



CITY COUNCIL REPORT

TITLE:

BY-LAW NO. 7448 – TO BORROW FUNDS FOR THE PURPOSE OF DESIGNING AND CONSTRUCTING AN OUTDOOR AQUATICS FACILITY

PRESENTER:

Troy Tripp

DEPARTMENT:

Finance

ATTACHMENTS:

DATE:

3/6/2026

CLEARANCE / APPROVALS:

Dave Wardrop General Manager

Dave Wardrop City Manager

RECOMMENDATION(S):

That By-Law No. 7448 to provide for the borrowing and expenditure of funds for the purposes of designing and constructing an outdoor aquatics facility be read a first time.

BACKGROUND:

The City of Brandon currently operates one outdoor pool, the Kinsmen Pool, located at Rideau Park. The facility is approximately 57 years old and in recent years has been subject to repeated closures and delayed seasonal openings due to mechanical and structural issues, resulting in reduced outdoor recreational amenities available to the residents of the City of Brandon.

In August of 2025, Council passed a resolution directing Administration to investigate design parameters and location for a new outdoor aquatic facility. Furthermore, the cost of the detailed design and construction were included in the approved 2026 capital plan with design occurring in 2026 and construction to take place in 2027.

In December of 2025, Administration provided a report to Council on conceptual designs and potential location for the facility. Potential options ranged from smaller capacity facilities accommodating up to a 299 person bather load to larger options accommodation up to a 568 person bather load. Locations examined included the current Rideau Park site, Kin Park, and the Keystone Centre grounds. All options included a changeroom building and parking lot.

ANALYSIS:

At present, the City of Brandon is focusing on the Keystone Centre grounds site. The Keystone Centre has expressed interest in a long-term land use agreement based on the proposed project's alignment with that organizations Master Plan.

The conceptual design plan provides for a multi-basin layout with a junior olympic size lap pool and leisure pool in addition to a water slide and spray pool.

The 2026 capital plan includes \$551,000 in 2026 for design work and \$5,510,000 in 2027 for construction of the facility. As the City does not have capacity to fund the project through it's own capital reserves,

authorization for borrowing will be requested to the Municipal Board. The use of debt to finance a capital acquisition of the size and nature is deemed appropriate.

LEGISLATIVE REQUIREMENTS:

Section 169 of the Municipal Act requires that all borrowings be authorized by by-law.

Section 169 of the Municipal Act also requires that a public hearing be held. As this borrowing will be included in the 2026 Financial Plan, the public hearing on the 2026 Financial Plan will satisfy this requirement.

Following the public hearing, an application will be made to the Municipal Board for authorization of the borrowing prior to second and third readings.

STRATEGIC ALIGNMENT:

Developing a long-term plan for an outdoor aquatic park was included in the City of Brandon's 2023-2026 Strategic Plan under Strategy #9 - Define and implement a path forward for large community recreation and culture facilities.

FINANCIAL IMPACT:

This borrowing will increase the general fund debt by (up to) \$6,061,000.00. Total City debt at the end of 2026 is projected to be \$158,303,907 including not yet issued debt.

The City possesses sufficient debt capacity to accommodate this borrowing. The Municipal Board applies 2 financial ratios in assessing borrowing capacity. Authorized debt should not exceed 7% of the total portioned municipal assessment. Including this borrowing, the estimated ratio for the City is 4.93%. Debt Servicing Costs should also not exceed 20% of total municipal revenue. The City's ratio will be an estimated 13.44% including this borrowing.

Borrowing By-Law Terms:

The proposed borrowing rate of 6.625% reflect the maximum rate the debt will be issued at. This rate includes contingency for fluctuations in borrowing rates between the time the borrowing is authorized to when it is issued. The current debenture rate for a 10-year term is 4.475%.

Principal and interest payments will be no more than \$848,052.34 annually. Total interest paid over the term of the borrowing will be no more than \$2,419,522.68.

Actual principal and interest payments will be determined by the borrowing rate at time of issuance. Based on current rates, annual debt servicing would be \$765,041 and total interest costs would amount to \$1,589,408.

Alternatives:

In examining alternative debt terms, a 15-year debenture would result in annual costs of \$579,007 and total interest costs of \$2,624,109 while a 5-year term would result in annual costs of \$1,362,421 and total interest costs of \$751,106, all based on current actual rates.

Impact:

Based on current assessment and rates, a mill rate increase of 0.230 will be required to be raised as a funding source for the project. For an average typical residential property valued at \$302,500, the taxation impact would be \$31.31 annually. This represents a 1.3% increase in the average municipal tax bill.

In addition, the City will continue to seek funding from senior levels of government in support of this project, potentially reducing the debt requirement.

COMMUNICATION STRATEGY:

The proposed borrowing will be included in the City's 2026 Financial Plan. A public hearing for the 2026 Financial Plan will be held during the regular meeting of council on April 7, 2026.

Public Notice requirements for the first reading of this by-law, in accordance with the Municipal Act, were met. Notice included posting on the City website, bulletin board inside City Hall, and advertisements in the Brandon Sun newspaper.

CONCLUSION:

That By-Law No. 7448 to provide for the borrowing and expenditure of funds for the purposes of designing and constructing an outdoor aquatics facility be read a first time.

BY-LAW NO. 7448

BEING a By-law of The City of Brandon to provide for the expenditure and borrowing of funds for the purposes of designing and constructing an outdoor aquatic facility herein after called the "Outdoor Aquatics Facility Project".

WHEREAS, *The Municipal Act*, S.M. 1996, c.58 provides, in part, as follows:

"172 In this Division,

"borrowing" means the borrowing of money, and includes

(e) Issuing debentures

"borrowing by-law" means a by-law referred to in clause 174 (1) (a)."

"174 (1) A municipality may make a borrowing only if

- (a) the borrowing is authorized by by-law in accordance with section 174.1; and
- (b) subject to subsection (2), the borrowing is set out as a debt obligation in the operating budget or capital budget or it is made to fund an expenditure authorized under subsection 169(5).

"174.1 (1) The council must give public notice before giving first reading to a borrowing by-law that authorizes the municipality to

- (a) issue debenture; and
- (b) use the money borrowed to fund a capital project that has been included in the financial plan adopted under section 162."

AND WHEREAS the Council of The City of Brandon is of the opinion that the following project, being: the Outdoor Aquatics Facility Project, should be undertaken within the Municipality in order to enhance recreational amenities of the community;

AND WHEREAS in order to complete such undertaking, it will be necessary for The City of Brandon to borrow the sum of six million sixty-one thousand Dollars (\$6,061,000.00) as hereinafter provided, which is the amount of the debt intended to be created by this by-law;

AND WHEREAS the consecutive annual amounts, including principal and interest, required to be raised each year for ten (10) years, as hereinafter provided, for paying the principal and interest under this by-law are the amounts set out in Schedule "A" hereto;

AND WHEREAS the assessed value of the whole land chargeable under this by-law, according to the last revised assessment roll, is \$3,331,031,940;

AND WHEREAS the amount of the existing debt of The City of Brandon as of December 31, 2025 is \$53,417,439.77, of which no portion of the principal or of the interest thereon is in arrears;

AND WHEREAS the current amount of existing debt authorized but not yet issued of The City of Brandon is \$109,977,355;

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

1. That The City of Brandon is hereby authorized and empowered to raise upon the credit of the municipality, funds not repayable within the current fiscal year by the borrowing of money in an amount not exceeding six million sixty-one hundred thousand dollars (\$6,061,000.00).
2. That the funds so raised shall be for the purpose of financing the Outdoor Aquatics Facility Project in the City of Brandon.
3. That the borrowing for the aforesaid project shall be issued by the City of Brandon in the Province of Manitoba, and shall be payable at a regulated Financial Institution in Manitoba or a registered Chartered Bank in Canada, and executed upon approval of this by-law from the Manitoba Municipal Board; and shall be dated no earlier than the 30th day of April A.D. 2026.

4. That the said borrowing shall bear interest at a rate estimated for the time being at 6.625% per annum, and subject in any event to the authorization of The Municipal Board at the time of sale, and shall mature in accordance with the maturities set out in Schedule "A" hereto on the 30th day of April in each of the years 2027 to 2036, both inclusive.

5. That the issuance of borrowings shall be signed by the Mayor, or by some other person authorized by by-law to sign same, and by the Director of Finance of The City of Brandon and there shall be affixed thereto the corporate seal of the said municipality.

6. That during the currency of the said borrowing; namely, in each of the years 2027 to 2036, both inclusive, there shall be raised annually by a special mill rate on all the rateable property within the Municipality, an amount sufficient to meet the requirement for principal and interest.

7. That pursuant to subsection 174(3)(d) of The Municipal Act, pending the issue of the borrowing, the council of The City of Brandon may agree with a bank or person or borrow from the general funds of the municipality for temporary advances from time to time to meet expenditures incurred for the purpose aforesaid, and the total of such advances shall not exceed six million sixty-one thousand Dollars (\$6,061,000.00).

DONE AND PASSED by the Council of The City of Brandon in regular session assembled, this day of , A.D. 2026.

MAYOR

CITY CLERK

Read a first time this	day of	A.D. 2026
Read a second time this	day of	A.D. 2026
Read a third time this	day of	A.D. 2026

CITY OF BRANDON

SCHEDULE - A TO BYLAW NO. 7448

Debenture Issue

Term (Yrs):	10	Amount:	6,061,000.00
Date:	April 30, 2026	Rate (%):	6.6250
Payable:	April 30, 2027 - 2036	Annual Payment:	848,052.26
		First Year's Payment:	848,052.26
		Adjusted Last Year's Payment:	848,052.34

MATURITY SCHEDULE

Year	Interest	Principal	Balance
2027	401,541.25	446,511.01	5,614,488.99
2028	371,959.90	476,092.36	5,138,396.63
2029	340,418.78	507,633.48	4,630,763.15
2030	306,788.06	541,264.20	4,089,498.95
2031	270,929.31	577,122.95	3,512,376.00
2032	232,694.91	615,357.35	2,897,018.65
2033	191,927.49	656,124.77	2,240,893.88
2034	148,459.22	699,593.04	1,541,300.84
2035	102,111.18	745,941.08	795,359.76
2036	52,692.58	795,359.76	-
TOTALS	2,419,522.68	6,061,000.00	