

Synopsis

General Borrowing Resolution

Each year, usually in conjunction with approving the budget, Council approves a general borrowing resolution to authorize the borrowing of up to \$2 million from the Royal Bank to meet expenditures of the Town until such time as the taxes are levied and collected.

This general borrowing resolution ensures the day to day operations of the Town are not affected by cash flow in times when revenue from taxes hasn't been collected yet. This isn't to say the Town borrows \$2 million; it is just temporary financing that may be required from time to time to avoid any cash flow issues prior to taxes being collected.

The interest rate on such borrowing is Royal Bank prime minus ¼%.

MOTION :

That Council approves a general borrowing resolution to authorize the borrowing of certain moneys from the Royal Bank of Canada to meet the current expenditures of the Town of Amherst for the year ending March 31, 2020.