



# Regional Board Report

## Request for Decision

**To:** Regional Board  
**From:** Director of Financial Services  
**Date:** July 17, 2025

**Subject:** Security Issuing Bylaw No. 1572 - Municipal Finance Authority Fall 2025 Issue – Okanagan Regional Library

**Voting Entitlement:** *All Directors - Weighted Corporate Vote - Simple Majority (LGA s.210)  
Bylaw adoption requires 2/3 majority (LGA s.228)*

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**Purpose:** To consider approval of a security issuing bylaw for the Regional District of the Central Okanagan (RDCO) on behalf of the Okanagan Regional Library (ORL)

### Executive Summary:

The RDCO is empowered to borrow from the MFA for capital projects through a security issuing bylaw. The requisite loan authorization bylaws and provincial certificates of approval for the proposed security issuing bylaw are in place. The service requesting the borrowing will bear the resulting debt service costs. Approval of this bylaw is recommended to permit participation in the Municipal Finance Authority's 2025 Fall debt issuance.

### Recommendation(s):

**THAT** Okanagan Regional Library Security Issuing Bylaw No. 1572 be read a first, second and third time.

**AND THAT** Okanagan Regional Library Security Issuing Bylaw No. 1572 be adopted.

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Report Submitted & Approved by: Tania McCabe, CPA, CA, Director of Financial Services

Approved for Agenda: Sally Ginter, Chief Administrative Officer

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### Background:

Under Sections 410 and 411 of the Local Government Act (LGA), the RDCO must adopt a security issuing bylaw to provide for the issue of debentures or other debt for all or any part of the debt authorized under loan authorization bylaws for its own borrowings and on behalf of municipalities requesting debt.

Debt issuance is undertaken twice annually by the Municipal Finance Authority (MFA). The process requires the RDCO Board to adopt separate security issuing bylaws for each borrower. The approved bylaws are then submitted to the Ministry of Municipal Affairs for approval.

The RDCO is requesting the issue of securities as follows:

Security Issuing Bylaw No.	Purpose	Loan Authorization				Term of Issue (Years)	Issue Amount
		Bylaw No.	Authorized	Previously Borrowed	Remaining		
1572	Okanagan Regional Library West Kelowna Branch Construction	1558	\$2,500,000	\$0	\$2,500,000	30	\$2,500,000

### Terms and Rates

The MFA often funds new issues by issuing a 10-year bond, locking in a fixed interest rate for ten years. As clients may borrow for up to thirty years, loans longer than ten years are typically refinanced every five years, following the initial ten years. The MFA's current 10-year indicative lending rate is currently 4.09%.

### Financial Implications

There is no direct impact to the RDCO. As per the ORL – RDCO Indebtedness Agreement signed between the ORL and the RDCO, the ORL has agreed to pay all principal amounts of the loan, together with any interest or other amounts payable, in accordance with the terms and conditions of the loan agreement.

### **Considerations:**

#### Organizational/External:

Borrowing for a service under a loan authorization bylaw must be undertaken by the Regional District on behalf of the service.

#### Financial:

Debt payments will be paid to MFA semi-annually and recovered from the Okanagan Regional Library.

#### Legal/Statutory Authority:

*Local Government Act*, S. 410 and 411 and *Community Charter*, S. 182

#### Considerations not applicable:

- Alternate Recommendation

Attachment(s):

1. Regional District of Central Okanagan Security Issuing Bylaw No. 1572
2. Regional District of Central Okanagan Loan Authorization Bylaw No. 1558
3. PowerPoint Presentation