

# Report to Council



**Date:** April 20, 2020  
**To:** Council  
**From:** City Manager  
**Subject:** Revenue Anticipation Borrowing Bylaw  
**Department:** Financial Services

---

## **Recommendation:**

THAT Council receives, for information, the report from Financial Services, dated April 20, 2020 with respect to establishing a Revenue Anticipation Borrowing Bylaw.

AND THAT Bylaw No. 12026 being the Revenue Anticipation Borrowing Bylaw be forwarded for reading consideration.

## **Purpose:**

To establish a Revenue Anticipation Borrowing Bylaw, to ensure funds are available to support payments for legislated and essential costs as a result of financial disruptions caused by the COVID19 pandemic.

## **Background:**

On April 6, 2020, in response to the COVID19 pandemic, Divisional Director, Financial Services brought forward a Report to Council discussing the future presentation of a Revenue Anticipation Borrowing Bylaw to mitigate potential cash flow risks associated with the timing of the collection of tax revenue and paying other taxing authorities while providing for City essential services.

## **Discussion:**

Before the adoption of the annual property tax bylaw in any year, Part 6 Division 3 Section 177 of the *Community Charter* allows revenue anticipation borrowing to a maximum of 75% of all property taxes imposed for all purposes in the preceding year. Using the 2019 property taxes amount of \$254,657,555 the maximum borrowing under this section is \$190,993,166.

Given the potential financial difficulties experienced by many local businesses and residents, it is anticipated that cash flows may need support through other financial tools, such as short-term borrowing.

**Conclusion:**

It is recommended that Council approve the Revenue Anticipation Borrowing Bylaw to ensure adequate funds are available to support payments for legislated and essential costs on a one-time basis, for this extraordinary event being the COVID-19 pandemic. The City will only borrow what is necessary to cover determined cash flow shortages.

**Internal Circulation:**

Office of the City Clerks

**Legal/Statutory Authority:**

Section 177 of the *Community Charter* provides that Council may, by bylaw, provide for the borrowing of money in accordance with Part 6 Division 3 – Revenue Anticipation Borrowing to meet current lawful expenditures and pay amounts required to meet the municipality's taxing obligations in relation to another local government or other public body.

**Considerations not applicable to this report:****Legal/Statutory Procedural Requirements:****Existing Policy:****Financial/Budgetary Considerations:****External Agency/Public Comments:****Communications Comments:**

Submitted by: S. Little, Corporate Finance Manager, Financial Services

Approved for inclusion:



GD

cc:

S. Fleming, City Clerk