

THE CORPORATION OF THE
CITY OF WHITE ROCK
CORPORATE REPORT



DATE: January 15, 2024
TO: Mayor and Council
FROM: Candice Garty, Director, Financial Services
SUBJECT: Revenue Anticipation Borrowing Bylaw, 2024, No. 2492

RECOMMENDATION

THAT Council receive for information the corporate report dated January 15, 2024, titled "Revenue Anticipation Borrowing Bylaw, 2024, No. 2492" from the Director, Financial Services, for consideration of first, second and third readings.

EXECUTIVE SUMMARY

This corporate report presents the White Rock Revenue Anticipation Borrowing Bylaw, 2024, No. 2492 to Council for consideration of first, second and third readings. The Bylaw is attached as Appendix A. Although not anticipated, it is recommended to be adopted as standard practice, in the event that the City needs to borrow funds to meet 2024 expenditures prior to the collection of property taxes.

PREVIOUS COUNCIL DIRECTION

Motion # & Meeting Date	Motion Details
2022-026 January 24, 2022	THAT Council give final reading to "White Rock Revenue Anticipation Borrowing Bylaw, 2022, No. 2415". CARRIED

INTRODUCTION/BACKGROUND

Section 177 of the *Community Charter* states:

- (1) A council may, by bylaw, provide for the borrowing of money that may be necessary to
 - (a) meet current lawful expenditures, and
 - (b) pay amounts required to meet the municipality's taxing obligations in relation to another local government or other public body.
- (2) The debt outstanding under this section must not exceed the total of
 - (a) the unpaid taxes for all purposes imposed during the current year, and
 - (b) the money remaining due from other governments.

(3) Before the adoption of the annual property tax bylaw in any year, the taxes in that year are deemed to be 75% of all property taxes imposed for all purposes in the preceding year.

(4) When collected, revenue from property taxes must be used as necessary to repay money borrowed under this section.

This section of the *Community Charter* allows Council, by bylaw adopted without the assent of the electors or the approval of the inspector, to borrow funds as may be required to meet current lawful expenditures. When collected, revenue from property taxes must be used as necessary to repay this debt.

It has been standard practice for local government councils to adopt such a bylaw for this purpose each year. This Bylaw is required by the City's financial institution to ensure that the City's line of credit is available on demand, if needed. While there may be sufficient cash in reserves to cover day-to-day expenditures during this interim period, having a line of credit readily available is considered prudent for cash management purposes, including maximizing returns on the City's investment portfolio.

FINANCIAL IMPLICATIONS

There are no financial implications in having this authority in place. In the unlikely event that the City needed to use this line of credit, interest expense on the amount borrowed would be incurred.

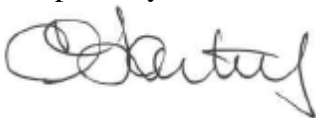
OPTIONS / RISKS / ALTERNATIVES

Should Council decide to not adopt this bylaw, the City will be unable to access a line of credit through the City's financial institution, in the event that the City needed to borrow funds in order to meet operational demands prior to the collection of the year's property taxes.

CONCLUSION

Staff recommend that Council give first, second, and third readings to the White Rock Revenue Anticipation Borrowing Bylaw, 2024, No. 2492.

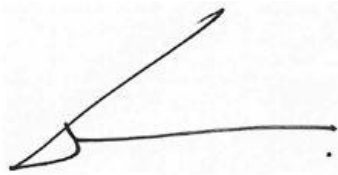
Respectfully submitted,



Candice Gartry, CPA, CGA
Director, Financial Services

Comments from the Chief Administrative Officer

I concur with the recommendation of this corporate report.

A handwritten signature in black ink, consisting of a stylized 'G' followed by a horizontal line and a small dot at the end.

Guillermo Ferrero
Chief Administrative Officer

Appendix A: Bylaw 2492 – Revenue Anticipation Bylaw