



Regional Board Report

TO: Regional Board

FROM: Brian Reardon, CAO

DATE: July 19, 2021

SUBJECT: Alternative Approval Process for Service Area Establishment and Loan Authorization Bylaws - Okanagan Regional Library

Voting Entitlement: *All Directors – Unweighted Corporate Vote – Simple Majority – LGA 208.1 (1 & 2)*
All Directors – Weighted Corporate Vote – Simple Majority – LGA 210.2 (3 & 4)

Purpose: To provide the results of the Alternative Approval Process (AAP) and adopt the bylaws for the service establishment and loan authorization on behalf of the Okanagan Regional Library ('the ORL'); and enter into an Indebtedness Agreement for the obligations related to the borrowing of funds.

Executive Summary:

At the March 29th and May 13, 2021 Regular Board Meetings, the Board gave first, second and (amended) third reading to Bylaw No. 1477 and Bylaw No. 1478 ('the bylaws'). The bylaws are for the establishment of a service area and to enable the Okanagan Regional Library (ORL) to borrow funds for the purpose of constructing and renovating library building services owned and operated by the Okanagan Regional Library.

As noted during the May 13, 2021 Regular Board Meeting, statutory approval of the bylaws was received from the Deputy Inspector of Municipalities on May 21, 2021, and the Board therefore directed staff to seek approval of eligible electors within the entire RDCO service area through an Alternative Approval Process (AAP). At the end of the established deadline for the AAP, July 12, 2021, the number of elector responses opposed to the adoption of Bylaw No. 1477 and Bylaw No. 1478 was three (3) and did not reach the required 10% threshold of the estimated number of eligible electors (16, 478) to prevent these bylaws from being further considered.

Attached to this report is the Corporate Officer 'Determination of Results of Alternative Approval Process' which confirms assent of the electors has been obtained and as such the bylaws are included on the agenda for Board consideration and adoption.

Subject to the bylaws being adopted, the Board will be asked to consider approval of the Indebtedness Agreement which outlines the terms, conditions and obligations of the ORL for the Loan and any associated Temporary Borrowing between the MFA and the RDCO on their behalf.

RECOMMENDATION:

1. **THAT** the Regional Board receive the 'Determination of Results' from the Alternative Approval Process (AAP), 'Regional District of Central Okanagan, Okanagan Regional Library Service Area Establishment Bylaw No. 1477, 2021 and Regional District Central Okanagan, Okanagan Regional Library Loan Authorization Bylaw No. 1478, 2021' for a new library branch in the City of West Kelowna;
2. **THAT** Regional District of Central Okanagan, Okanagan Regional Library Service Area Establishment Bylaw No. 1477, 2021 be adopted;
3. **THAT** Regional District of Central Okanagan, Okanagan Regional Library Loan Authorization Bylaw No. 1478, 2021 be adopted;
4. **THAT** the Regional Board approve entering into the Indebtedness Agreement between the Regional District of Central Okanagan and Okanagan Regional Library, as attached to the report from the Chief Administrative Officer dated July 19, 2021.

Respectfully Submitted:



Brian Reardon

Implications of Recommendation:

Financial:

Upon adoption of the Establishment and Borrowing Bylaws, the Board will be asked to enter into an indebtedness agreement with the Okanagan Regional Library that provides the terms, conditions and obligations of the ORL related to the loan agreement between the RDCO and Municipal Finance Authority for the borrowing of up to \$8,000,000.00.

Legal/Statutory Authority:

Local Government Act

Division 4 Part 10 – Service Structure and Establishing Bylaws

Part 11, Division 6 Expenditures and Liabilities

Community Charter:

Part 4, Division 2, s.86(3) – Alternative approval process

Part 6, Division 3, s.179(1) – Loan Authorization bylaws for long term borrowing

Background:

At the Regular Board meeting held on February 22, 2021 the Okanagan Regional Library provided an overview of a new library branch in the City of West Kelowna along with a request for assistance from the RDCO to access Municipal Finance Authority (MFA) capital funding. Library Districts are not permitted to borrow directly from the MFA.

The Board was provided information regarding the authority and practice of Regional Districts to enter into agreements with Library Districts to arrange financing for capital projects on their behalf through the MFA. The Okanagan Regional Library Board requested to borrow up to eight million dollars (\$8,000,000) for the new West Kelowna library branch, and have agreed to pay all debt and costs associated with this process with no financial impact to the RDCO.

In order to achieve these objectives, the following two bylaws needed approval from the Inspector of Municipalities, followed by assent of the electors:

- RDCO Okanagan Regional Library Service Area Establishment Bylaw No. 1477; and
- RDCO Okanagan Regional Library Loan Authorization Bylaw No. 1478

Following approval of the two bylaws by the Inspector of Municipalities, the Board authorized and established the necessary deadline and response forms for an Alternate Approval Process, which required 10% (16, 478) of the estimated number of eligible electors to submit an elector response form against to defeat the bylaws.

An Alternative Approval Process News Release was issued by the Regional District of Central Okanagan (June 01), and advertisements were placed in the local newspapers; The Daily Courier (June 1) , Kelowna Capital News (June 3), Vernon Morning Star (June 3), West K News (June 9), Westside Weekly (June 9) and Peachland View (June 11),.

At the July 12, 2021 deadline, the number of elector response forms received did not meet the required 10% as provided in the determination of results (Attachment 1). Approval of the electors has therefore been obtained, and the Board is able to proceed with consideration and adoption of both the establishment and borrowing bylaws.

Considerations not applicable to this report:

- Strategic Plan
- General
- Organizational
- Policy

Attachment(s):

1. Determination of Results of Alternative Approval Process
2. Regional District of Central Okanagan, Okanagan Regional Library Service Area Establishment Bylaw No. 1477, 2021
3. Regional District of Central Okanagan, Okanagan Regional Library Loan Authorization Bylaw No. 1478, 2021
4. Indebtedness Agreement – Regional District of Central Okanagan and Okanagan Regional Library