



Council
For the Meeting of April 9, 2020

To: Council **Date:** April 3, 2020
From: Jo-Ann O'Connor, Deputy Director of Finance
Subject: Amendment to the Temporary Borrowing Bylaw, 2020

RECOMMENDATION

1. That Council give first, second and third readings to the Temporary Borrowing Bylaw, 2020 No 20-058
2. That staff be directed to bring the Bylaw back for adoption at the Council meeting of April 16, 2020

EXECUTIVE SUMMARY

Like each year, Council adopted a temporary borrowing bylaw on January 23, 2020. This bylaw is done as a proactive measure only to allow the City to borrow to meet cash flow demands before property taxes are collected. The maximum borrowing amount under the current bylaw is \$10 million, though this amount can be increased.

Under Section 177 of the Community Charter, the maximum amount of borrowing allowed is the sum of the unpaid taxes for the current year plus the money remaining to be collected from other governments; or if the current year tax bylaw has yet to be adopted, the maximum is 75% of prior year taxes. The maximum amount the City can borrow is \$168 million.

Given the uncertainty of the new COVID-19 pandemic and the potential revenue shortfall impact to the City, it is recommended that the borrowing amount under this bylaw be amended to the maximum allowable legislated amount, which is \$168 million. If money is borrowed pursuant to this bylaw, revenue from property taxes must be used to repay the money borrowed.

At this time, the City is not anticipating using the full amount, nor is it likely that the City could borrow the full amount through the MFA or a financial institution. This amendment is a precautionary tool that provides flexibility to the City as the full impact of the pandemic is not known.

Respectfully submitted,


A handwritten signature in blue ink that reads "Jo-Ann O'Connor".

Jo-Ann O'Connor
Deputy Director of Finance

A handwritten signature in blue ink that reads "Susanne Thompson".

Susanne Thompson
Deputy City Manager/CFO

Report accepted and recommended by the City Manager:


Date: April 7, 2020

List of Attachments

Appendix A: Amended Temporary Borrowing Bylaw, 2020