

BY-LAW NO.

A By-law to authorize the borrowing
of certain sums of money from
January 8, 2006 to January 7, 2007
pending the collection of real property taxes

PREAMBLE

In exercise of the power provided by Section 263 of the *Vancouver Charter*, Council deems it necessary to authorize the Director of Finance to borrow from time to time on behalf of the City of Vancouver, by way of overdraft, a sum or sums of money of which the total outstanding must not on any one day during the period from January 8, 2006 up to and including January 7, 2007 exceed \$60,000,000 to meet the lawful expenditures of the City pending the collection of real property taxes and to provide for the repayment of the monies so borrowed as hereinafter set forth.

By Section 263 of the *Vancouver Charter*, Council may provide by by-law for the hypothecation, subject to any prior charge thereon, to the lender, of any amounts receivable from other governments and the whole or any part of the real property taxes then remaining unpaid, together with the whole or part of the real property taxes levied or to be levied for the year in which the by-law is passed, provided that if the by-law is passed before the passing of the rating by-law, the amount of the current taxes that may be hypothecated must be not more than 75% of the real property taxes levied in the next preceding year;

NOW THEREFORE the Council of the City of Vancouver, in public meeting, enacts as follows:

1. In this By-law, the words "real property taxes for general purposes" means that portion of the real property taxes levied or to be levied pursuant to an annual general rating by-law to meet expenses of the City other than the payment of interest on outstanding debentures, payments of principal on serial debentures and payments to sinking funds in respect of debenture debt.

2. The Director of Finance is hereby authorized to borrow on behalf of the City of Vancouver from any lender by way of overdraft a sum or sums of money of which the total outstanding must not on any one day during the period from January 8, 2006 to and including January 7, 2007 exceed \$60,000,000 in such amounts and at such time or times (subject as herein provided) as the same may be required, bearing interest at such rate or rates as agreed to by the Director of Finance and the lender or lenders at the time of such borrowing, and to cause the sum or sums to be paid into the hands of the City Treasurer of the City of Vancouver for the purpose of meeting the lawful expenditures of the City of Vancouver pending the receipt of monies from other governments and the collection of real property taxes by the City of Vancouver, upon the following conditions:

- (a) the monies so borrowed as herein provided, together with interest thereon, will be a liability payable out of the revenues of the City of Vancouver and must be payable and repaid to the lenders on or before January 7, 2007;
- (b) the City of Vancouver hereby hypothecates as security for the repaying of
 - (i) the monies so borrowed up to and including December 31, 2006, the real property taxes for general purposes remaining unpaid as of January 8, 2006 together with the real property taxes for general purposes to be levied in the year 2006 in an amount equal to not more than \$294,461,500.00 which amount is equal to 75% of the real property taxes for general purposes levied in 2005, and
 - (ii) the monies so borrowed subsequent to December 31, 2006, the real property taxes for general purposes then remaining unpaid and any amounts receivable by the City of Vancouver from other governments as of December 31, 2006;

and the said taxes will be a security for the monies so borrowed under this by-law, and such taxes and monies receivable from other governments must be applied, inter alia, in the repayment of such monies so borrowed by way of overdraft and the interest thereon, provided always that the granting of such security will in no way limit or affect the general liability of the City of Vancouver.

- 3. Council repeals By-law No. 8970.
- 4. This By-law is to come into force and take effect on January 8, 2006.

ENACTED by Council this day of , 2005

Mayor

City Clerk

EXPLANATION

BORROWING - \$60,000,000

Section 263 of the *Vancouver Charter* authorizes Council, without the assent of the electors, to borrow from time to time by way of promissory notes or overdraft such sums as the Council deems necessary to meet the lawful expenditures of the City pending collection of real property taxes.

The authority permits the Director of Finance to borrow on a day-to-day basis and is used only for short periods of time if the need arises.

Enactment of the attached by-law to take effect January 8, 2006, will authorize the Director of Finance to borrow a sum of money by overdraft of which the total outstanding at any one time must not, during the period from January 8, 2006 to January 7, 2007 exceed \$60,000,000.

Director of Legal Services
December 13, 2005