



STAFF REPORT TO THE BOARD

DATE OF REPORT December 15, 2023
MEETING TYPE & DATE Regular Session Board of January 10, 2024
FROM: Finance Division
Corporate Services Department
SUBJECT: 2024 Revenue Anticipation Borrowing Bylaw No. 4541
FILE:

PURPOSE/INTRODUCTION

The purpose of this report is to introduce Revenue Anticipation Borrowing Bylaw No. 4541.

RECOMMENDED RESOLUTION

For information.

BACKGROUND

Regional Districts usually receive their annual requisitions from the Surveyor of Taxes and member Municipalities on the first business day of August. During the period from January to August, the Regional District uses cash balances from surplus funds as much as possible to finance operations and obtain operational efficiencies and interest-rate savings. However, in the event interim borrowing for operational needs is required, the *Local Government Act* requires that a Revenue Anticipation Borrowing Bylaw be adopted. Revenue Anticipation Borrowing Bylaw No. 4541 is included in the bylaw section of the agenda for three readings and adoption.

ANALYSIS

During 2023, the CVRD was able to finance operations without borrowing from an external source. By doing so, the reserve funds received the same amount of interest they would have if invested and the interest rate paid on the internal loan was less than would have been paid to an external agency. Also, no banking fees were incurred as a result of these transactions, providing further savings.

FINANCIAL CONSIDERATIONS

The requirement for interim financing is dependent on the level of previous year surplus available and the timing of operational and capital expenditures. The 2024 budget includes an estimated interest expense of \$26,000.

COMMUNICATIONS CONSIDERATIONS

N/A

STRATEGIC/BUSINESS PLAN CONSIDERATIONS


N/A

Referred to (upon completion):

- ☐ Community Services *(Cowichan Community Centre, Cowichan Lake Recreation, South Cowichan Recreation, Arts & Culture, Facilities & Transit)*
- ☒ Corporate Services *(Finance, Human Resources, Information Technology, Legislative Services)*
- ☐ Operations *(Utilities, Parks & Trails, Recycling & Waste Management)*
- ☐ Land Use Services *(Community Planning, Strategic Initiatives, Development Services, Building Inspection & Bylaw Enforcement)*
- ☐ Strategic Services *(Communications & Engagement, Economic Development, Emergency*


Prepared by:

Reviewed by:



Tracy Bowen, CPA, CGA, BComm
Chief Financial Officer

Insert Department Manager Name Here
Insert Department Title Here



Barbra Mohan
General Manager

Reviewed for form and content and approved for submission to the Board:


Resolution:

Financial Considerations:

☒ Corporate Officer

☒ Chief Financial Officer

Chief Administrative Officer's Comments / Concurrence:



Danielle Myles Wilson
Chief Administrative Officer



COWICHAN VALLEY REGIONAL DISTRICT

BYLAW No. 4541

A Bylaw to Provide for the Borrowing of Money in Anticipation of Revenue

WHEREAS the Regional District does not have sufficient money on hand to meet the current lawful expenditures of the Regional District;

AND WHEREAS it is provided by Section 404 of the *Local Government Act* that the Regional Board may, without the assent of the electors or the approval of the Inspector of Municipalities, provide for the borrowing of such sums of money as may be necessary to meet the current lawful expenditures of the Regional District;

AND WHEREAS there are no liabilities outstanding under Section 404;

NOW THEREFORE the Board of Directors of the Cowichan Valley Regional District, in open meeting assembled, enacts as follows:

1. **CITATION:**

This bylaw may be cited as "**CVRD Bylaw No. 4541 – 2024 Revenue Anticipation Borrowing Bylaw, 2024**".

2. The Regional Board shall be and is hereby empowered and authorized to borrow upon the credit of the Regional District an amount or amounts not exceeding the sum of Eleven Million Dollars (\$11,000,000.).
3. The form of obligation to be given as acknowledgement of the liability shall be a Promissory Note or Notes bearing the Corporate Seal and signed by the Chair and the Chief Financial Officer.
4. All anticipated revenue of the current year or so much thereof as may be necessary shall, when collected, be used to repay the money so borrowed.

READ A FIRST TIME this _____ day of _____, 2024.

READ A SECOND TIME this _____ day of _____, 2024.

READ A THIRD TIME this _____ day of _____, 2024.

ADOPTED this _____ day of _____, 2024.

Chair

Corporate Officer