

**City of Port Moody**

**Liability Servicing Limit (LSL) (Transmittal Letter)**

**Based on estimated 2018 Year End balances - updated with potential known changes**

**Debt Capacity with Elector Approval**

Total Municipal Revenue	\$ 68,871,508
LESS: Actual Class 4 Revenue	11,427,222
PLUS: Capped Class 4 Revenue	5,398,808
NET Revenue for LSL Calculation	<u><b>62,843,094</b></u>

Limit % - Controllable/Sustainable Revenues	25%
<b>LSL</b>	<u><b>15,710,773</b></u>

**Payments**

LESS: \$3,000,000 LA Bylaw #2679 (Police)	(100,745)
LESS: \$6,000,000 LA Bylaw #2878 (Firehall)	(106,981)
LESS: \$3,000,000 LA Bylaw #2878 (Firehall)	(53,490)
LESS: \$10,500,000 LA Bylaw #3018 (Capital Remedial Works)	(287,993)
Cost of borrowing (interest)	(687,000)
LESS: capital & operating leases, equipment loans (principal & interest)	(456,815)
LESS: Estimated cost of unissued debt, principal & interest (Fire Trucks 2020)	(242,000)
LESS: Estimated cost of unissued debt, principal & interest (Fire Trucks 2021-2023)	(170,000)
LESS: Estimated cost of unissued debt, principal & interest (MTP)	(386,000)

**Annual Debt Service (Principal & Interest)** **\$ (2,491,023)**

**Liability Servicing Capacity Available** **\$ 13,219,750**

**Estimate maximum debt that City can take on with elector approval:  
Rates as of February 5, 2019 - MFA Website (Indicative Market Rates - Analytic Purposes Only)**

5 Year = 18.84% Sinking Fund Factor + 2.77% Interest =	21.61%	<b>13,219,750</b>	divided by	21.61% =	<b>\$ 61,174,226</b>
10 Year = 8.72% Sinking Fund Factor + 3.13% Interest =	11.85%	<b>13,219,750</b>	divided by	11.85% =	<b>\$ 111,559,073</b>
15 Year = 5.38% Sinking Fund Factor + 3.42% Interest =	8.80%	<b>13,219,750</b>	divided by	8.80% =	<b>\$ 150,224,434</b>
20 Year = 3.72% Sinking Fund Factor + 3.52% Interest =	7.24%	<b>13,219,750</b>	divided by	7.24% =	<b>\$ 182,593,234</b>
25 Year = 2.74% Sinking Fund Factor + 3.52% Interest =	6.26%	<b>13,219,750</b>	divided by	6.26% =	<b>\$ 211,178,118</b>
30 Year = 2.10% Sinking Fund Factor + 3.52% Interest =	5.62%	<b>13,219,750</b>	divided by	5.62% =	<b>\$ 235,226,871</b>

**Approval Free Liability Zone (B.C. Reg. 254/2004, Section 7)**

NET Revenue for LSL Calculation	\$ 62,843,094
Approval free factor (B.C. Reg. 254/2004, Section 7(a)(ii))	5%
Approval free if no debt commitments	<u><b>3,142,155</b></u>

LESS: \$3,000,000 LA Bylaw #2679 (Police)	(100,745)
LESS: \$6,000,000 LA Bylaw #2878 (Firehall)	(106,981)
LESS: \$3,000,000 LA Bylaw #2878 (Firehall)	(53,490)
LESS: \$10,500,000 LA Bylaw #3018 (Capital Remedial Works)	(287,993)
LESS: Debt Interest on above (includes est. interest on \$10.5M)	(687,000)
LESS: capital & operating leases, equipment loans (principal & interest)	(456,815)
LESS: Estimated cost of unissued debt, principal & interest (Fire Trucks 2020)	(242,000)
LESS: Estimated cost of unissued debt, principal & interest (Fire Trucks 2021-2023)	(170,000)
LESS: Estimated cost of unissued debt, principal & interest (MTP)	(386,000)

**Approval Free Liability Zone (Principal & Interest)** **\$ 651,131**

**Estimated maximum debt that City can take on without elector approval:  
Rates as of February 5, 2019 - MFA Website (Indicative Market Rates - Analytic Purposes Only)**

5 Year = 18.84% Sinking Fund Factor + 2.77% Interest =	21.61%	<b>651,131</b>	divided by	21.61% =	<b>\$ 3,013,102</b>
10 Year = 8.72% Sinking Fund Factor + 3.13% Interest =	11.85%	<b>651,131</b>	divided by	11.85% =	<b>\$ 5,494,780</b>
15 Year = 5.38% Sinking Fund Factor + 3.42% Interest =	8.80%	<b>651,131</b>	divided by	8.80% =	<b>\$ 7,399,221</b>
20 Year = 3.72% Sinking Fund Factor + 3.52% Interest =	7.24%	<b>651,131</b>	divided by	7.24% =	<b>\$ 8,993,528</b>
25 Year = 2.74% Sinking Fund Factor + 3.52% Interest =	6.26%	<b>651,131</b>	divided by	6.26% =	<b>\$ 10,401,460</b>
30 Year = 2.10% Sinking Fund Factor + 3.52% Interest =	5.62%	<b>651,131</b>	divided by	5.62% =	<b>\$ 11,585,968</b>