

August 11, 2017

To: Regional District Finance Officers
Regional Hospital District 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 as requested and you would disburse to the member municipalities (if applicable) any funds they requested in the issue as per your usual process. To pay down any temporary borrowing you may have outstanding, Shannon Cottrell will work with you to set up a pay down, similar to what would normally happen through our short term borrowing program. For any member municipalities who wish to repay their temporary borrowing, we will work with them directly to set up repayment rather than flowing this through the regional district, as was previously done. To ensure that your member municipalities have the necessary funds required to repay any short term borrowing outstanding, please touch base with them as to when you expect to disburse the issue proceeds. Repayment of any temporary borrowing will be flexible, 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, we have standardized the calculation of how much the regional districts 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.