

FINANCIAL MANAGEMENT COMMITTEE

TO: *MAYOR AND COUNCILLORS*

SUBJECT: TEMPORARY FINANCING BYLAW

RECOMMENDATION:

THAT the City Solicitor be authorized to bring forward the Temporary Financing Bylaw to permit borrowing of up to \$10 million as required, during the period January 1, 2024 to December 31, 2024 repayable December 31, 2024, as outlined in the report titled "Temporary Financing Bylaw" dated October 17, 2023.

REPORT

The Financial Management Committee, at its meeting held on October 17, 2023, received and adopted the attached report seeking Council approval to obtain borrowing authority to temporarily finance expenditures.

On behalf of the Financial Management
Committee,

Councillor S. Dhaliwal
Chair

Councillor A. Gu
Vice Chair

TO: FINANCIAL MANAGEMENT COMMITTEE (FMC)

FROM: DEPUTY CHIEF ADMINISTRATIVE OFFICER AND CHIEF FINANCIAL OFFICER

SUBJECT: TEMPORARY FINANCING BYLAW

PURPOSE: To obtain borrowing authority to temporarily finance expenditures

RECOMMENDATION

THAT the City Solicitor be authorized to bring forward the Temporary Financing Bylaw to permit borrowing of up to \$10 million as required, during the period January 1 to December 31, 2024 repayable December 31, 2024, as outlined in the report titled "Temporary Financing Bylaw" dated October 17, 2023.

1.0 POLICY SECTION

Section 177 of the Community Charter provides that Council may authorize borrowing of this nature through a bylaw to meet current lawful expenditures. **BACKGROUND**
A Temporary Financing Bylaw was adopted authorizing \$10 million (2022 - \$10 million authorized) for operating needs between January to December 2023. As of September 8, 2023 the City has not utilized the credit facility.

For 2024 it is estimated that a \$10 million Temporary Financing Bylaw will be sufficient to cover any City cash shortfalls which may occur at different times during the year. This can occur when transfer payments and deposits to the City's bank accounts - such as investment wires and electronic funds transfers from other government agencies - are delayed or not received on the expected cash flow projection date. The amount of \$10 million represents sufficient funds to cover a shortfall for which the City can quickly cover the next business day by shifting funds from an investment into the bank account if necessary.

Therefore, it is recommended that Council authorize the City Solicitor to bring forward a Temporary Financing Bylaw to permit borrowing of up to \$10 million as required, during the period January 1 to December 31, 2024 repayable December 31, 2024.

2.0 GENERAL INFORMATION

Temporary borrowing sometimes becomes necessary during the year, prior to collection of property taxes, and at other times to make large unexpected payments or to cover an overdraft resulting from revenue shortfalls. Section 177 of the Community Charter provides that Council may authorize borrowing of this nature through a bylaw to meet current lawful expenditures.

Respectfully submitted,

Noreen Kassam, CPA CGA, Deputy Chief Administrative Officer and Chief Financial Officer

REPORT CONTRIBUTORS

This report was prepared by Doug Spindler, Director Treasury Services