TO:	Mayor Kogon and Members of Amherst Town Council
SUBMITTED BY:	Shelley Rector, CPA, CMA – Chief Financial Officer
DATE:	May 15, 2019
SUBJECT:	General Borrowing Resolution

ORIGIN: 2019-20 Operating Budget

LEGISLATIVE AUTHORITY: Municipal Government Act, section 84 gives the Town authority to temporarily borrow to cover the annual current expenditure of the municipality that has been authorized by the council.

RECOMMENDATION: 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.

BACKGROUND: 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.

DISCUSSION: 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.

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

COMMUNITY ENGAGEMENT: This temporary borrowing is operational in nature; Community engagement is not being contemplated.

ENVIRONMENTAL IMPLICATIONS: There are no environmental implications associated with this borrowing.

SOCIAL JUSTICE IMPLICATIONS: N/A

ALTERNATIVES: Council could approve a General Borrowing Resolution for a different amount or decline approval of any temporary borrowing for this purpose.

ATTACHMENTS: 1) General Borrowing Resolution

Report prepared by: Shelley Rector, CPA, CMA – Chief Financial Officer
Report and Financial approved by: N/A