

TO: CITY MANAGER

2003 November 24

FROM: DIRECTOR FINANCE

File: B2-1

SUBJECT: TEMPORARY FINANCING BYLAW

PURPOSE: To obtain borrowing authority to temporarily finance expenditures.

RECOMMENDATION:

1. THAT a bylaw be brought down to permit borrowing to a maximum of \$5 million for the period 2004 January 01 to December 31, repayable 2004 December 31.

REPORT

BACKGROUND

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 334.3 of the Local Government Act provides that Council may by bylaw authorize borrowing of this nature.

2003 ACTIVITY

In 2003 a temporary financing bylaw was adopted authorizing \$5 million to meet operating needs between January and December, to date the City borrowed funds one time. The loan advance was in the amount of \$889,441.21 for one day. All funding requirements were met at an average borrowing rate of 4.50%.

2004 REQUIREMENTS

For 2004 it is estimated that a \$5 million temporary financing bylaw is required to cover cash shortfalls which may occur during the year. The bylaw appears elsewhere on this agenda for the first three readings.



Rick Earle
DIRECTOR FINANCE

DGS:aj

cc. City Clerk
City Solicitor