

**REPORT TO THE CAPITAL REGIONAL HOSPITAL DISTRICT BOARD  
MEETING OF WEDNESDAY, DECEMBER 13, 2017**

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**SUBJECT**     Revenue Anticipation Resolution for Capital Regional Hospital District

**ISSUE**

Adoption of a revenue anticipation resolution (General Purpose) authorizing borrowing up to \$10,000,000 early in 2018, if so required, prior to receipt of requisition revenues in August 2018.

**BACKGROUND**

Section 31 of the Hospital District Act permits monies to be borrowed for the interim period for the purpose of meeting current operating expenditures, including debt servicing costs, until revenue is received from member municipalities. All money if so borrowed must be repaid within nine months of the date of the borrowing.

Historically, the Capital Regional Hospital District (CRHD) Board approves a revenue anticipation resolution annually. Given the scope of CRHD operations, it is appropriate to have the flexibility to respond to opportunities or unforeseen circumstances through access to funds should they be required between January 1, 2018, and December 31, 2018.

**ALTERNATIVES**

**Alternative 1**

That the revenue anticipation resolution be adopted to allow the temporary borrowing of up to \$10,000,000 for operating expenditures.

**Alternative 2**

That the report be referred to staff for additional information.

**IMPLICATIONS**

The CRHD can borrow funds by making overdraft arrangements within the current banking agreement or by using the Municipal Finance Authority (MFA) Interim Financing Program. The current variable MFA short term borrowing rate (as of November 8, 2017) is 1.81%.

**CONCLUSION**

The proposed resolution provides the CRHD access to funds as of January 2018 to cover expenditures if so required, pending receipt of requisition revenues later in the year. Borrowed funds will be repaid upon receipt of anticipated revenues by August 2018. The purpose of approving this resolution is to ensure that borrowing authority will be available in the unlikely event that funds are required to meet short-term operational cash flow needs.

**RECOMMENDATION**

That the revenue anticipation resolution be adopted to allow the temporary borrowing of up to \$10,000,000 for operating expenditures.

Submitted by:	Rianna Lachance, BCom, CPA, CA, A/Chief Financial Officer
Concurrence:	Robert Lapham, MCIP, RPP, Chief Administrative Officer

AP:ngm

Attachment: Appendix A: Revenue Anticipation Resolution