



**MUNICIPAL FINANCE AUTHORITY OF BRITISH COLUMBIA
AUTHORIZING RESOLUTION OF MEMBERS**

WHEREAS the Municipal Finance Authority Act, RSBC 1996 c 325 provides that a resolution that is approved in writing by a majority of the Members is as valid as if it were passed at a meeting of the Members properly called and constituted,

BE IT RESOLVED THAT:

1. REQUESTS FOR FINANCING, AUTHORITY BORROWING RESOLUTION NO.157, 2020

The Members of the Authority approve Authority Borrowing Resolution No.157,2020 authorizing the issue and sale of debentures, as outlined in the requests for financing accompanying this resolution.

Please respond by email to mfa@mfa.bc.ca by **Friday, May 8th by 12:00 pm** that you are either **IN FAVOUR** of, or **WITHOLD** your consent to, the above resolution.

If you have questions regarding this, please email us at mfa@mfa.bc.ca.



To: Members of the Authority

From: Peter Urbanc, Chief Executive Officer
Shelley Hahn, Chief Services Officer
Matthew O’Rae, Chief Financial Officer

Date: April 30, 2020 Meeting Date: May 8, 2020

Subject: Requests for Financing, Authority Borrowing Resolution No. 157, 2020

RECOMMENDATION

That the Members of the Authority review the mid-year requests for financing, and approve Authority Borrowing Resolution No.157,2020 authorizing the issue and sale of debentures as outlined.

PURPOSE

To present the outstanding requests for financing, and to request approval for Authority Borrowing Resolution No. 157, 2020.

BACKGROUND

The attached Authority Borrowing Resolution, if approved by Members, would allow MFA to potentially provide new long-term capital loans to some clients prior to the traditional fall window, which immediately follows the Semi-Annual Meeting.

Access to the capital markets has normalized since the MFA’s Spring bond issue in early April, when we were the first government issuer in Canada to successfully launch a publicly offered security since the significant market correction in late February. However, the markets could very well become unstable again in 2020, for example if COVID-19 has a resurgence in the fall - as many health authorities are warning.

With that risk in mind, we are considering accessing the capital markets earlier to support new client loans prior to the regularly scheduled fall intake of long-term loans. Funding a portion of new loan requirements in advance (say in May or June) would reduce the size of the expected fall new bond issue and would ensure access to long-term financing for our clients while markets

are amenable. Further, this helps maintain maximum capacity in the short-term lending programs for new construction or revenue anticipation loans. Remember that the MFA's short-term funding program supports both borrowing for short-term operational client requirements (via Revenue Anticipation lending) AND short-term capital-related borrowing requirements when clients need money earlier than our two, traditional long-term capital borrowing windows in March/April and September/October.

Request for financing, Section 9 of the Municipal Finance Authority Act states:

"The authority must review the outstanding requests for financing, and in consideration of the relevant market and economic conditions, may authorize the issue and sale of securities to raise a specified amount in the manner determined by the trustees."

Requests for financing are contained in the proposed Authority Resolution No. 157, 2020 attached as Appendix "A" to this report.

The borrowing requests for regional districts and municipalities contained in this Resolution have been reviewed through the Ministry of Municipal Affairs and Housing as to their legal validity as well as a review of the local governments' financial capacity to incur the borrowing.

The new loan requests total \$185,987,360. The proposed Authority Resolution authorizes the Board of Trustees to issue securities to realize net proceeds up to \$190 million.

Management and Trustees, in consideration of relevant market and economic conditions are confident that adequate financing can be raised to support the requests for financing.

Appendix "A"

MUNICIPAL FINANCE AUTHORITY OF BRITISH COLUMBIA

AUTHORITY BORROWING RESOLUTION NO. 157, 2020

A RESOLUTION TO REALIZE NET PROCEEDS
NOT TO EXCEED \$190,000,000

WHEREAS the Municipal Finance Authority of British Columbia is to provide financing of capital requirements for regional districts and their member municipalities;

AND WHEREAS the Municipal Finance Authority of British Columbia has received requests for financing for the following:

Appendix "A"

MUNICIPAL FINANCE AUTHORITY OF BRITISH COLUMBIA

REQUESTS FOR FINANCING - Special Issue 2020

Municipalities and Regional Districts

Local Government	L/A Bylaw	S/I Bylaw #	Purpose	Term	Individual Amount	RD Amount
<u>Metro Vancouver Regional District</u>						
Langley (Township)	5507	1307	McLeod Athletic Park capital improvements	20	1,919,000.00	
Langley (Township)	5508	1307	Land acquisition	30	16,398,360.00	
Langley (Township)	5509	1307	Strategic land acquisition	30	67,670,000.00	
GVSD	321	1276	Wastewater infrastructure	15	100,000,000.00	
Total for Metro Vancouver Regional District						\$ 185,987,360

Appendix "A"

NOW THEREFORE the members of the Municipal Finance Authority of British Columbia (the "Authority") resolve as follows:

1. The Board of Trustees of the Municipal Finance Authority of British Columbia (the "Trustees") is hereby authorized to borrow from time to time such sums or amounts of money and issue, by a debenture, or by one or more series of debentures, or other forms of indebtedness ("debenture" or "debentures") in respect of any or all of such sums or amounts of money, as, after payment of any discount and the costs of issue and sale will realize the net sum of up to one hundred and ninety million (\$190,000,000) in lawful money of Canada (provided that the Trustees may borrow all or part of such amount in such currency of such countries as the Trustees may determine but the aggregate amount in lawful money of Canada and in Canadian dollar equivalents so borrowed shall , as, after payment of any discount and the costs of issue and sale, will realize the net sum of up to \$190,000,000 Canadian dollars) at such interest and with such discounts or premiums and expenses as the Trustees may deem appropriate in consideration of the market and economic conditions pertaining. The term of borrowing for the refinancing portion of the debenture can be determined separately by the Trustees and the Secretary-Treasurer of the Municipal Finance Authority of British Columbia.
2. Any debenture or debentures shall bear interest from a date specified therein, which date shall be determined by the Trustees and shall bear interest at a rate to be determined by the Trustees and shall be payable as to interest and principal at such time and such place and in such currency of such countries as the Trustees may determine and may be redeemable in advance of maturity at such time and at such price as the Trustees may also determine.
3. The debentures of the Authority and any interest coupons shall be in the form and shall be signed, countersigned and sealed in accordance with the provisions of the Municipal Finance Authority Act of British Columbia.
4. The Chair of the Authority or the Secretary-Treasurer, or the Deputy Secretary or the Deputy Treasurer, are hereby authorized to enter into agreements with the regional districts providing for the payment by the regional districts to the Authority of the amounts required to meet the obligations of the Authority with respect to its borrowing.

Appendix "A"

5. The Trustees may apply for a Certificate of Approval for the Trustees Borrowing Resolution and Debentures.

6. The Trustees are hereby further authorized to take such actions and pass all necessary resolutions as are required to give effect to the intent and meaning of this Resolution.

7. This Resolution may be cited as "AUTHORITY BORROWING RESOLUTION NO. 157, 2020".

Dated at this 8th day of May 2020.