



Council
For the Meeting of January 7, 2021

To: Council **Date:** December 9, 2020
From: Jo-Ann O'Connor, Deputy Director of Finance
Subject: Temporary Borrowing Bylaw, 2021

RECOMMENDATION

That Council give first, second and third readings to the Temporary Borrowing Bylaw, 2021 No 21-004

EXECUTIVE SUMMARY

Each year, the City adopts a temporary borrowing bylaw to allow the City to borrow money to meet cash flow demands before property taxes are collected in July. This is done as a proactive measure only and has rarely been used since the City has sufficient reserves in place to address cash flow needs.

Under Section 177 of the Community Charter, Council may, by bylaw, provide the authority to borrow money that may be necessary to meet the current year expenditures and to pay amounts required to meet the City's taxing obligations to other local governments or public bodies. If money is borrowed pursuant to this bylaw, revenue from property taxes must be used to repay the money borrowed.

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. For 2021, the maximum amount the City can borrow is \$172 million.

At this time, the City is not anticipating using this amount. This is a precautionary tool that provides flexibility to the City to address unanticipated and unforeseen events.

Respectfully submitted,

Jo-Ann O'Connor
Deputy Director of Finance

Susanne Thompson
Deputy City Manager/CFO

Report accepted and recommended by the City Manager

List of Attachments

Appendix A: Temporary Borrowing Bylaw, 2021