

March 14, 2019

To: Regional District Finance Officers
Regional Hospital District Finance Officers

Re: **Long-Term Debt Issue Proceeds Disbursement**

We no longer net long-term issue proceeds against any temporary borrowing, under the same loan authorization bylaw. All transactions are done on a gross basis; the funding of long-term monies and the pay down of temporary borrowing are handled separately, rather than netted.

On our issue proceeds date, we will wire the funds to you, as requested and you will disburse to member municipalities, any funds they requested in the issue. To pay down any temporary borrowing outstanding, MFA staff will work with you directly to set up a pay down, similar to what would normally happen through our short-term borrowing program.

Similarly, we will work directly with any municipalities that need to repay temporary borrowing, rather than flowing this through the regional district.

To ensure that member municipalities have the necessary funds required to repay temporary borrowing outstanding, please advise them of when you will disburse their proceeds. Repayment of temporary borrowing is requested within 30 days of the proceeds date.

Making this change has resulted in an improved audit trail and faster processing. By eliminating the issue expenses and netting of issue proceeds, it is much simpler for you to know how much you will receive and how much to disburse to member municipalities (gross amount requested less the 1% Debt Reserve Fund).

To ensure that we have captured all borrowing requests and to assist with your cash planning, we will send proceeds distribution spreadsheets to you well in advance of the issue. If there are any discrepancies, please contact us as soon as possible.