

DATE: November 19, 2021

FILE: 1750-25/2021

TO: Chair and Directors
Regional District Board

FROM: Russell Dyson
Chief Administrative Officer

Supported by Russell Dyson
Chief Administrative Officer

J. Warren for:

RE: Revenue Anticipation Borrowing Bylaw No. 684, 2022

Purpose

To provide the Comox Valley Regional District (CVRD) Board with the supporting background and a recommendation to approve Revenue Anticipation Borrowing Bylaw No. 684, 2022. This bylaw allows the CVRD to borrow funds to meet lawful current year expenditures before the current year revenues have been collected from all sources, particularly tax requisition.

Recommendation from the Chief Administrative Officer:

THAT the Comox Valley Regional District Board approve the Revenue Anticipation Borrowing Bylaw No. 684 for the 2022 fiscal year.

Executive Summary:

- It is an annual requirement that a revenue anticipation bylaw be adopted for the next fiscal year. As regional districts receive most of their revenue (i.e. taxation through requisition) in July, it may become necessary to borrow funds to meet the lawful expenditures approved in the upcoming 2022 – 2026 Financial Plan.
- Typically the funds are borrowed through either the Royal Bank of Canada – the CVRD’s organizational financial institution, or the Municipal Finance Authority. The loans are secured through a promissory note and interest is calculated daily on the loan balance.
- As a revenue anticipation bylaw is only valid for the current year, a new bylaw must be adopted each year for the next fiscal year, with a full repayment date of August 31, 2022.
- A revenue anticipation loan ensures that the CVRD can continue to manage and meet its operational cash flow needs until the revenues due from other agencies (particularly property taxation) have been forwarded to the CVRD on August 1, 2022.

The CVRD has several large infrastructure projects continuing into 2022, while operational expenses are expected to remain constant during the 2022 fiscal year. The revenue anticipation loan of \$25,000,000 will ensure that the CVRD has the cash flow capacity necessary to meet all lawful and approved expenditures.

Prepared by:

K. Broughton

Kelly Broughton
Senior Accounting Technician

Concurrence:

K. Douville

Kevin Douville, B.Comm
Acting Chief Financial Officer

COMOX VALLEY REGIONAL DISTRICT

BYLAW NO. 684

A bylaw to authorize the borrowing of twenty-five million dollars (\$25,000,000.00) to meet the current lawful expenditures of the regional district

WHEREAS under section 404 of the *Local Government Act* (RSBC, 2015, c.1) a regional district may by bylaw provide for the borrowing of money that may be necessary to meet its current lawful expenditures before its revenue, from all sources, to pay for those expenditures has been received;

NOW THEREFORE the Comox Valley Regional District Board in open meeting assembled enacts as follows:

Revenue anticipation borrowing

1. (a) It shall be lawful for the Comox Valley Regional District to borrow from the Royal Bank of Canada and/or the Municipal Finance Authority the sum of twenty-five million dollars (\$25,000,000.00) in such amounts and at such times as may be required.
- (b) The monies so borrowed and the interest thereon shall be paid before the 31 day of August 2022.
- (c) The form of obligation to be given as an acknowledgment of the liability shall be a promissory note or notes for sums as may be required and advanced from time to time signed by the Corporate Financial Officer, the Chair, Vice-Chair, or the Chief Administrative Officer, bearing the seal of the regional district. The said note or notes shall be payable with interest before the 31 day of August 2022.

Citation

This Bylaw No. 684 may be cited as “Revenue Anticipation Borrowing Bylaw No. 684, 2022”.

Read a first and second time this _____ **day of** _____

Read a third time this _____ **day of** _____

Adopted this _____ **day of** _____

Chair

Deputy Corporate Legislative Officer

I hereby certify the foregoing to be a true and correct copy of Bylaw No. 684 being “Revenue Anticipation Borrowing Bylaw No. 684, 2022” as adopted by the Board of the Comox Valley Regional District on the _____ day of _____, 2021.

Deputy Corporate Legislative Officer