

**REGIONAL DISTRICT OF NANAIMO**

**SPECIAL COMMITTEE OF THE WHOLE**

**TUESDAY, JANUARY 15, 2013**

**5:00 PM**

**(RDN Board Chambers)**

**A G E N D A**

**PAGES**

**CALL TO ORDER**

**DELEGATIONS**

**COMMUNICATIONS/CORRESPONDENCE**

1           Regional District Debt Limits.

**REPORTS**

**Financial Services**

2013 Proposed Budget Overview (*Powerpoint Presentation from 2013 Budget Binder*).

**ADDENDUM**

**BUSINESS ARISING FROM DELEGATIONS OR COMMUNICATIONS**

**NEW BUSINESS**

**ADJOURNMENT**

*Please bring the 2013 Budget Binder for reference*

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**From:** Idema, Wendy  
**Sent:** Thursday, January 10, 2013 8:49 AM  
**To:** Alec McPherson; Brian Dempsey; Bill Bestwick; Bill Veenhof; Diana Johnstone; Diane Brennan; Dave Willie; Julian Fell; George Holme; George Anderson; Howard Houle; Marc Lefebvre; Jim Kipp; John Ruttan; Joe Stanhope; Maureen Young; Ted Greves  
**Cc:** Thorkelsson, Paul; Harrison, Joan; Hill, Jacquie; O'Halloran, Matt; Moore, Tiffany; Manhas, Manvir; Mercer, Adrienne; Osborne, Tom; De Pol, Sean; McIver, Carey  
**Subject:** FW: Regional District Debt Limits

Good Morning Directors

Further to Director Willie's question Tuesday night regarding Regional District debt limits and if the VIRL borrowing will impact any limits, I followed up with the Municipal Finance Authority today and Regional District borrowing is different from a municipality and the Hospital District. Because Regional Districts do not have an approval free zone like municipalities and the majority of our borrowing is done through voter approval or as a result of provincially approved plans (eg, liquid and solid waste management plans), as well as that any loan authorization and service establishment bylaws have to be approved by the Province, a regional district does not have a specific cap on borrowing. However, keep in mind that the Province through their process for reviewing our financial statements and approving any loan authorization bylaws does look at how much we are borrowing and our ability to service the debt payments.

Municipalities have different borrowing regulations and more opportunities to borrow without voter approval and are required to complete the Liabilities Servicing Certificate.

With regard to the VIRL borrowing, the RDN does have final responsibility for servicing the debt payments if there was a default by VIRL. However, we will have the mortgage on the property and the repayment agreement with VIRL which provides the needed guarantees.

Please let me know if you have further questions.

*Wendy*