

**THE CORPORATION OF VILLAGE OF SLOCAN**  
***Slocan Village Council***  
**AGENDA**  
**Special Meeting**  
Monday, August 24<sup>th</sup>, 2020 - 2:00 pm  
COUNCIL CHAMBERS  
**503 Slocan Street, Slocan, BC**

The Mayor calls the special meeting to order.

1. Acknowledgement of Traditional Territory:  
*"The Village of Slocan acknowledges and respects the indigenous peoples whose traditional land and territory we stand."*
2. Adoption of agenda
3. Bylaws:
  - Village of Slocan Loan Authorization Bylaw – Adoption
  - Village of Slocan Temporary Borrowing Bylaw
4. Adjournment



**The Corporation of the  
Village of Slokan  
Memo**

MTG DATE: AUG 24/20 (SP)  
ITEM: REC - BYLAWS  
FILE: Borrowing

**DATE:** August 20, 2020  
**TO:** Mayor and Village Council  
**FROM:** M. Gordon, CAO  
**SUBJECT:** Loan Authorization Bylaw & Temporary Borrowing Bylaw

**ANALYSIS SUMMARY:**

At a special meeting held on July 30<sup>th</sup>, Council gave three readings to the Village of Slokan Loan Authorization Bylaw. The Bylaw was submitted to the Inspector of Municipalities for approval, and approval was granted on August 18<sup>th</sup>, 2020. The Certificate of Approval has been attached.

To proceed with the next steps of the implementation schedule, the following is to be completed:

- Council to adopt the Village of Slokan Loan Authorization Bylaw No. 678, 2020
- One month quashing period begins upon adoption of the Loan Authorization Bylaw.
- Once one month quashing period ends, if no objection, CAO to complete the Corporate Officer's Certificate, as required by the Municipal Finance Authority.
- Council to give first three readings of the Village of Slokan Temporary Borrowing Bylaw No. \_\_\_\_, 2020

**IMPLEMENTATION:**

1. Council to give first three readings to the *Village of Slokan Loan Authorization Bylaw No. \_\_\_\_, 2020.*
2. Submit the bylaw for the statutory approval from the Inspector of Municipalities.  
Application for approval must include Financial Plan, funding sources, cost recovery, method of electoral approval (not required as per Section 7 of the Municipal Liabilities Regulation *approval free liability zone*), and Council resolution.
3. Upon receipt of approval from the Inspector, adoption of the bylaw.
4. Quashing period for the bylaw – one month.
5. Apply for Certificate of Approval from the Ministry.
6. Municipal Security Issuing Resolution.
7. All Offer-to-Purchase subjects removed by September 4, 2020.
8. Completion of sale by September 15, 2020.

**LEGISLATIVE IMPACTS, PRECEDENTS, POLICIES:**

<p><i>Community Charter:</i> S. 179 – Loan Authorization Bylaws</p>	<ul style="list-style-type: none"><li>• A Council may, by bylaw, with the approval of the Inspector of Municipalities, incur a liability by borrowing. A loan authorization bylaw, both short-term and long term, must set out the amount, the purpose, and the term of the loan. The term cannot exceed 30 years. Short-term borrowing is considered</li></ul>
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<p>S. 181 – Temporary Borrowing Under Loan Authorization Bylaw</p> <p>S. 188 – Establishment of Reserve Funds (Village Land Sale Reserve)</p> <p>S. 189 – Use of Money in Reserve Funds</p>	<p>any loan for a term of less than 5 years; long-term borrowing is considered any loan for a term longer than 5 years. All long-term borrowing requires electoral approval.</p> <ul style="list-style-type: none"> <li>• A Council that has adopted a loan authorization bylaw may, by bylaw, temporarily borrow money not exceeding the difference between the total amount authorized by the loan authorization bylaw and the amount already borrowed in relation to that bylaw.</li> <li>• A Council may, by bylaw, establish a reserve fund for a specified purpose.</li> <li>• Money in a reserve fund must be used only for the purpose for which the fund was established.</li> </ul>
<p><i>Municipal Liabilities Regulation:</i> S. 7 – Approval Free Liability Zone</p>	<ul style="list-style-type: none"> <li>• Approval of the electors is not required under section 175 [<i>liabilities under agreements</i>] or section 180 [<i>loan authorization bylaws</i>] of the <i>Community Charter</i> if the annual cost of servicing the aggregate liabilities of the municipality for the year does not exceed 5% of the annual calculation of revenue of the municipality for the previous year. Once the total annual cost of servicing liabilities exceeds the 5%, all subsequent borrowing requires electoral approval.</li> </ul>
<p><i>Local Government Act:</i> S. 623 – 623(4) – Quashing Period</p>	<ul style="list-style-type: none"> <li>• Following adoption of a loan authorization bylaw, there is a one month period when an individual may apply to the Supreme Court to set aside the bylaw or resolution if they believe the legislative requirements were not met. Bylaws requiring a quashing period are generally not considered finalized until after this challenge period is over. The one month quashing period begins on the day of adoption of the bylaw.</li> </ul>

**COSTS AND BUDGET IMPACT:** (*Colin McClure, CFO*)

At this time, the Village of Slocan currently has no debt. As the Village's debt does not exceed the annual liability servicing limit, the Village may borrow up to \$845,000 under the approval free liability zone, and therefore, electoral approval is not required.

The Village has submitted an offer to purchase the mill site lands for \$1.5M, and intends to apply for a loan through the Municipal Finance Authority under the assent free zone for \$845,000. The term of the loan would be 30 years, at the MFA indicative market rate of 2.4%, resulting in an annual servicing cost of \$41,109. It is important to note that the current MFA 10-year rate is 1.62%, which if the Village was successful in achieving that rate when the long-term borrowing is incurred, would

result in a drop to \$34,518 in annual servicing cost. The remainder of the purchase would be accommodated by using \$180,000 from the Village's Land Sale Reserve, and \$475,000 coming from general surplus. To fund the new \$41,109 annual servicing cost, the Village would allocate the additional small community grant amount received for 2020 of \$16,000, that is higher than what was budgeted and is expected to receive ongoing into future years. The remaining \$25,000 will come from a proposed 3% tax increase to fund this purchase, that produces approximately \$5,000 in new revenue, \$6,000 from the Community Development Grant that is provided by the RDCK annually, and \$14,000 reduction in current operating expense budgets.

A Financial Plan Amendment will be presented to Council, to formally approve these expenditures.

### **RECOMMENDATIONS:**

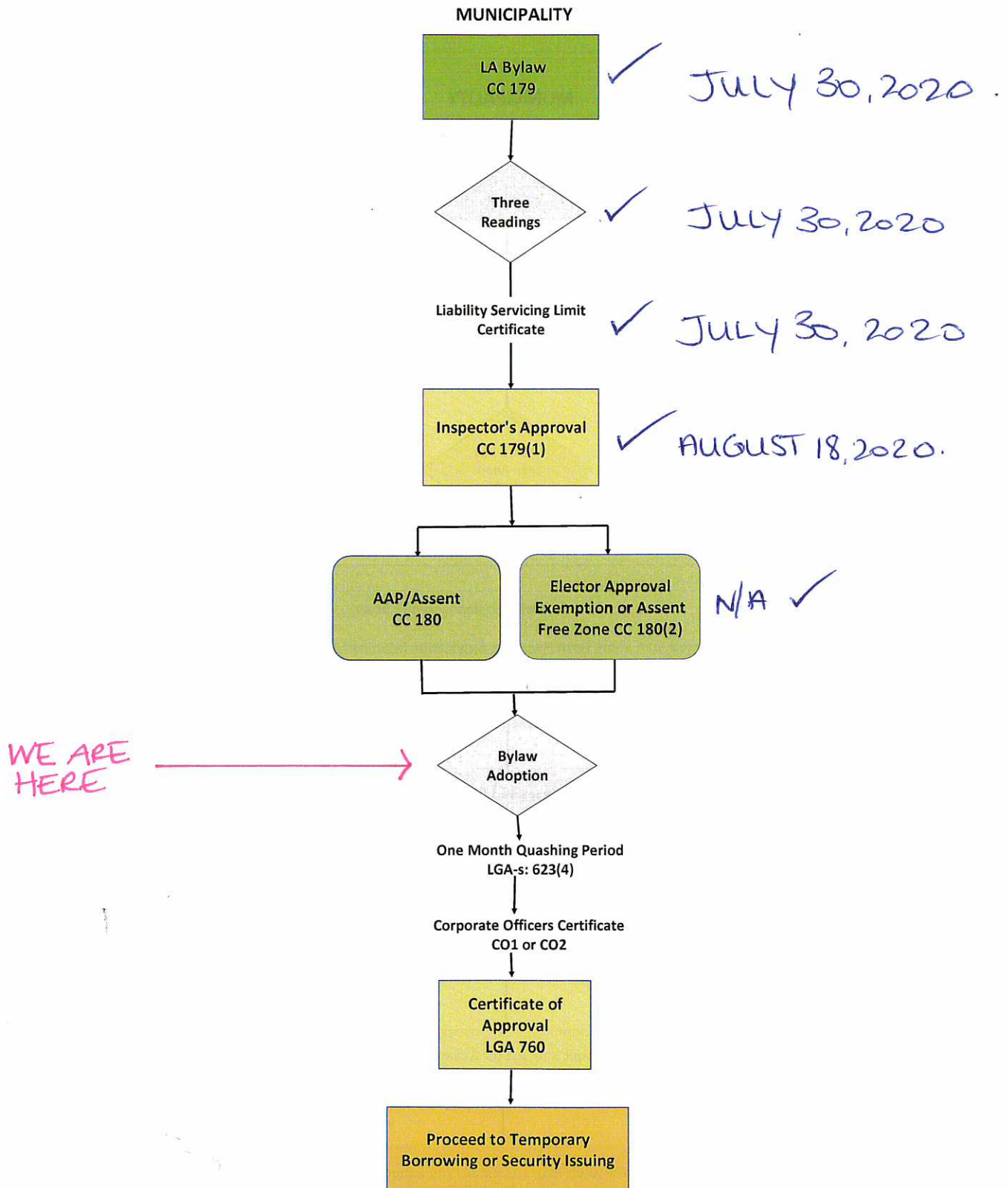
1. That the "Village of Slocan Loan Authorization Bylaw No. \_\_\_\_, 2020", be finally passed and adopted and numbered 678.
2. That the one month quashing period for the Village of Slocan Loan Authorization Bylaw 678, 2020 commence on August 24<sup>th</sup>, 2020 and end on September 24<sup>th</sup>, 2020.
3. That the CAO be directed to execute the Corporate Officer's Certificate, as required by the Municipal Finance Authority, upon completion of the one month quashing period, if no application has been made or action or proceeding brought to quash or to set aside the Loan Authorization Bylaw under section 623 of the *Local Government Act* or otherwise, and the validity of the Bylaw has not been attacked, questioned or adjudicated in any court and to the best of the knowledge of the CAO, no such action is pending or has been threatened and the CAO knows of no objections to the validity of the Bylaw.
4. That the "Village of Slocan Temporary Borrowing Bylaw No. \_\_\_\_, 2020" be read a first, second, and third time.



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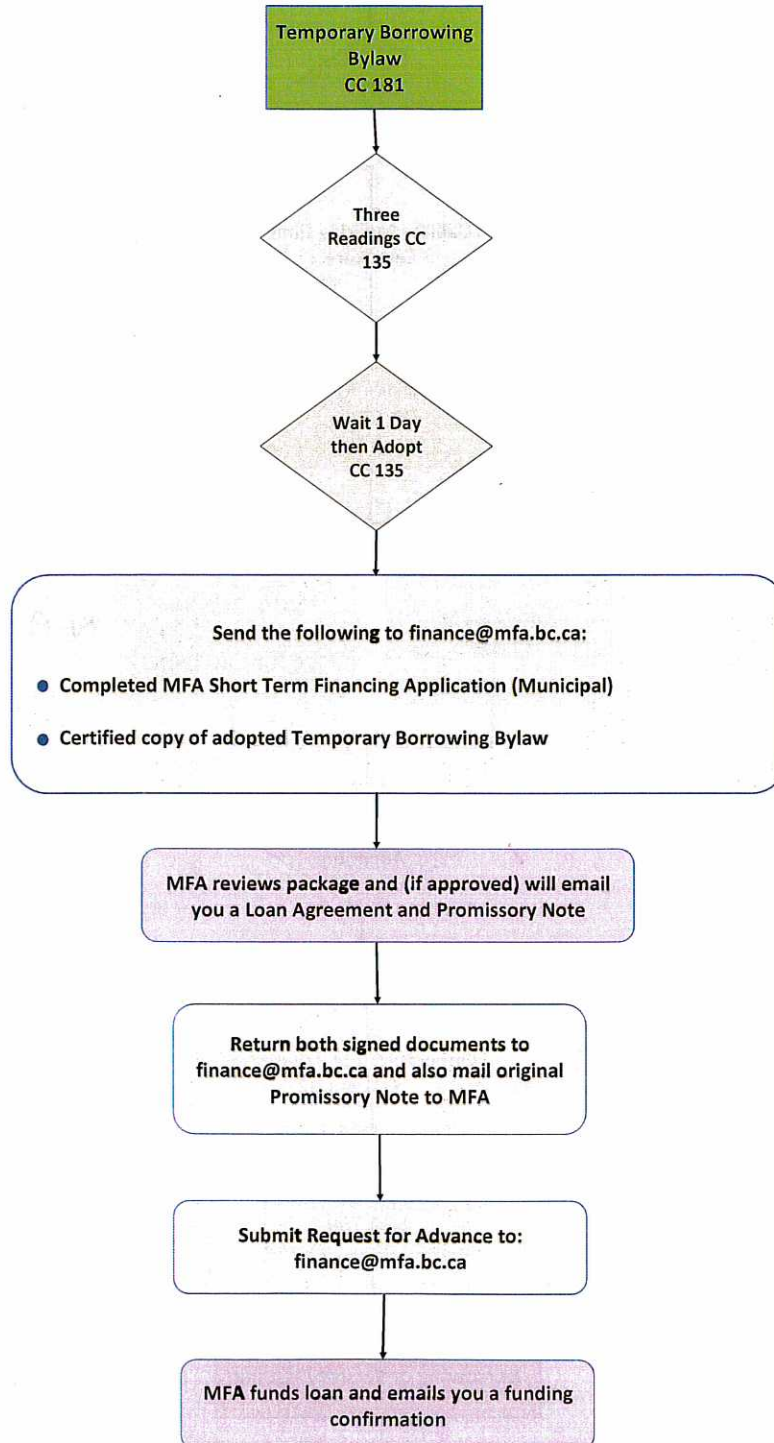
Michelle Gordon  
Chief Administrative Officer

# Loan Authorization Bylaw Procedures



# Temporary Borrowing Bylaw Procedures

## MUNICIPALITY



# THE CORPORATION OF THE VILLAGE OF SLOCAN

## BYLAW NO. 678, 2020

BEING A BYLAW TO AUTHORIZE THE BORROWING OF A PORTION OF THE ESTIMATED COST TO PURCHASE THE SLOCAN MILL SITE PROPERTY.

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**WHEREAS** the Council of the Village of Slocan deems it desirable and expedient to acquire the former Springer Creek Mill Site property; approximately 19.55 acres located at 610 Delany Avenue, and legally described as Lot 1, Plan NEP 8719, DL 292, Kootenay Land District, PID: 008-206-031, as appended hereto and marked as Schedule 'A' to this bylaw;

**AND WHEREAS** the estimated cost to acquire the property including expenses incidental thereto is the sum of \$1,500,000.00 of which the sum of \$845,000 is the maximum amount of debt intended to be borrowed by this bylaw;

**NOW THEREFORE**, the Council of the Village of Slocan, in open meeting assembled, hereby ENACTS AS FOLLOWS:

### 1. Provision

- a) The Council is hereby empowered and authorized to undertake and carry out or cause to be carried out the purchase of the land as indicated in Schedule 'A' attached to and forming part of this bylaw, and to do all things necessary in connection therewith and without limiting the generality of the foregoing:
  - i. To borrow upon the credit of the municipality a sum not exceeding eight hundred & forty-five thousand dollars (\$845,000.00).
  - ii. To acquire all such real property, easements, rights-of-way, licenses, rights or authorities as may be requisite or desirable for or in connection with the acquisition of the lands legally described as Lot 1, Plan NEP 8719, DL 292, Kootenay Land District, PID: 008-206-031.
- b) The maximum term for which debentures may be issued to secure the debt created by this bylaw is thirty (30) years.

### 2. Severability

If any portion of this bylaw is found invalid by a decision of a court of competent jurisdiction, the invalid portion is severed without effect on the remaining portions of the bylaw.

### 3. Citation

This Bylaw may be cited as the "**Village of Slocan Loan Authorization Bylaw No. 678, 2020**".

READ A FIRST TIME the 30<sup>th</sup> day of July, 2020;

READ A SECOND TIME the 30<sup>th</sup> day of July, 2020;

READ A THIRD TIME the 30<sup>th</sup> day of July, 2020;

RECEIVED THE APPROVAL OF THE INSPECTOR OF MUNICIPALITIES  
on the 18<sup>th</sup> day of August, 2020.

Assent of the electors of the Village of Slocan is not required as per Section 7 of  
the *Municipal Liabilities Regulation* (approval-free liability zone).

FINALLY PASSED AND ADOPTED the \_\_\_\_\_ day of \_\_\_\_\_, 2020.

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Mayor

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Chief Administrative Officer







## *Statutory Approval*

*Under the provisions of section* \_\_\_\_\_ 179

*of the* \_\_\_\_\_ Community Charter

*I hereby approve Bylaw No.* \_\_\_\_\_ 678

*of the* \_\_\_\_\_ Village of Slokan ,

*a copy of which is attached hereto.*

*Dated this*     **18th**             *day*

*of*             **August**             *, 2020*

\_\_\_\_\_  
**Deputy Inspector of Municipalities**

**CORPORATE OFFICER'S CERTIFICATE** (Form CO2)

The THE CORPORATION OF THE VILLAGE OF SLOCAN (the "Local Government")

The undersigned, Corporate Officer, as the person responsible for corporate administration of the Local Government under section 148 of the *Community Charter* (the *Charter*) or section 236 of the *Local Government Act*, hereby certifies as follows:

1. That Loan Authorization Bylaw No. 678 (the "Loan Authorization Bylaw") was duly and properly enacted in accordance with the provisions of the local government legislation at a duly constituted meeting of the Local Government in accordance with the requirements of the Local Government's applicable procedure bylaw and at which a quorum was present and acting throughout. **Attached is an adopted copy of the Loan Authorization Bylaw.**
  
2. That the Loan Authorization Bylaw has not been amended or repealed and is in full force and effect as at the date hereof.
  
3. Approval of the electors for the Loan Authorization Bylaw is not required under section 180 of the *Charter* or section 407 of the *Local Government Act* for one of the following reasons:
  - The liability is within the approval-free liability zone determined in accordance with section 7 of the *Municipal Liabilities Regulation* (BC Reg. 254/2004) or;
  - The money is being borrowed for a purpose referred to in section 179 (1) (d) to (g) of the *Charter* [loan authorization bylaws for court, arbitration and expropriation requirements] or in the case of regional districts, paying compensation in respect of property expropriated or injured in carrying out works referred to in section 291 of the *Local Government Act* [entry on land to mitigate damage] or;
  - The money is being borrowed for works required to be carried out under an order of the Inspector of Dikes; an order under section 84 [abatement of municipal pollution], or section 85 [environmental protection orders] or section 87 [environmental emergency measures] of the *Environmental Management Act*.
  - The money is being borrowed for water treatment works in compliance with an order of a drinking water protection officer and the Inspector of Municipalities has approved the proposed liability under section 8 of the *Municipal Liabilities Regulation* (BC Reg. 254/2004) or section 4 of the *Regional District Liabilities Regulation* (BC Reg. 261/2004).

The liability is for the purpose of a regional park or regional trail and the requirements in section 3 of the *Regional District Liabilities Regulation* (BC Reg. 261/2004) have been met.

The money is being borrowed for the purpose of preparing or implementing a waste management plan under section 24 of the *Environmental Management Act*.

As per section 180 (3) of the *Community Charter*, approval of the electors has been waived by the Inspector of Municipalities.

The money is being borrowed for the purpose of responding to a State of Emergency situation, pursuant to section 13 of the *Emergency Program Act*.

4. No application has been made or action or proceeding brought to quash or to set aside the Loan Authorization Bylaw under section 623 of the *Local Government Act* or otherwise and the validity of the Loan Authorization Bylaw has not been attacked, questioned or adjudicated in any court and to the best of the knowledge of the undersigned no such action is pending or has been threatened and the undersigned knows of no objections to the validity of the Loan Authorization Bylaw.

DATED this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_\_.

\_\_\_\_\_ [signature]

Name: \_\_\_\_\_

Title: Corporate Officer

**THE CORPORATION OF THE VILLAGE OF SLOCAN  
BYLAW NO. \_\_\_\_, 2020**

BEING A BYLAW TO AUTHORIZE TEMPORARY BORROWING.

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**WHEREAS** it is provided by S. 181 of the *Community Charter* that the Council may, where it has adopted a loan authorization bylaw, without further assents or approvals, borrow temporarily under the conditions therein set out;

**WHEREAS** the Council of the Village of Slocan has adopted Bylaw #678, cited as the *Village of Slocan Loan Authorization Bylaw*, authorizing municipal borrowing for the purpose of acquiring the former mill site property, legally described as Lot 1, NEP 8719, DL 292, Kootenay Land District, PID: 008-206-031;

**AND WHEREAS** the estimated cost to acquire the property including expenses incidental thereto is the sum of \$1,500,000.00 of which the sum of \$845,000 is the maximum amount of debt intended to be borrowed by this bylaw;

**AND WHEREAS** the sale of debentures has been temporarily deferred;

**NOW THEREFORE**, the Council of the Village of Slocan, in open meeting assembled, hereby ENACTS AS FOLLOWS:

1. The Council is hereby authorized and empowered to borrow an amount or amounts not exceeding the sum of eight hundred & forty-five thousand dollars (\$845,000.00), as the same may be required.
2. 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 the Financial Administrative Officer.
3. The money so borrowed shall be used solely for the purposes set out in the Village of Slocan Loan Authorization Bylaw #678, 2020.
4. The proceeds from the sale of the debentures or so much thereof as may be necessary shall be used to repay the money so borrowed.
5. This bylaw may be cited as the **“Village of Slocan Temporary Borrowing Bylaw No. \_\_\_\_, 2020”**.

READ A FIRST TIME the \_\_\_\_ day of \_\_\_\_\_, 2020;

READ A SECOND TIME the \_\_\_\_ day of \_\_\_\_\_, 2020;

READ A THIRD TIME the \_\_\_\_ day of \_\_\_\_\_, 2020;

FINALLY PASSED AND ADOPTED the \_\_\_\_ day of \_\_\_\_\_, 2020.

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Mayor

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Chief Administrative Officer