



CITY COUNCIL REPORT

TITLE:

BY-LAW 7442 – TO AMEND BY-LAW 7331 TO BORROW FUNDS FOR THE PURPOSE OF CONSTRUCTING NEW STORMWATER INFRASTRUCTURE IN THE SOUTHEAST AREA OF BRANDON

PRESENTER:

Troy Tripp

DEPARTMENT:

Finance

ATTACHMENTS:

DATE:

12/5/2025

CLEARANCE / APPROVALS:

Dave Wardrop General Manager

Dave Wardrop City Manager

RECOMMENDATION(S):

That By-law No. 7442 – to amend By-law No. 7331 to provide for the borrowing and expenditure of funds for the purpose of constructing new stormwater infrastructure in the southeast area of Brandon be read a first time.

BACKGROUND:

The Southeast Brandon Drainage Improvements Project is intended to augment and expand upon the existing drainage network within southeast Brandon. This project includes design and construction of new stormwater retention ponds, storm sewers and ditching that will benefit the existing southeast area and future opportunities to provide drainage relief to adjacent catchments. The Southeast Brandon Drainage Improvements Project is a multi-year project, and is expected to take 4 to 5 years to complete all phases.

ANALYSIS:

By-law No. 7331, being a by-law to authorize the expenditure and borrowing of thirty million one hundred forty thousand (\$30,140,000.00) dollars for the purpose of constructing new stormwater infrastructure in the southeast area of Brandon, received third reading at the regular meeting of City Council held August 15, 2022. This borrowing was approved by The Municipal Board of Manitoba under its Order No. E-22-083.

As the first phase of the project was completed in 2025 at a cost of approximately \$10,364,300, it would be prudent to issue the second debenture in support of this project. By-Law 7442 and the attached schedule A reflect the debt amount and borrowing terms for this second (Series B) debenture.

The first issuance in respect of this authorized debt was made in February of 2025. Series A issued \$8,000,000 of debt to be repaid over 20 years at an annual interest rate of 5.245%.

Over the past eighteen months, the City has secured external funding towards the project through the Disaster Mitigation Adaptation Fund (DMAF) and the Natural Infrastructure Fund (NIF). These grants of up to \$17,396,420 and \$1,000,000, respectively, are towards future phases of the project, therefore phase 1 is not eligible.

LEGISLATIVE REQUIREMENTS:

Pursuant to section 174(1) of the Municipal Act, all borrowings must be authorized by By-law.

FINANCIAL IMPACT:

The borrowing will increase the general fund debt by \$2,400,000, converting previously authorized debt into issued debt. The proposed term for this projects borrowing is 20 years with an interest rate of 5.175%. Annual principal and interest payments would be \$195,450.10. The debt servicing cost will be included in the 2026 Financial Plan and will be recovered through the general municipal levy beginning in 2026.

In total, the debt servicing costs in respect of phase 1 of this project will be \$850,793.45, payable annually beginning in 2026.

CONCLUSION:

That By-law No. 7442 – to amend By-law No. 7331 to provide for the borrowing and expenditure of funds for the purpose of constructing new stormwater infrastructure in the southeast area of Brandon be read a first time.

CITY OF BRANDON

By-law No. 7442

BEING A BY-LAW of the City of Brandon to amend By-Law No. 7331 for the expenditure and borrowing of funds for the purpose of constructing new stormwater infrastructure in the southeast area of Brandon, including stormwater retention ponds, storm sewers, and ditching, herein after called the "Southeast Brandon Drainage Improvements Project".

WHEREAS the City of Brandon, by its By-law No. 7331 was approved by The Municipal Board of Manitoba under its Order No. E-22-083, which authorized the borrowing in the amount of thirty million one hundred forty thousand (\$30,140,000.00) dollars;

AND WHEREAS, the City of Brandon issued Series "A" debenture from the Minister of Finance for the Province of Manitoba in the amount of eight million (\$8,000,000.00) dollars being the first authorized borrowing under the authority of By-Law No. 7418, which was approved by Municipal Board Order E-25-045;

AND WHEREAS, the City of Brandon has made arrangements to borrow Series "B" from the Minister of Finance for the Province of Manitoba in the amount of two million four hundred thousand (\$2,400,000.00) dollars being the partial cost of works completed under the authority of By-Law No. 7331, such debenture to be dated November 1st, 2025 to bear interest at the rate of 5.175% per annum, payable annually during their currency, and to mature on November 1st in each of the years 2026 to 2045;

AND WHEREAS the Council of The City of Brandon deems it expedient to amend said By-Law No. 7331 to provide for the issuance of the aforesaid borrowing

NOW THEREFORE the Council of the City of Brandon duly assembled, enacts as follows:

1. THAT By-Law No. 7331 of the City of Brandon BE AND THE SAME IS HEREBY AMENDED to provide that Series "B" borrowing in the amount of \$2,400,000.00 be issued to cover the partial costs of works completed thereunder; such borrowing to be dated the 1st day of November, 2025, to bear interest at the rate of 5.175% per annum, payable annually during their currency; and to mature in accordance with the maturities set out in Schedule "A" hereto on the 1st day of November in each of the years 2026 to 2045, both inclusive.

2. THAT upon further works being completed under authority of By-Law No. 7331, the City of Brandon shall, from time to time enact such additional by-laws as may be required for the issuance of borrowing to secure the costs incurred.

Done and Passed by a by-law of The City of Brandon in the Province of Manitoba this ___ day of _____, 2025 .

Mayor

City Clerk

Read a first time this ___ day of _____ A.D. 2025.

Read a second time this ___ day of _____ A.D. 2025.

Read a third time this ___ day of _____ A.D. 2025.

CITY OF BRANDON

Sold to: Minister of
Finance of Manitoba

SOUTHEAST BRANDON DRAINAGE IMPROVEMENTS PROJECT

SERIES "B"

SCHEDULE - A TO BY-LAW NO. 7442

TO AMEND BY-LAW NO. 7331

Debenture Issue

| | | | |
|----------------------|-------------------------|--------------------------------------|--------------|
| Term (Years): | 20 | Amount: | 2,400,000.00 |
| Date: | November 1, 2025 | Rate (%): | 5.175 |
| Payable: | November 1, 2026 – 2045 | Annual Payment: | 195,450.10 |
| # of Days: | 365 | First Year's Payment: | 195,450.10 |
| | | Adjusted Last Year's Payment: | 195,450.18 |

MATURITY SCHEDULE

| Year | Interest | Principal | Balance |
|---------------|---------------------|---------------------|----------------|
| 2026 | 124,200.00 | 71,250.10 | 2,328,749.90 |
| 2027 | 120,512.81 | 74,937.29 | 2,253,812.61 |
| 2028 | 116,634.80 | 78,815.30 | 2,174,997.31 |
| 2029 | 112,556.11 | 82,893.99 | 2,092,103.32 |
| 2030 | 108,266.35 | 87,183.75 | 2,004,919.57 |
| 2031 | 103,754.59 | 91,695.51 | 1,913,224.06 |
| 2032 | 99,009.35 | 96,440.75 | 1,816,783.31 |
| 2033 | 94,018.54 | 101,431.56 | 1,715,351.75 |
| 2034 | 88,769.45 | 106,680.65 | 1,608,671.10 |
| 2035 | 83,248.73 | 112,201.37 | 1,496,469.73 |
| 2036 | 77,442.31 | 118,007.79 | 1,378,461.94 |
| 2037 | 71,335.41 | 124,114.69 | 1,254,347.25 |
| 2038 | 64,912.47 | 130,537.63 | 1,123,809.62 |
| 2039 | 58,157.15 | 137,292.95 | 986,516.67 |
| 2040 | 51,052.24 | 144,397.86 | 842,118.81 |
| 2041 | 43,579.65 | 151,870.45 | 690,248.36 |
| 2042 | 35,720.35 | 159,729.75 | 530,518.61 |
| 2043 | 27,454.34 | 167,995.76 | 362,522.85 |
| 2044 | 18,760.56 | 176,689.54 | 185,833.31 |
| 2045 | 9,616.87 | 185,833.31 | - |
| TOTALS | 1,509,002.08 | 2,400,000.00 | |