

THE CORPORATION OF THE DISTRICT OF BURNABY

November 20, 1964.

HIS WORSHIP THE REEVE
AND MEMBERS OF THE COUNCIL

Gentlemen:

REPORT OF THE POLICY COMMITTEE

INTEREST RATE ON LAND SALES

Your Committee gave consideration to the matter of adjusting the interest rate payable to the Municipality on Agreements for sale.

The present rate is 6% and a suggestion was made that the rate should be altered to reflect the current situation in respect of interest rates being charged on private Agreements for sale.

The Municipal Act is silent on the rate of interest chargeable on Agreements for sale but it does establish a 6% mandatory rate in other matters, such as arrears and delinquent taxes, and compensation for property taken or injured.

Generally speaking, the Municipality does not pay more than 6% on money borrowed and it seldom earns more than 5% on its investments.

Your Committee concluded that the current rate being charged, 6%, is appropriate and we would therefore recommend that this rate be confirmed.

EW:mw