



Windsor-Essex Catholic District School Board

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Joseph Berthiaume, Director of Education

John Macri, Board Chairperson

BOARD REPORT

Special Public Meeting Date: May 12, 2007

PRESENTED FOR: **Public** **In-Camera**
 Information Approval
PRESENTED BY: Senior Administration
SUBMITTED BY: Joseph Berthiaume, Director of Education
 Mario Iatonna, Superintendent of Business
 Ken Gignac, Controller of Finance
SUBJECT: **BOARD RESOLUTION FOR TEMPORARY BORROWING**

RECOMMENDATION:

That the Board approve the Board Resolution for Temporary Borrowing (deemed to be read three times) authorizing the Board to borrow up to \$70,000,000 to meet, until current revenues are collected, the current expenditures of the Board for 2007.

BACKGROUND:

On January 30, 2007, the Board approved a Borrowing Resolution for \$55,000,000 as a line of credit to bridge finance our capital and operating expenditures for the calendar year 2007.

At that time, Administration believed that a debenture would be issued to finance the Board's capital program, thereby leaving the line of credit for our operating needs.

In the interim, the Board has delayed its debenture issue pending completion of our capital program begun in 2002.

The cash flow situation is being monitored by the Business Department and by CIBC on a daily basis, and it is projected that our loan and overdraft will exceed our \$55 million line of credit on May 18, 2007. It is anticipated that we will require an additional one million for a 3-day period until our Ministry grant advance is received.

In that regard, we have reviewed our cash requirements to the end of the year and we are recommending an increase in our line of credit. This increase is required to accommodate the intermediate spikes in our overdraft.

FINANCIAL:

To date, there are \$45 million in capital expenditures that have not yet been financed for the long term.

Our operating line is usually at its maximum, just prior to receiving our municipal levies, which are received each calendar quarter. In addition to these expenses, we are also spending our Good Places to Learn allocation, which will not be reimbursed until the Ministry issues a debenture.

Interest on our loans and overdraft is projected to accumulate to \$3.8 million by the end of the calendar year.

In summary, we expect a cash shortfall of \$68.6 million made up of the following expenditures and receivables.

Capital Program	\$45,000,000
Good Places to Learn	\$4,800,000
Levies	\$15,000,000
Interest	<u>\$3,800,000</u>
	<u>\$68,600,000</u>

COMMENTS:

N/A

TIMELINES:

N/A

APPENDICES:

- Board Resolution for Temporary Borrowing

**Resolution for Temporary Borrowing by
Boards of Public, Separate, Secondary Schools
and Boards of Education (Ontario)**

RESOLUTION duly passed by the Windsor-Essex Catholic District School Board at the meeting duly called on the 12th day of May 2007.

ON MOTION it was resolved as follows:

WHEREAS the Windsor-Essex Catholic District School Board (hereinafter called the "Board") considers it necessary to borrow the amount of up to \$70,000,000 to meet, until current revenues are collected, the current expenditures of the Board for 2007.

AND WHEREAS the total amount borrowed pursuant to this resolution together with the total of any similar borrowing is not to exceed the uncollected balance of estimated revenues of the Board.

1. The Chairperson, Vice-Chairperson or Secretary of the Board and the Treasurer of the Board are hereby authorized to borrow from time-to-time by way of Promissory Note a sum or sums not exceeding the aggregate \$70,000,000 to meet the current expenditures of the Board until the current revenues have been received and to give on behalf of the Board a Promissory note or notes under the corporate seal of the Board signed by the Chairperson or Vice-Chairperson of the Board and the Treasurer for the monies borrowed hereunder;

Provided, However:

That the interest and any other charges connected therewith do not exceed the interest that would be payable at the prime lending rate on the date of borrowing of banks listed in schedule 1 to the Bank Act.

2. The Treasurer of the Board is hereby authorized and directed to apply in payment of all sums borrowed as aforesaid, together with interest thereon, all monies compromising the current revenues of the Board hereafter received.
3. The Treasurer is hereby authorized and directed to deliver to the bank from time-to-time upon request a statement showing the total amount of unpaid previous borrowings of the Board for current expenditures together with debt charges, if any, and also the uncollected balance of the estimated revenues for the current year or, where the estimated have not been adopted, the estimated revenues of the previous year less any current revenues already collected.

I CERTIFY that the foregoing is true copy of a resolution passed at a meeting of the Board duly called and held as aforesaid, which resolution remains in full force and effect un-amended on the date hereof.

AS WITNESS, the Corporate Seal of this Board this _____ day of _____ 2007.

Director of Education, J. Berthiaume

Witness

Superintendent of Business, M. Iatonna

Witness