



**REGULAR MEETING OF COUNCIL  
Tuesday, January 25, 2022 @ 4:00 PM  
Ucluelet Community Centre,  
500 Matterson Drive, Ucluelet**

**LATE AGENDA**

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1. LATE ITEMS	
1.1. Revenue Anticipation Borrowing Bylaw No. 1301, 2022 - Adoption Paula Mason, Manager of Corporate Services <a href="#">Revenue Anticipation Borrowing</a>	3 - 6
1.2. Public Works Water Main Break Update (verbal report) James MacIntosh, Director of Engineering Services	





## STAFF REPORT TO COUNCIL

Council Meeting: January 25, 2022  
500 Matterson Drive, Ucluelet, BC V0R 3A0

**FROM:** PAULA MASON, MANAGER OF CORPORATE SERVICES

**FILE NO:** 3900-25

**SUBJECT:** REVENUE ANTICIPATION BORROWING BYLAW NO. 1301, 2022 - ADOPTION

**REPORT NO:** 22-15

**ATTACHMENT(S):** BYLAW NO. 1301, 2022

### RECOMMENDATION(S):

THAT Council approve Option A, to adopt District of Ucluelet Revenue Anticipation Borrowing Bylaw No. 1301, 2022 as presented.

### BACKGROUND:

The purpose of this report is to present for Council's consideration the adoption of the District of Ucluelet Revenue Anticipation Borrowing Bylaw No. 1301, 2022 (the "Bylaw").

On January 11, 2022 Council gave Bylaw 1301, 2022 first, second and third reading. As a result, Council is now in a position to adopt the Bylaw.

### ANALYSIS OF OPTIONS

The Bylaw, as currently drafted, seeks authorization for the District to borrow the maximum amount permitted due to [section 177\(3\)](#) of the *Community Charter*. Funds that are borrowed under the authorization provided by this bylaw will be repaid when revenue from property taxes is collected as prescribed in [section 177\(4\)](#) of the *Community Charter*.

A	Adopt Revenue Anticipation Borrowing Bylaw No. 1301, 2022 as presented	<u>Pros</u>	<ul style="list-style-type: none"> <li>• Gives the District maximum flexibility for options to meet cash flow requirements.</li> <li>• Allows the District to meet lawful expenses and pay amounts required to meet taxing obligations.</li> </ul>
		<u>Cons</u>	<ul style="list-style-type: none"> <li>• Should the District borrow funds from MFA, or use the LoC, interest charges will occur. The floating daily rate for short term loans from MFA was .97000% on Dec 31/21.</li> </ul>
		<u>Implications</u>	<ul style="list-style-type: none"> <li>• Once property tax funds are received, they must be used to repay money borrowed under this bylaw.</li> <li>• No costs will be incurred if the District does not use the line of credit, or borrow from MFA.</li> <li>• Staff time would be required to obtain a loan, as well as to administer the payments back to MFA.</li> </ul>
B		<u>Pros</u>	<ul style="list-style-type: none"> <li>• No interest will be incurred against any funds that are borrowed.</li> </ul>

Do not proceed with the bylaw at this time.	<u>Cons</u>	<ul style="list-style-type: none"> <li>• The District would have to eliminate the \$2m LoC with CIBC.</li> <li>• The District would be unable to borrow against anticipated revenue through MFA, or use an LoC.</li> <li>• The District may have to delay projects and operations due to limited funds within our accounts.</li> <li>• The District will only be able to expend moneys it holds within its current accounts.</li> </ul>
	<u>Implications</u>	<ul style="list-style-type: none"> <li>• The District could have cash flow challenges in meeting expenditures</li> </ul>
	<u>Suggested Motion</u>	No motion is required if Council does not wish to proceed with adopting the bylaw.

**POLICY OR LEGISLATIVE IMPACTS:**

Adopting this Bylaw will ensure that the District can access funds for cash flow purposes if the need occurs. The revenue anticipation borrowing amount is not subject to electoral approval and does not require approval by the Inspector of Municipalities.

**NEXT STEPS:**

A copy of the executed bylaw will be provided to MFA and CIBC.

**Respectfully submitted:**

PAULA MASON, MANAGER OF CORPORATE SERVICES

DUANE LAWRENCE, CHIEF ADMINISTRATIVE OFFICER

**DISTRICT OF UCLUELET**

**Bylaw No. 1301, 2022**

A bylaw to provide for the borrowing of money in anticipation of revenue

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

**AND WHEREAS** it is provided by Section 177 of the Community Charter that Council 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 municipality provided that the total of the outstanding liabilities does not exceed the sum of:

- a) The whole amount remaining unpaid of the taxes for all purposes levied during the current year, provided that prior to the adoption of the annual property tax bylaw in any year, the amount of the taxes during the current year for this purpose shall be deemed to be 75% of the taxes levied for all purposes in the immediately preceding year; and
- b) The whole amount of any sums of money remaining due from other governments;

**AND WHEREAS** the total amount of liability that Council may incur is four million three hundred sixty-three thousand seven hundred eleven dollars (\$4,363,711), being 75% of the whole amount of the taxes levied for all purposes in prior year, and zero dollars (\$0), being the whole amount of the sum of money remaining due from other governments.

**NOW THEREFORE** the Council of the District of Ucluelet, in open meeting assembled, enacts as follows:

1. This bylaw may be cited as “Revenue Anticipation Borrowing Bylaw No. 1301, 2022.”
2. The Council shall be and is hereby empowered and authorized to borrow upon the credit of the municipality an amount or amounts not exceeding the sum of four million three hundred sixty-three thousand seven hundred eleven dollars (\$4,363,711).
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 Mayor and the officer assigned the responsibility of financial administration of the municipality.

4. All unpaid taxes and the taxes of the current year when levied or so much thereof as may be necessary shall, when collected, be used to repay the money so borrowed.

**READ A FIRST TIME** this 11th day of January, 2022.

**READ A SECOND TIME** this 11th day of January, 2022.

**READ A THIRD TIME** this 11th day of January, 2022.

**ADOPTED** this \_\_\_\_\_ day of \_\_\_\_\_, 2022.

**CERTIFIED A TRUE AND CORRECT COPY** of the “Revenue Anticipation Borrowing Bylaw No. 1301, 2022.”

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Mayco Noël  
Mayor

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Paula Mason  
Deputy Corporate Officer

**THE CORPORATE SEAL** of the  
District of Ucluelet was hereto  
affixed in the presence of:

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Paula Mason  
Deputy Corporate Officer