

August 11, 2017

To: Municipal Finance Officers

Re: **Change in Issue Proceeds Disbursement Process**

Going forward, we will no longer net the long term issue proceeds against any temporary borrowing under the same LA bylaw. All transactions will be done on a gross basis so the funding of long term monies and the pay down of temporary borrowing will now be handled separately rather than netted.

On our issue proceeds date, we will wire the funds to the regional district, who will then in turn disburse to you any funds you requested in the issue. To pay down any temporary borrowing you may have outstanding, Shannon Cottrell will work with you directly to set up a pay down, similar to what would normally happen through our short term borrowing program, rather than netting the proceeds through the regional district as was previously done. Please touch base with your Regional District as to when the issue proceeds will be sent to you to ensure that you have the necessary funds available to repay any short term borrowing outstanding. Repayment of any temporary borrowing will be flexible depending on when you receive funding from the regional district, but we request that repayment happen within 30 days after the proceeds date.

Making this change will result in an improved audit trail and faster processing. By eliminating the issue expenses and netting of issue proceeds, it will be much simpler for the RD to know how much they will be receiving to disburse to their member municipalities (gross amount requested less the 1% DRF). To ensure we've captured all the borrowing requests and to assist with your cash planning, we will be sending the proceeds distribution spreadsheets to you earlier than in prior years so you should expect to receive these mid-September. If there are any discrepancies, please contact us as soon as possible.