



CORPORATION OF THE TOWNSHIP OF ESQUIMALT

Municipal Hall
1229 Esquimalt Road
Esquimalt, B.C. V9A 3P1

Legislation Details (With Text)

File #: 20-004 **Version:** 1 **Name:**
Type: Staff Report **Status:** Passed
File created: 12/16/2019 **In control:** Council
On agenda: 1/6/2020 **Final action:** 1/6/2020
Title: 2020 Revenue Anticipation Bylaw, Staff Report No. FIN-20-001
Sponsors:
Indexes:
Code sections:
Attachments: 1. Attachment 1: Bylaw 2985 - Revenue Anticipation Borrowing 2020

Date	Ver.	Action By	Action	Result
1/6/2020	1	Council	approved	Pass

REQUEST FOR DECISION

DATE: December 16, 2019 Report No. FIN-20-001

TO: Laurie Hurst, Chief Administrative Officer

FROM: Ian Irvine, Director of Financial Services

SUBJECT:
2020 Revenue Anticipation Bylaw

RECOMMENDATION:
That Council give Revenue Anticipation Bylaw, 2020, No. 2985, 1st, 2nd and 3rd readings.

RELEVANT POLICY:
Community Charter Section 177

STRATEGIC RELEVANCE:
This decision does not directly relate to any strategic priority or objective.

BACKGROUND:
Section 177 of the *Community Charter* permits a Council to borrow money for short term purposes in an amount up to 75% of the taxes levied by the Township for all purposes. Based on the property taxes levied in the previous year, \$22,045,000 would be the maximum allowable amount.

Other than for the funding of capital projects, no short term borrowing has been required by the Township during recent years. This has been the result of the net cash balance exceeding the amount necessary to cover operating expenditures until a majority of property tax payments have

been collected.

For the 2020 fiscal year, an amount not exceeding \$2,500,000 may be required by either overdraft or short term borrowing. This amount is deemed sufficient by our bank and would represent approximately 5% of the Township's budget. The applicable interest rate of any borrowing would be determined at the time any request was made.

ISSUES:

1. Rationale for Selected Option

In the event that the Township requires any additional short term funding prior to completion of the 2020 property tax collections, our bank would request security in the form of a bylaw. This bylaw would provide assurance to the bank and would facilitate timely access should any funds be required.

2. Organizational Implications

There are no organizational implications of this decision.

3. Financial Implications

There is no expectation that any short term borrowing will be required as our current cash balance is sufficient to cover lawful expenditures until the end of June 2020 when a majority of property tax payments will have been received.

4. Sustainability & Environmental Implications

There are no sustainability or environmental implications of this decision.

5. Communication & Engagement

A copy of the bylaw will be provided to our financial institution to be maintained in their file in order to facilitate timely processing of any short term borrowing requests.

ALTERNATIVES:

1. That Council give Revenue Anticipation Bylaw, 2020, No. 2985, 1st, 2nd and 3rd readings.

2. That Council amend Revenue Anticipation Bylaw, 2020, No. 2985 and give the amended bylaw 1st, 2nd and 3rd reading.