

From: **"Mochrie, Paul"**

To: **"Direct to Mayor and Council - DL"**

Date: 2024-04-05 4:51:22 PM

Subject: Memo: Mountain View Cemetery - Capital Financing Fund investments

Attachments: Memo to Mayor and Council - MVC CFF Loan.docx

Mayor and Council,

At the Council meeting on April 10, 2024, Council will consider a report on Phase 2 of the Mountain View Cemetery Master Plan. The attached memo is intended to provide additional background regarding the Capital Financing Fund (CFF) loan for the Phase 1 MVC Master Plan investments referenced in the report, and the approach for funding from the CFF for the Phase 2 investments.

The source of funding for Phase 1 Master Plan investments was the City's internal loan facility known as the CFF. From 2005-2010, \$19.5 million was advanced from the CFF to fund interment infrastructure and initial operating deficits, as well as construction of three buildings (Sales & Administration, Maintenance and Celebration Hall), to be repaid from revenue generated from the investments. This revenue did not materialize to the extent planned in the business case and the loan has not been fully paid as yet.

The Phase 2 business plan includes funding from the CFF between 2024-2031 of \$7.3 million to create additional interment space inventory, sales of which are forecast to enable additional loan repayments of \$16.3 million to the end of 2033. The CFF loans for both Phase 1 and Phase 2 have been combined into a single repayment plan and the full loan will be repaid by the end of 2033.

If you have any questions, feel free to contact me or Patrice Impey.

Best,
Paul

Paul Mochrie (he/him)
City Manager
City of Vancouver



The City of Vancouver acknowledges that it is situated on the unceded traditional territories of the xʷməθkʷəy̓əm (Musqueam), Skwxwú7mesh (Squamish), and səlilwətał (Tsleil-Waututh) Nations.

MEMORANDUM

July 15, 2024

TO: Mayor and Council

CC: Paul Mochrie, City Manager
Armin Amrolia, Deputy City Manager
Karen Levitt, Deputy City Manager
Sandra Singh, Deputy City Manager
Katrina Leckovic, City Clerk
Maria Pontikis, Chief Communications Officer, CEC
Teresa Jong, Administration Services Manager, City Manager's Office
Mellisa Morphy, Director of Policy, Mayor's Office
Trevor Ford, Chief of Staff, Mayor's Office

FROM: Patrice Impey
General Manager, Finance, Risk and Supply Chain Management

SUBJECT: Mountain View Cemetery Capital Financing Fund Loan Repayment Terms

RTS # RTS 12900 - Mountain View Cemetery – Master Plan Phase 2

Purpose

At the Council meeting on April 10, 2024, Council will consider a report on Phase 2 of the Mountain View Cemetery Master Plan. The purpose of this memo is to provide additional background regarding the Capital Financing Fund (CFF) loan for the Phase 1 MVC Master Plan investments referenced in the report. The report will also be requesting additional funding from the CFF for the Phase 2 investments.

As outlined in RTS 12900 - Mountain View Cemetery – Master Plan Phase 2, the source of funding for Phase 1 Master Plan investments was the City's internal loan facility known as the CFF. As approved by Council, \$19.5 million was advanced from 2005-2010 to fund MVC Phase 1 infrastructure. In addition to funding of interment infrastructure and initial operating deficits, Phase 1 included the construction of three buildings (Sales & Administration, Maintenance and Celebration Hall).

The original terms of the Phase 1 loan included repayment of the \$19.5 million plus interest in approximately 15 years. As outlined in RTS 12900, lower sales volumes and revenues in comparison to the original business case prevented the loan from being repaid as planned, as the revenue was not sufficient to carry the financing for both the revenue generating assets and

the base building infrastructure. Repayment of the Phase 1 loan commenced in 2010 leaving an outstanding loan balance of \$18.1M (after payments including principal and interest) at December 2023.

The Phase 2 business plan includes expenditures between 2024-2031 of \$7.3 million to create additional interment space inventory sales of which are forecast to generate annual surpluses of \$1.0-2.0 million enabling additional loan repayments of \$16.3 million to the end of 2033. Given the building assets created in Phase 1 will support all future phases, *the CFF loans for both Phase 1 and Phase 2 have been combined into a single repayment plan* with the terms of the repayment now set at:

- Additional loan advances of \$7.3 million to the end of 2031 bringing total advances to \$26.9 million
- Repayments totalling \$34.8 million, with \$18.5 million received to date and an additional \$16.3 million to the end of 2033
- Interest of \$7.9 million over the term of the combined loan to full repayment

Should you have any questions regarding the structuring of the CFF loan for the Mountain View Cemetery Master Plan – Phases 1 and 2, please feel free to contact me.

Best Regards,



Patrice Impey
General Manager, Finance, Risk and Supply Chain Management
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