

TO: CHAIR AND MEMBERS
FINANCIAL MANAGEMENT COMMITTEE

DATE: 2019 Sep 09

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 2020 January 01 to December 31, repayable 2020 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

3.0 ACTIVITY

For 2019, a temporary financing bylaw was adopted authorizing \$10 million for operating needs between January and December. As of 2019 Aug 28, the City utilized the credit facility only once in 2019 on 2019 January 09 for one day in the amount of \$1,655,000.00.

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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 subsequently reimbursed by the brokerage firm due to their oversight.

For 2020 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 2020 January 01 to December 31, repayable 2020 December 31.

A handwritten signature in black ink, appearing to read 'Noreen Kassam', with a stylized, sweeping flourish extending to the right.

Noreen Kassam, CPA, CGA
DIRECTOR FINANCE

NK:NL / ml:jk

Copied to: City Manager
City Solicitor