

FINANCE AND CIVIC DEVELOPMENT COMMITTEE

*HIS WORSHIP, THE MAYOR
AND COUNCILLORS*

SUBJECT: TEMPORARY FINANCING BYLAW

RECOMMENDATION:

1. THAT Council authorize staff to bring down a bylaw to permit borrowing of up to \$2 million as required, during the period 2015 January 01 to December 31, repayable 2015 December 31.

REPORT

The Finance and Civic Development Committee, at its meeting held on 2014 October 23, received and adopted the attached report to obtain borrowing authority to temporarily finance expenditures.

Respectfully submitted,

Councillor D. Johnston
Chair

Councillor C. Jordan
Vice Chair

Councillor P. McDonell
Member

Copy: City Manager Deputy City Managers Director Finance City Solicitor
--

TO: CHAIR AND MEMBERS
FINANCE AND CIVIC DEVELOPMENT
COMMITTEE

DATE: 2014 October 16

FROM: DIRECTOR FINANCE

FILE: 6400-20

SUBJECT: TEMPORARY FINANCING BYLAW

PURPOSE: To obtain borrowing authority to temporarily finance expenditures.

RECOMMENDATION:

1. **THAT** the Finance and Civic Development Committee recommend Council authorize staff to bring down a bylaw to permit borrowing of up to \$2 million as required, during the period 2015 January 01 to December 31, repayable 2015 December 31.

REPORT

1.0 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 177 of the Community Charter provides that Council may authorize borrowing of this nature through a bylaw.

2.0 2014 ACTIVITY

In 2014 a temporary financing bylaw was adopted authorizing \$2 million to meet operating needs between January and December. As of 2014 October 15 the City has utilized these funds only once on 2014 October 06 in the amount of \$2 million for one day. The bank account however was in an overdraft position of \$5.7 million due to a financial institution processing error. This overdraft position was not the fault of the City, therefore loan and overdraft fees were paid by the financial institution.

3.0 2015 REQUIREMENTS

For 2015 it is estimated that a \$2 million temporary financing bylaw will be sufficient to cover any City cash shortfalls which may occur at different times during the year. It is recommended that Council authorize staff to bring down a bylaw to permit borrowing of up to \$2 million as required, during the period 2015 January 01 to December 31, repayable 2015 December 31.


Denise Jorgenson
DIRECTOR FINANCE

DJ:DS/nl