

TO: CHAIR AND MEMBERS
FINANCIAL MANAGEMENT COMMITTEE

DATE: 2017 October 18

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 2018 January 01 to December 31, repayable 2018 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 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 2017 ACTIVITY

In 2017 a temporary financing bylaw was adopted authorizing \$2 million for operating needs between January and December. As of 2017 October 18 the City has not utilized these funds.

3.0 2018 REQUIREMENTS

For 2018 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. It is recommended 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 2018 January 01 to December 31, repayable 2018 December 31.



Noreen Kassam, CPA, CGA
DIRECTOR FINANCE

NK:DS /mlm

Copied to: City Manager