

FINANCIAL MANAGEMENT COMMITTEE

*HIS WORSHIP, THE MAYOR
AND COUNCILLORS*

SUBJECT: TEMPORARY FINANCING BYLAW

RECOMMENDATION:

1. 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 2021 January 01 to December 31, repayable 2021 December 31.

REPORT

The Financial Management Committee, at its meeting held on 2020 October 14, received and adopted the *attached* report seeking Council authorization for borrowing authority to temporarily finance expenditures.

Respectfully submitted,

Mayor M. Hurley
Chair

Councillor S. Dhaliwal
Vice Chair

Copied to:	City Manager Director Finance Director Corporate Services City Solicitor
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TO: CHAIR AND MEMBERS
FINANCIAL MANAGEMENT COMMITTEE

DATE: 2020 October 1

FROM: DIRECTOR FINANCE

FILE: 6400-20

SUBJECT: TEMPORARY FINANCING BYLAW

PURPOSE: To obtain borrowing authority to temporarily finance expenditures.

RECOMMENDATION:

1. **THAT** the Financial Management Committee recommend 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 2021 January 01 to December 31, repayable 2021 December 31.

REPORT**1.0 INTRODUCTION**

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. The debt under this bylaw must not exceed the total of the unpaid taxes nor can it represent a value greater than 75% of all property taxes imposed.

2.0 POLICY SECTION**Goal**

- A Thriving Organization
 - Financial viability –
Maintain a financially sustainable City for the provision, renewal and enhancement of City services, facilities and assets

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From: Director Finance
Re: Temporary Financing Bylaw
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3.0 BACKGROUND

For 2020, a temporary financing bylaw was adopted authorizing \$10 million for operating needs between January and December. As of 2020 September 08, the City utilized the credit facility only once on 2020 January 20 for one day in the amount of \$2,025,110.00. This occurred because there was a delay in the return of maturing investment funds from a brokerage firm. The overdraft fee that was charged to the City was reimbursed by the brokerage firm due to their oversight.

For 2021, 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.

4.0 RECOMMENDATION

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 2021 January 01 to December 31, repayable 2021 December 31.



Noreen Kassam, CPA, CGA
DIRECTOR FINANCE

NK:nl / md:dg

Copied to: City Manager
City Solicitor