

**LOAN AUTHORIZATION BYLAW 7528 and the ALTERNATIVE APPROVAL PROCESS FAQs**

***What is Loan Authorization Bylaw 7528 (LA Bylaw 7528)?***

Under the Community Charter governing British Columbia municipalities, a city must pass a loan authorization bylaw if it wishes to fund projects through debt financing. *LA Bylaw 7528* will enable the City to borrow up to \$59 million over the next three years to fund projects planned and currently underway including: \$11 million in costs relating to the construction of the downtown multi-use civic facility and parking structure; \$33 million for capital plan projects (parks facilities, improvements and amenities, road maintenance, etc.); and, up to \$15 million to temporarily finance costs relating to Development Assistance Compensation (DAC) projects until the city receives those funds from the province. The City's DAC projects are scheduled to be completed by 2017, but DAC funds accrue to the City annually through to 2019, so there is a funding lag the City must fund on an interim basis.

***Where does the City of New Westminster borrow money from?***

Like other BC communities, the City is able to borrow through the Municipal Finance Authority at very competitive interest rates (currently, short term borrowing rates are about 1.7% per annum; long term borrowing rates are about 3.4%) to finance capital projects.

***Has the City done this before?***

Yes. The City passed loan authorization bylaws to finance civic projects including the purchase of the police building at Columbia and 6<sup>th</sup> Street, construction of Moody Park Pool and development of Westminster Pier Park.

***Have any other cities utilized the loan authorization bylaw process?***

Yes. Loan authorization bylaw legislation is included under the Community Charter which is governed by the Province of British Columbia. Other cities that have utilized a loan authorization bylaw process recently include Coquitlam, Merritt and View Royal.

***How will the City repay any money spent under the loan?***

The City is funding construction of Class A office space above the multi-use civic facility through cash reserves with the intention of selling the building. Monies resulting from the office tower sale will be used to repay the loan. In addition, the City will receive DAC funding towards the multi-use civic facility project when it is complete. Money borrowed to cover DAC project costs will be repaid from these funds.

***What is an alternative approval process?***

Cities must seek approval from local electors prior to passing a loan authorization bylaw. Under Section 86 of the Community Charter, approval of the electors may be obtained through an alternative approval process whereby electors opposed to the bylaw complete a form to register their opposition. If 10 per cent (4,528) of registered voters in the City of New Westminster complete and submit the form then the ability to borrow could be put to a referendum.

***What is a referendum?***

A referendum is much like a local election and involves similar organization, time and cost. The difference is, in a local election, voters choose from a list of candidates, in a referendum, voters choose “yes” or “no” to a specific question.

***Why is the City conducting the alternative approval process now?***

When it involves the alternative approval process for loan authorization bylaws, the City’s practice is to adhere to the requirements of the Community Charter. The City initiated the process as soon as was possible in order to secure necessary funding and cash flow for 2012 capital program projects.

***What steps has the City taken to inform the community of the alternative approval process?***

The City has adhered to the requirements of the provincial legislation governing the process including: placing full-page ads in the local paper and posting information on the front page of the city website as well as through social media channels.

***I know how I feel about the loan authorization bylaw so how do I participate in the process?***

If you support the bylaw then you need do nothing. If you are opposed and are a registered voter in the City of New Westminster, you must complete an Alternative Approval Process form and submit it to City Hall, 511 Royal Avenue, New Westminster, BC V3L 1H9 no later than 4:30pm on Tuesday August 7<sup>th</sup>, 2012.

***Where can I get the Alternative Approval Process form?***

Alternative Approval Process forms may be picked up at City Hall or downloaded from the City website at [www.newwestcity.ca](http://www.newwestcity.ca). Those wishing multiple copies of the form may collect up to 25 per visit.