. ALBERT
ADMINISTRATIVE BACKGROUNDER

**TITLE: POSTPONEMENT OF BYLAW 24/2017 - BORROWING
BYLAW**

On May 9, 2017 Councillor Heron provided notice in accordance with Section 23 of Procedure Bylaw 22/2016 that she intended to bring forward the proposed motion below.

In order for Council to debate the motion, the motion must be formally moved.

That Second and Third reading of Bylaw 24/2017, being a Borrowing Bylaw to Finance the Construction of the Branch Library be postponed until Quarter four of 2018 and that the funding for the purchase of land and the detailed design as laid out in Project Chart OA-005 be funded from the Capital Reserve.

BACKGROUND:

On December 12, 2016 Council passed the 2017 capital budget which included a project charter for the construction of a Branch Library in the amount of \$17,492,000 (excluding land costs) and directed Administration to bring forth a borrowing bylaw as the funding mechanism for this project.

On April 18, 2017 Council passed 1st reading of Bylaw 24/2017 being a borrowing bylaw for the design and construction of a Branch Library in the amount of \$21,900,000.

In line with regulations under the Municipal Government Act (MGA) the borrowing bylaw was advertised in the St. Albert Gazette on April 22 and April 29, 2017. If a valid petition of electors is not received within 15 days of the second advertisement, Council could consider 2nd and 3rd readings of the bylaw at the May 15, 2017 meeting.

Should this Council Motion pass, 2nd and 3rd readings would be postponed until Q4 of 2018. Assuming the land purchase and detailed design of the facility was complete by this time and the borrowing bylaw passed final reading, the building would start construction in 2019 with a facility opening planned for sometime in 2020.

There are adequate funds currently available within the capital fund to support the purchase of land and detailed design currently estimated at \$4.5 million. It is recommended that this amount be added to this Council Motion so that if passed,

the appropriate funding could be committed within this reserve. It is also important that the decision to commit these funds be done prior to the development of funding recommendations by Administration related to the 2018 budget.

There is a risk that \$4.5 million would be spent on land/design and then subsequently the borrowing bylaw was not passed in Q4 2018. If this were to occur, the design costs of ~\$2.1 million would be unrecoverable however the land would likely be useable for another municipal purpose or could be subsequently sold.

Report Date: May 10, 2017

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Committee/Department: Financial Services

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