

ITEM	4
MANAGER'S REPORT NO.	39
COUNCIL MEETING	1980 05 26

RE: TEMPORARY FINANCING BY-LAWS

The following is a report from the Municipal Treasurer re the above.

RECOMMENDATION

1. THAT the recommendation of the Municipal Treasurer be adopted.

* * * * *

1980 May 22

TO: MUNICIPAL MANAGER

File: '80 Budg.Gen.

FROM: MUNICIPAL TREASURER

RE: TEMPORARY FINANCING BY-LAWS

RECOMMENDATION

1. THAT Burnaby Temporary Borrowing By-law No. 7460 be amended to increase the amount of borrowing from \$12,000,000 to \$20,000,000.

REPORT

On 1980 January 07, Council enacted:

Burnaby Temporary Borrowing By-law No. 7461 for \$1,000,000 to permit emergency financing at any time during the period 1980 January 07 and December 31.

Burnaby Temporary Borrowing By-law No. 7460 for \$12,000,000 to permit financing during the period 1980 January 07 to July 15 of sums required to meet the current expenditures of the Municipality.

The \$12,000,000 exceeds the sum authorized in the year prior by \$4,000,000, which at the time of reporting to Council was considered adequate to overcome the loss of reserves hitherto in the current account, as reported in the 1979 Annual Budget.

Cash flow is recorded daily and we keep idle funds invested to the hilt. However, cash flow is difficult to forecast with any degree of accuracy. That is why we bring down temporary loan by-laws for larger sums than we believe we actually need, e.g. the 1979 by-law permitted borrowing of \$8,000,000 whereas borrowing as shown on the attached table reached only \$5,000,000. However, for 1980 the actual sum taken out of circulation due to transfers to reserves was \$11,705,000 rather than the \$8,000,000 forecast. A report on the reserves held by the Corporation will be before Council shortly. Also, the School District levy increased by \$4,169,420, of which \$1,600,000 must be paid to the District by June 30 in excess of payments made in the same period during 1979. And, of course, the employees' wage bill for 1980 is approximately \$2,400,000 greater than in 1979, and costs have risen generally. It will be necessary to pay out some \$7,000,000 between now and June 30 over and above the \$11,000,000 borrowed to date, as shown on the appended table. Under the circumstances, it is recommended that borrowing authorized by By-law No. 7460 be increased from \$12,000,000 to \$20,000,000 to provide the funds that will be needed and add a margin for safety.


MUNICIPAL TREASURER

BM:gw
Attach.

cc: Municipal Clerk
Municipal Solicitor

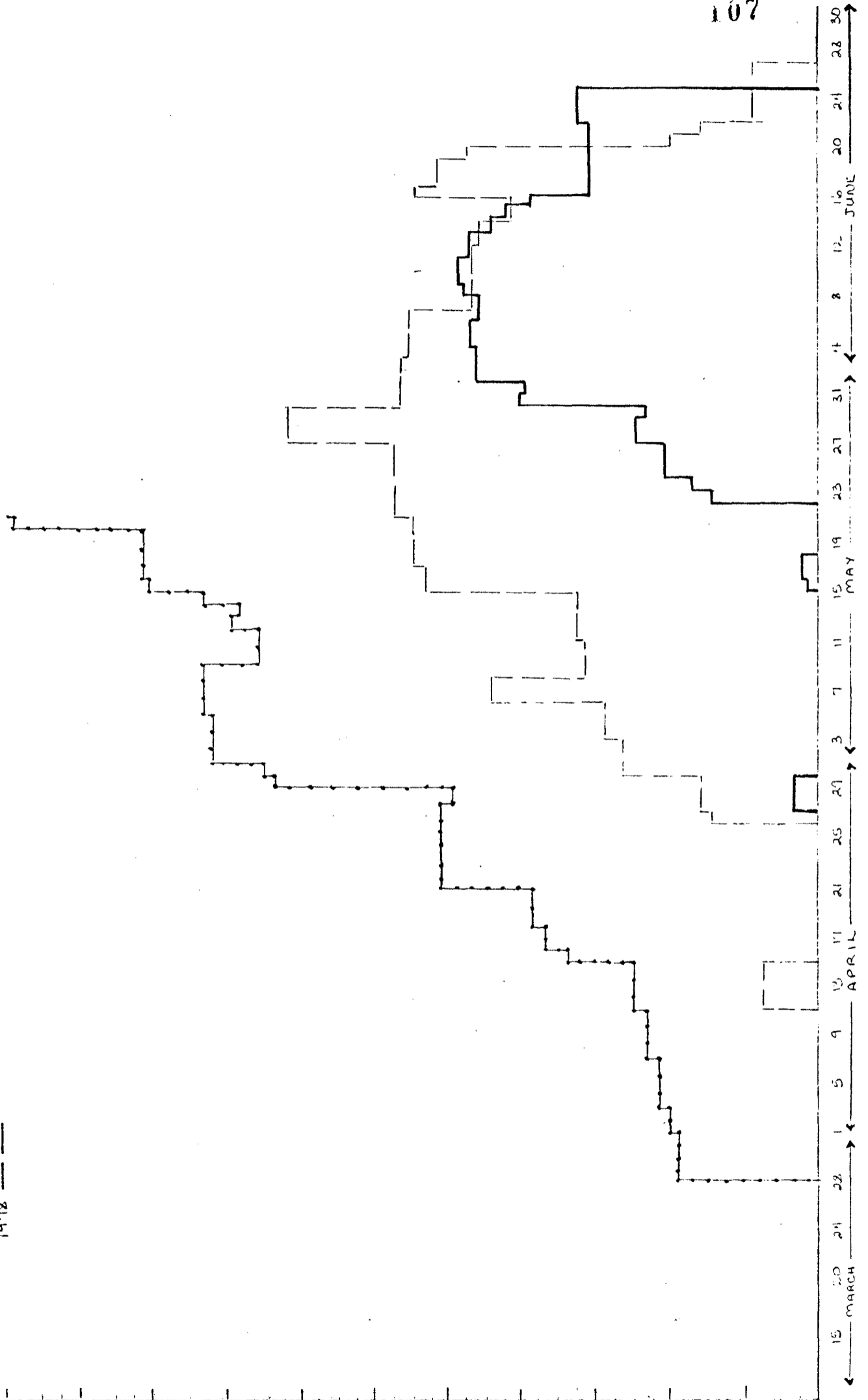
THE CORPORATION OF THE DISTRICT OF BURNABY
 TEMPORARY BORROWING - PRIOR TO TAX RECEIPTS

1970
 1979
 1978

11,000
 10,000
 9,000
 8,000
 7,000
 6,000
 5,000
 4,000
 3,000
 2,000
 1,000

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15 MARCH 20 24 28 30
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 4 8 12 16 20 24 28 30
 JUNE