



REGIONAL DISTRICT of Fraser-Fort George

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REPORT FOR CONSIDERATION

TO: Chair and Directors
FROM: Sarah White, General Manager of Financial Services
DATE: November 8, 2024
SUBJECT: Revenue Anticipation Borrowing Bylaw No. 3370, 2024
SUMMARY: Purpose: Consider Provision of Temporary Borrowing Until Requisition Funds are Received

Attachments: Proposed Regional District of Fraser-Fort George Revenue Anticipation Borrowing Bylaw No. 3370, 2024
Previous Reports: None

RECOMMENDATION(S):

1. THAT the report dated November 8, 2024 regarding "Revenue Anticipation Borrowing Bylaw No. 3370, 2024" be received for information.
2. THAT "Regional District of Fraser-Fort George Revenue Anticipation Borrowing Bylaw No. 3370, 2024", be now introduced and given first, second and third readings.
3. THAT "Regional District of Fraser-Fort George Revenue Anticipation Borrowing Bylaw No. 3370, 2024" be adopted.

ENTITLEMENT	HOW VOTE COUNTED
All 1 Director/1 vote	Majority
All Weighted	Majority
All Weighted	2/3 Majority

ISSUE(S):

Regional Districts do not receive tax requisition funding until August 1st of an operating year. In order to ensure there are sufficient funds to meet operating expenditures until August 1st, it is prudent that Regional Districts ensure they have the ability to access temporary borrowing through the adoption of a temporary borrowing bylaw, also called a revenue anticipation borrowing bylaw.

The Board is being asked to consider adopting a Revenue Anticipation Borrowing Bylaw.

RELEVANT POLICIES:

1. *Local Government Act*, Section 404
 - Allows Regional Districts to:
 - undertake temporary borrowing to meet its lawful expenditures before its tax requisition revenue has been received, and
 - requires that any temporary borrowing be repaid when the tax requisition revenue is received.

STRATEGIC PRIORITIES ALIGNMENT:

- | | | | |
|------------------------------------------------------------------------|-------------------------------------------------------------------|-----------------------------------------------------|-----------------------------------------------------------------------|
| <input type="checkbox"/> Indigenous and Intergovernmental Partnerships | <input type="checkbox"/> Organizational Strength and Adaptability | <input type="checkbox"/> Quality Community Services | <input type="checkbox"/> Environmental Stewardship and Climate Action |
| <input type="checkbox"/> Awareness and Engagement | <input checked="" type="checkbox"/> Statutory or Routine Business | | |

SERVICE RELEVANCE:

Temporary borrowing could apply to any Regional District Service with an approved budget if the need arose.

FINANCIAL CONSIDERATION(S):

The recommended limit to the temporary borrowing bylaw is \$1,000,000.

Temporary borrowing would only be invoked where a budget has no other funds available to meet its expenditures prior to August 1st. Where a Service budget requires temporary borrowing, that budget would cover any costs associated with temporary borrowing.

OTHER CONSIDERATION(S):

In 2024, the Regional District was able to fund operations using reserve funds and user fee income until tax requisitions were received in August. However, in the event that reserve funds and user fees are insufficient to cover operating costs until August 1st, the Regional District should ensure it has access to temporary borrowing. The attached bylaw would authorize the Regional District to borrow temporary operating funds from either a commercial institution or the Municipal Finance Authority's (MFA) short-term borrowing pool.

As of November 6th, MFA's short-term borrowing rate was 4.52% and our commercial institution borrowing rate was 5.95%. Any short-term borrowing would be re-paid upon receipt of tax requisition funding on August 1st.

DECISION OPTIONS:

1. Approve recommendations.

Other Options:

- a. Postpone adoption of the bylaw for more information:
 - would delay in providing the ability to borrow temporary operating funds for 2024.

COMMENTS:

The Regional District has been successful in limiting its reliance on temporary borrowing for covering operating costs until the August 1st tax requisition is received. At this time, it is not anticipated that the Regional District will require access to temporary borrowing in 2025; however, having a temporary borrowing bylaw in place should the need arise for temporary borrowing in 2025 is recommended.

Respectfully submitted,

“Sarah White”

Sarah White
General Manager of Financial Services

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