



### BYLAW 03-24 - BORROWING LINE OF CREDIT

#### Purpose

The purpose of Bylaw 03-24 is to authorize a borrowing line of credit of up to \$6.5M to finance operating expenditures for the 2024 taxation year.

#### Readings

This Bylaw is ready for three readings.

#### Report, Analysis and Financial Implications

Bylaw 03-24 provides for total authorized contingencies of \$6.5M. It provides the Town's financial institution with the authority to cover any temporary overdraft on the general account up to \$1.0M. The Town also requires a contingency of \$0.5M related to the credit limit for the Town's corporate MasterCard account.

The Town's financial institution processes the Town's payroll through electronic funds transfer (EFT) to employees' accounts and processes Town payments to vendors' accounts through EFT where the vendors have contracted for such service. The financial institution requires a temporary borrowing authorization that would indemnify them should the Town's account have insufficient funds to cover the amount of the transfer. The Town's financial institution requires a contingency of \$5.0M related to payments made via EFT.

Purchasing and payment controls are in place, recommended, and approved by the Town's auditors to prevent the unauthorized expenditure of funds. The funds available through the proposed line of credit would be accessed by the financial institution only in the event of an overdraft on the Town's general bank account. There is no means of accessing the line of credit directly.

Normally the Town does not draw down on the line of credit. In 2019, the Town provided a Letter of Credit for \$0.025M to cover a security performance deposit to the seller until all sale conditions are discharged to and it is netted against the Line of Credit for reporting purposes.

Bylaw 03-24 will remain in effect until December 31, 2024.

#### Strategic Plan Goals

<input type="checkbox"/>	Responsibly Managed Growth
<input type="checkbox"/>	Strong Local Economy
<input checked="" type="checkbox"/>	Organizational Excellence

<input type="checkbox"/>	Demonstrated Environmental Leadership
<input type="checkbox"/>	Enhanced Culture & Community Health

**Public Hearing / Participation Strategy**

n/a

**Alternatives for Consideration**

n/a

**CAO Comments**

This Bylaw is recommended for all three readings and is a bylaw that is passed on an annual basis.

**Attachment(s)**

1. Draft Bylaw 03-24 - Borrowing Line of Credit

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