CITY OF VANCOUVER

COUNCIL REPORT

Report Date: November 3, 2026
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Meeting Date: November 18, 2026
Submit comments to Council

TO: Standing Committee on City Finance and Services

FROM: Director of Finance

SUBJECT: Annual Financial Authorities 2027

Recommendations

A. THAT, for the period from January 1 to December 31, 2027, Council authorize the Director of Finance to draw warrants for payment (i.e. issue an authorization to the City Treasurer to disburse funds from a City account), provided that any such warrants for payment be reported in writing to the City Clerk for the information of Council within 15 days after the end of the month in which each warrant is drawn, in accordance with Sections 215 and 216 of the *Vancouver Charter*.

B. THAT, for the period from January 1 to July 15, 2027, Council authorize the Director of Finance to temporarily use such proceeds from the sale of debentures that have not yet been expended to meet other expenditure requirements of the City, pending collection of the 2027 general purpose tax levy, in accordance with Section 259(1)(b) of the *Vancouver Charter*.

C. THAT, for the period from January 1 to December 31, 2027, Council authorize the Director of Finance to invest City funds not immediately required and to vary the investments from time to time where appropriate, in accordance with Sections 201, 259, and 260 of the *Vancouver Charter*.

D. THAT, for the period from January 8, 2027, to January 7, 2028, pursuant to Section 263 of the *Vancouver Charter*, Council authorize the Director of Finance to establish a short-term borrowing facility to assist in managing the City's cash flow with the maximum outstanding amount not to exceed $200 million; and instruct the Director of Legal Services to bring forward a by-law for enactment by Council authorizing the borrowing.

Purpose and Executive Summary

The purpose of this report is to request that Council, consistent with past practice and the provisions of the *Vancouver Charter*, delegate certain financial authorities to the Director of Finance and authorize establishing a short-term borrowing facility to allow for effective daily administration of the City. As outlined in the report, these financial authorities are administrative in nature and remain subject to Council's approval of the 2027 Operating and Capital Budgets. Upon Council approval of the 2027 budget, these delegated authorities will continue to be integral to the effective management of the City's financial affairs across various funds.

Council Authority/Previous Decisions

Council's practice for at least the last 50 years has been to delegate certain financial authorities to the Director of Finance, on an annual basis, as provided for in the *Vancouver Charter* to allow for effective daily administration of the City's cash reserves and ongoing operating expenses. Council's practice for at least the last 50 years has also been to establish, annually, a short-term borrowing facility, by by-law, to meet the City's expenditure requirements pending collection of the general purpose tax levy and amounts receivable from other governments, as provided for under section 263 of the *Vancouver Charter.*

City Manager's Comments

The City Manager concurs with the foregoing recommendations.

Context and Background

The *Vancouver Charter* provides Council with a variety of financial authorities necessary for the City's operation, including the authority to borrow for expenditure pending collection of property taxes and amounts receivable from other governments. Council has historically delegated certain financial authorities to the Director of Finance each year to allow for effective daily administration of the City's cash reserve and ongoing operating expenses.

Discussion

The Director of Finance is recommending confirmation of these authorities for 2027:

1. Authority to Draw Warrants for Payment

Sections 213 to 215 of the *Vancouver Charter* specify how the City makes payments. Sections 213 and 214 require the Director of Finance to issue warrants for payments (i.e. issue an authorization to the City Treasurer to disburse funds from a City account). Section 215 stipulates that only Council may authorize payment of warrants except for small amounts necessary in the case of an emergency. Section 216 provides that Council may give that authorization in advance for a period of up to 12 months.

2. Authority to Use Capital Funds Pending Collection of General Purpose Tax Levy

Section 259 of the *Vancouver Charter* authorizes Council to use the available proceeds of debenture sales, those not yet required to fund the applicable capital projects or programs, to temporarily meet the City's other expenditure requirements pending collection of the general

purpose tax levy for each year, provided that such use be limited to the period from January 1 to July 15 and that such funds be returned to the Capital Fund on or before July 15.

3. Authority to Invest the City's Surplus Cash Balances

Section 201 of the *Vancouver Charter* authorizes Council to invest City funds that are not immediately required, including the unused proceeds from the sale of debentures (Section 259) and amounts held in the Sinking Fund (Section 260). The section allows investments in one of more of the following:

- securities of Canada or of a province;
- securities guaranteed for principal and interest by Canada or by a province;
- securities of a municipality, including the city, or a regional district;
- securities of the Greater Vancouver Water District or the Greater Vancouver Sewerage and Drainage District;
- securities of the Municipal Finance Authority;
- securities of or investments guaranteed by a chartered bank;
- deposits in a savings institution, or non-equity or membership shares of a credit union;
- pooled investment funds under Section 16 of the Municipal Finance Authority Act;
- any of the investments permitted for the Municipal Finance Authority under Section 16(3) of the Municipal Finance Authority Act, including pooled investment portfolios under the Financial Administration Act.

4. Operating Line of Credit

Section 263 of the *Vancouver Charter* authorizes Council to borrow by way of promissory note or overdraft to meet the City's short-term expenditure requirements, with repayment guaranteed by the general purpose tax levy to be collected for the year.

To execute this authority, Council must enact a by-law stipulating the maximum amount of any short-term indebtedness and the period for which the authority is in effect, and that repayment of any outstanding balances be guaranteed by the general purpose tax levy.

The terms of the by-law recommended in this report would authorize the Director of Finance to borrow by overdraft a sum of money not to exceed $200 million at any one time during the period January 8, 2027, to January 7, 2028. The recommended limit is intended to provide sufficient liquidity capacity to support the City's growing expenditure obligations and to maintain operational flexibility during periods of cash flow timing variations. Upon approval, this borrowing facility would be established with the City's primary banking service provider, the Bank of Montreal, consistent with past practice.

Financial Implications

The recommendations brought forward in this report will facilitate effective cash management and financial administration activities of the City. The decisions regarding the level of operating and capital expenditures, debt financing for the capital programs or projects and other financial

considerations for 2027 will be considered by Council as part of the 2027 Budget.

Legal Implications

The *Vancouver Charter* provides Council with financial authorities required for the City's operation. To ensure effective daily administration, Council has historically delegated these financial authorities to the Director of Finance on an annual basis, in accordance with the *Vancouver Charter*.

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