



REPORT

To: Chair and Directors

Report Number: FN-BRD-030

From: Teri Vetter, Chief Financial Officer

Date: October 21, 2020

Subject: 2021 Revenue Anticipation Borrowing Bylaw

RECOMMENDATION #1: [Corporate Weighted]

That the Regional Board give Revenue Anticipation Borrowing Bylaw No. 2419, 2020, which provides the Regional District the authority to borrow funds prior to receipt of taxation revenue for the 2021 year, first, second, and third reading.

RECOMMENDATION #2: [Corporate Weighted]

That the Regional Board adopt Revenue Anticipation Borrowing Bylaw No. 2419, 2020.

BACKGROUND/RATIONALE:

Section 404 of the *Local Government Act* permits the borrowing of funds in anticipation of the receipt of the annual requisition on August 1, 2021. This bylaw allows the Regional District to borrow funds, if necessary, in order to continue its operations until the annual requisition is received.

Regional Districts typically receive their requisition money from the Surveyor of Taxes and member municipalities annually on the first business day of August each calendar year. During the period from January to August, the Regional District uses surplus funds from the previous year to finance operations. If these funds were to be depleted, the Regional District would be required to interim borrow for operational needs until receipt of requisition funds. To date, this situation has never occurred.

ALTERNATIVE OPTIONS:

1. That the Regional Board provide alternate direction.

STRATEGIC PLAN RELEVANCE:

☒ Not applicable

FINANCIAL CONSIDERATION(S):

The Regional District will be authorized to borrow up to \$6,000,000 with this approval to fund ongoing operations until the 2021 tax requisition funds are received in August 2021. If utilizing the funds becomes necessary, the Regional District would incur interest expenses at the rate available at the time. Money borrowed under this bylaw must be repaid when the anticipated revenue with respect to which borrowing was authorized is received as per the *Local Government Act*, Section 404(2).

COMMUNICATIONS CONSIDERATION(S):

Once adopted, a copy of the bylaw will be forwarded to the Municipal Finance Authority and the Regional District's bank to enable the Finance Department to undertake borrowing, if necessary.

OTHER CONSIDERATION(S):

None

Attachments:

1. Revenue Anticipation Borrowing Bylaw No. 2419, 2020