

---

City of Kelowna

**MEMORANDUM**

---

DATE: January 2, 2001  
FILE: 1760-02

TO: City Manager

FROM: Deputy Director of Finance

RE: **Revenue Anticipation Borrowing Bylaw**

Prepared by: Revenue Manager

---

**RECOMMENDATION:**

THAT Council adopt Revenue Anticipation Borrowing Bylaw No. 8611 as authorized under Section 334.3 of the Local Government Act.

**BACKGROUND:**

This Revenue Anticipation Bylaw will allow the City to borrow up to twenty million dollars (\$20,000,000) to meet current expenditures, pending receipt of revenue received from the annual tax levy.

Prior to the year 2000, this line of credit was neither used, nor made available, as operations were internally financed from reserve funds. A corresponding bylaw, number 8346, was in place for the year 2000, but borrowing, based on the bylaw, was not necessary in 2000.

This bylaw is required at this time in the event that the City's cash flow position requires the City to borrow funds temporarily. The potential requirement for borrowing these funds would be the result of timing differences between the maturity of investments within the City's investment portfolio and cash requirements arising before the receipt of tax payments. The cost to the City of reducing investments within the portfolio, before maturity dates, would be of greater significance than the cost of interest on the borrowed funds. Interest on borrowed funds would not exceed the Royal Bank of Canada prime lending rate.

A copy of this bylaw will be filed with the Royal Bank once approved by Council.

---

Paul Macklem

cc: Director of Finance & Corporate Services  
Revenue Manager  
General Accounting Manager

Attachment