



REQUEST FOR DECISION

Meeting: January 12, 2026

Fire Hall Renovation Borrowing Bylaw

DESCRIPTION/BACKGROUND:

Through the 2026 budget process and discussions at the Audit & Finance and Facility, Infrastructure & Planning Committee meetings, Council directed Administration through the budget approval to proceed with the Fire Hall Renovation in 2026, with a portion of the project to be funded through debenture borrowing.

Therefore, Administration is bringing forward a Borrowing Bylaw to enable the debenture financing required to proceed with the project.

DISCUSSION/OPTIONS:

The following provides additional details on project funding, borrowing options, and financial implications. Pricing estimates place the total project cost at \$1,200,000.

The Fire Hall Renovation is required to modernize the facility, address operational and space constraints, and ensure the long-term safety and effectiveness of fire and emergency services.

Administration has developed a funding strategy that combines grants, reserves, intermunicipal contributions, and long-term borrowing:

Funding Source	Amount
Provincial Grants	\$200,000
Town of Claresholm Reserve Funds	\$170,000
M.D. of Willow Creek Contribution	\$300,000
Debenture Borrowing	\$500,000
Total Project Cost	\$1,200,000

The M.D. of Willow Creek has committed to funding 25% of the project to a maximum of \$300,000, payable to the Town over five (5) years at approximately \$60,000 per year. The Town will fund this portion up front and be reimbursed annually.

Borrowing for a portion of this project is a practical and appropriate funding source, as it allows the Town to leverage available grant funds, preserve reserve balances, and align repayment with the long-term lifespan of the Fire Hall asset.

While the proposed bylaw authorizes borrowing for a term of up to 25 years, Council may direct Administration to pursue a different repayment period. For Council's information and consideration, Administration has summarized four potential loan term scenarios below, based on current indicative provincial rates.

Loan Term	Interest Rate	Annual Payment Amount	Interest Paid Over Loan Term
15 Years	4.03%	\$44,742.06 (bi-annual - \$22,371.03)	\$171,130.90
20 Years	4.30%	\$37,524.22 (bi-annual - \$18,762.11)	\$250,484.40
25 Years	4.46%	\$33,381.08 (bi-annual - \$16,690.54)	\$334,527.00
30 Years	4.56%	\$30,750.86 (bi-annual - 15,375.43)	\$422,525.80

The annual debenture payment will be incorporated into future operating budgets and reflected within the fire departments budget. Based on current indicative rates, as noted above the annual payments are estimated to range between \$30,000–\$45,000 annual depending upon the term selection.

As of December 31, 2025, the Town’s total principal outstanding long-term debt is \$4,710,567.28, with no arrears of principal or interest. The proposed borrowing remains within the Town’s legislated debt and debt servicing limits as prescribed by the Municipal Government Act.

Per the borrowing timeline requirements, if Council grants first reading, the Borrowing Bylaw will proceed in accordance with the MGA, including:

- Advertising and public notice requirements of two weeks;
- 15-day petition opportunity for electors;
- Second and third readings following completion of statutory requirements.

The next loan application date deadlines through the province are:

LOAN ISSUE DATE	APPLICATION DEADLINE
February 27, 2026	January 15, 2026
March 30, 2026	February 15, 2026
April 30, 2026	March 15, 2026
May 29, 2026	April 15, 2026

PROPOSED RESOLUTIONS:

Moved by Councillor _____ that Council direct Administration to proceed with debenture borrowing in the amount of \$500,000 to fund a portion of the Fire Hall Renovation, subject to the approval of the Fire Hall Renovation Borrowing Bylaw.

Move by Councillor _____ to give first reading of Bylaw #1826 Fire Hall Renovation Borrowing Bylaw.

If Council wishes to change the borrowing terms of the bylaw, then we will require a motion to amend the borrowing bylaw prior to 1st reading.

ATTACHMENTS:

- 1.) Borrowing Timeline
- 2.) Term Loan Calculators
- 3.) Borrowing Bylaw #1826 – Draft

APPLICABLE LEGISLATION:

- 1.) Municipal Government Act Section 258

PREPARED BY: Jennifer Place, Director of Corporate Services

APPROVED BY: Abe Tinney, CAO

DATE: January 5, 2026
