



TOWN OF OXFORD
Special Town Council Meeting
Conducted through Zoom Live to FaceBook
Monday, 01 February 2021
6:00 PM

AGENDA

1. Call to Order
2. RFD - Transfer of funds from the Gas Tax Reserve to the General Operating Account
3. Adjournment



REQUEST FOR DECISION
Transfer of Funds from Gas Tax Reserve
#001-2021

Date: 01 February 2021	Subject: Transfer of Funds from Gas Tax Reserve
Proposal Attached: Yes	Submitted by: Linda Cloney, Deputy Clerk & Ruthann Brookins, Senior Accountant

Proposal:	That Town Council approve the transfer of funds from the Gas Tax Reserve to the General Operating Bank Account.
Background:	<p>At the January 18, 2021 Council meeting, Council approved the Temporary Borrowing Resolution for a Short-Term Loan in the amount of \$663,000 for the purpose of cash flow regarding the Capital Project of the Duke Street Watermain Renewal.</p> <p>The Town of Oxford is in the process of securing the Short-term loan from the Municipal Finance Corporation.</p> <p>In the meantime, we require adequate funds in our General Operating bank account to offset the expenses of the Duke Street Watermain Project that have been paid with the funds in our General Operating bank account.</p> <p>Currently there is \$155,000 in the Gas Tax Reserves, this includes a prepayment of gas tax for 2021/2022.</p> <p>The Nova Scotia Municipal Government Act (MGA), s. 99 (4) states that:</p> <p>A withdrawal from the capital reserve funds shall be authorized by a council, by resolution, and may only be used for (a) capital expenditures for which the municipality may borrow.</p> <p>Also within the Financial Reporting and Accounting Manual (FRAM) page 8 Section 3 (1) (a) (ii) Capital Reserve Fund</p> <p>F. Borrowing from Capital Reserve Fund – The council may borrow from a capital reserve fund, by resolution, if the resolution prescribes the terms of repayment, including interest, at a rate not less than the interest rate that the municipality would pay to borrow the funds for a similar term from another source. Funds borrowed from the capital reserve fund can only be used to acquire physical assets for the municipality or physical assets</p>

	<p>of an organization that is 100% controlled by the municipality or a group of municipalities.</p> <p>G. Gas Tax Rebate Program Funds – The monies received as part of the Gas Tax Rebate Program are to be recorded in the Capital Reserve Fund. As the monies are spent, they are to be transferred to the Capital Fund. Any unspent monies are to remain in the Capital Reserve Fund.</p>
Benefits:	Ensuring the Town of Oxford has adequate cash on hand.
Disadvantages:	<p>Option 1. None foreseen</p> <p>Option 2. Limits the paving and trail funding for 2021/2022 Gas Tax projects.</p>
Options:	<p>1. Approve the resolution to transfer funds from the Gas Tax Reserve to the General Operating Bank account in an amount up to \$100,000 for the purpose of covering general operating expenses until the Spring Debenture, if necessary.</p> <p>2. Transfer \$100,000 from the Gas Tax Reserve and apply it to the Duke Street Watermain Project.</p> <p>Gas tax funds was approved to be part of the funding for the Duke Street Watermain Project in the 2020/2021 Capital Budget.</p> <p>If we use the Gas Tax funds for the Duke Street Watermain Project, as proposed in the 2020/2021 Capital Budget, paving and trail maintenance projects for 2021/2022 may not be attainable for this fiscal year.</p>
Required Resources:	
Source of Funding:	Gas Tax Reserve
Sustainability Implications: (Environmental, Social, Economic and Cultural)	
Workplan Implications (now/future):	Administration will need to follow up if Council chooses Option 1.
Communication Plan:	
Staff Comments/ Recommendations:	Staff respects either option Council chooses.

CAO's Review/ Comments:	

Deputy Clerk Initials: _____

Target Decision Date: 01 February 2021

Town of Oxford
General Borrowing Resolution

To authorize the borrowing of certain moneys from the Gas Tax Reserve Fund to meet the current expenditure of the Corporation of the Town of Oxford (hereinafter called "the Corporation") for the year ending March 31, 2021.

WHEREAS it is necessary to borrow the sum of \$100,000 (One hundred thousand dollars) from the Gas Tax Reserve Fund to meet the current expenditures of the Corporation until such time as the taxes to be levied therefore can be collected;

BE IT THEREFORE RESOLVED by the Municipal Council of the Corporation as follows:

1. **THAT** the Mayor and the Senior Accountant of the Corporation, be, and they are hereby authorized under the seal of the Corporation to borrow from the Gas Tax Reserve Fund up to the sum of \$100,000 (One hundred thousand dollars) as the same may be required from time to time to meet the now current expenditures of the Corporation which said expenditures has been duly authorized by Council; and
2. **THAT** the said Mayor with the Senior Accountant aforesaid, be, and they are hereby authorized to pay or allow to the Gas Tax Reserve Fund, interest on the sum of \$100,000 (One Hundred thousand dollars), which may be paid or allowed in advance by way of discount or otherwise howsoever as they may deem best; and
3. **THAT** the said sum of \$100,000 (One hundred thousand dollars) so to be borrowed shall be made payable on or before the 31st day of March, 2021, and the promissory note or notes of the Corporation, if any, given therefore, if made payable before the said 31st day of March, 2021, may be renewed by the said Mayor and Senior Accountant from time to time, but no renewal thereof shall fall due later than the said 31st day of March, 2021; and
4. **THAT** the said promissory note or notes of the Corporation, sealed with the corporate seal and signed by the Mayor and Senior Accountant of the Corporation be given from time to time as required, in security for the amounts borrowed from time to time under the provisions of this resolution; and
5. **THAT** giving of such renewal note or notes, as aforesaid, shall not be deemed satisfaction of the Gas Tax Reserve Fund of the said advance or interest, but as evidence only in indebtedness.

This is to certify that the foregoing is a true copy of a resolution of the Council of the Municipal Corporation of the Town of Oxford passed at a meeting of the said Council, duly called and held on the 1st day of February, 2021 at which a quorum of the Council was present and voting.

Given under the hands of the Mayor and Senior Accountant of the Town this 1st day of February, 2021

Gregory Henley,
Mayor

Ruthann Brookins,
Senior Accountant