

FINANCIAL MANAGEMENT COMMITTEE

TO: MAYOR AND COUNCILLORS

SUBJECT: TEMPORARY FINANCING BYLAW

RECOMMENDATION:

THAT the City Solicitor be authorized to bring forward a Temporary Financing Bylaw to permit borrowing of up to \$10 million as required, during the period from January 1 to December 31, 2025, as outlined in the report titled "Temporary Financing Bylaw" dated October 15, 2024, of the Open meeting of the Financial Management Committee.

REPORT

The Financial Management Committee, at its meeting held on October 15, 2024, received and adopted the attached report seeking Council approval to obtain borrowing authority to temporarily finance 2025 expenditures.

On behalf of the Financial Management
Committee,

Councillor P. Calendino
Chair

Councillor A. Gu
Vice Chair

TO: FINANCIAL MANAGEMENT COMMITTEE (FMC)
FROM: DEPUTY CHIEF ADMINISTRATIVE OFFICER AND CHIEF FINANCIAL OFFICER
SUBJECT: **TEMPORARY FINANCING BYLAW**
PURPOSE: To obtain borrowing authority to temporarily finance 2025 expenditures

RECOMMENDATION

THAT the City Solicitor be authorized to bring forward a Temporary Financing Bylaw to permit borrowing of up to \$10 million as required, during the period from January 1 to December 31, 2025, as outlined in the report titled “Temporary Financing Bylaw” dated October 15, 2024.

1.0 POLICY SECTION

Section 177 of the Community Charter provides that Council may, by bylaw, authorize the borrowing of money that may be necessary to meet current lawful expenditures.

2.0 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. The City maintains a Line of Credit annually for this purpose.

3.0 GENERAL INFORMATION

For 2024, *Burnaby Temporary Financing Bylaw 2024* was adopted which authorized the borrowing of up to \$10 million for operating needs during the period of January 1 to December 31, 2024. As of September 3, 2024, the City had used this credit facility once in the amount of \$1,770,000 on March 4, 2024. The overdraft was caused by a one-day delay in the return of maturing investment funds by the depository bank. The charge of \$349.15 was recovered from the broker due to their oversight in not wiring the funds to the City on time.

For 2025 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 COMMUNICATION AND COMMUNITY ENGAGEMENT

Not applicable

5.0 FINANCIAL CONSIDERATIONS

Ensuring a Line of Credit is in place to cover unexpected expenditures, or a revenue shortfall is prudent banking best practice.

Respectfully submitted,

Noreen Kassam, Deputy Chief Administrative Officer and Chief Financial Officer

ATTACHMENTS

None

REPORT CONTRIBUTORS

This report was prepared by Douglas Spindler, Director Treasury Services, and reviewed by Jennifer Wong, Assistant City Solicitor.