

Report

Date	April 29, 2020	File:	
To	Council		
From	Mark Frame, General Manager, Financial & Protective Services Michelle Martineau, Manager, Legislative Services	Endorsed:	
Subject	North Cowichan / Duncan Integrated RCMP Facility Loan Authorization Bylaw No. 3787, 2020		

Purpose

To initiate the process for seeking approval of the electors to undertake long-term borrowing for the construction of a new Integrated RCMP Facility located on the corner of Drinkwater and Ford Road.

Background

On April 15, 2020 Council approved a revision to the Communications Plan, which Council had endorsed in March 2019 when they agreed in principle to proceed with the plans for a new North Cowichan/Duncan Integrated RCMP Detachment facility (RCMP Facility), and directed staff to proceed with the alternative approval process at that time.

The Five-Year Financial Plan that was adopted at that same meeting includes the new RCMP Facility project within the capital budget expenditures for 2020 to 2022. The amount of borrowing required to complete this project is \$48,000,000. In order to adopt the Loan Authorization (borrowing) Bylaw, Council must submit the bylaw, following first three readings, to the Province for review and statutory approval by the Inspector of Municipalities before approval of the electors can be sought.

Discussion

The first step in the provincial review process is statutory approval of the Loan Authorization Bylaw. Once the bylaw is given first three readings, the bylaw, along with copies of supporting documentation, is submitted to the Provincial Government. The supporting documentation includes:

- **Financial Plan** to provide evidence that the capital and operating components of the project are included in the five-year financial plan that was adopted on April 15, 2020;
- **Capital Budget** of \$49,050,000 which indicates that construction costs, soft costs and consultants, and furnishing, fixtures and equipment costs have been factored into the capital cost;
- **Other Funding Sources** that are to be used for financing the project. This will include Appropriated Surplus of \$1,050,000;
- **Cost Recovery** method that will be used is property taxes and the impact is on the average residential property is \$71 per year;
- **Tax Impact** to properties and information on consultation or notice to be given to the electors;
- **Background Information** such as staff, consultant or engineering reports, excerpts of meeting decisions from Council and Committee of the Whole minutes, communication plan, media releases and announcements in the Council Matters news blogs that provide background information; and,
- **Method of Approval of the Electors**, which in this case is the alternative approval process (AAP). For more information on the AAP, please see the March 18, 2020 Report included with the supporting documents appended to this report. Copies of the elector response form and statutory notice will be provided to Council for consideration once statutory approval by the Inspector of Municipalities has been obtained.

Provincial staff will then review the bylaw for legislative compliance and financial viability. Once their review is complete, the bylaw is sent to the Inspector of Municipalities for final approval and issuance of a statutory approval certificate. Once the bylaw challenge period has passed (one month after the bylaw has been adopted), the municipality may apply for a Provincial Certificate of Approval to certify that the bylaw meets statutory procedural and other requirements. This certificate is then provided to the Municipal Finance Authority as assurance that the bylaw cannot be challenged for failing to comply with legislative procedural requirements.

Options

1. Give North Cowichan / Duncan Integrated RCMP Facility Loan Authorization Bylaw No. 3787, 2020 first three readings and forward the bylaw to the Province for review and approval.

Implications

The 2020 – 2024 Capital Expenditure Plan had a budget of \$41,000,000 based on a November 2018 quantity survey, including \$40,000,000 in debt. The net debt payment after recovering the RCMP share was \$1.2 million. The new \$49,000,000 Class D estimate, will require \$48,000,000 debt, with a net annual debt payment of \$1.33 million. The estimate of cost per average single family dwelling has increased from \$62 at \$40,000,000 to \$71 at \$48,000,000 of debt.

The April 23, 2020 Class D estimate includes \$7,000,000 in contingencies and \$930,000 in “Net Zero” premiums related to building the building Net Zero Ready. We will be applying for an FCM grant from the Green Municipal Fund to try and offset some of the Net Zero costs, which could reduce future borrowing.

The Financial Plan will have to be amended May 6, 2020 to include the additional cost of the facility and the additional debt. The Financial Plan will also need to be amended to show the updated distribution of expenditures between the years 2020, 2021 and 2022.

For additional information on the social, legal and financial implications associated with this project, please see the July 17, 2019 and April 6, 2020 reports that have been included with the supporting documents, appended to this report.

Recommendation

THAT Council give first, second and third readings to North Cowichan / Duncan Integrated RCMP Facility Loan Authorization Bylaw No. 3787, 2020;

AND THAT staff be directed to forward Bylaw No. 3787 and supporting documentation to the Ministry of Municipal Affairs and Housing, Governance and Structure Branch for review and approval by the Inspector of Municipalities.

Attachment(s):

- RCMP Loan Authorization Bylaw No. 3787, 2020
- RCMP Facility Conceptual Design Exterior Elevations
- RCMP Facility Conceptual Design Site Plan