



SUBJECT: Burlington Hydro Operating Line of Credit

TO: Mayor and Members of Council

FROM: Finance Department

Report Number: F-30-20

Wards Affected: not applicable

File Numbers: 125-01

Date to Committee: Select date

Date to Council: March 25, 2020

Recommendation:

Approve the increase to the Hydro operating line of credit from \$10 million to \$20 million and;

Direct the Mayor and Clerk or other designated signing officer to sign any necessary documentation including agreements, subject to the satisfaction of the Executive Director of Legal Services and Corporation Counsel.

PURPOSE:

The purpose of report F-30-20 is to seek approval from the Shareholder to allow Burlington Hydro Inc to increase the operating line of credit.

Background and Discussion:

The Shareholder Direction to Burlington Enterprise Corporation is a document that sets out the accountability, responsibility and relationship between the Board of Directors and the Shareholder. Article 5 of the agreement deals with actions requiring Shareholder Approval. Under the agreement, the Corporation or any Subsidiary must seek Shareholder approval to borrow money in excess of \$10 million over existing debt levels.

Burlington Hydro Inc is seeking approval to increase the operating line of credit from \$10 million to \$20 million as a precautionary measure against cash flow/liquidity issues that could arise if any of the Corporation's large customers experience issues in paying the hydro bills during the COVID 19 pandemic situation.

Financial Matters:

There will be an increase of \$10 million to Burlington Hydro's operating line of credit.

Conclusion:

The City as Shareholder of Burlington Enterprise Corporation is required to approve the requested increase to the Burlington Hydro Inc operating line of credit.

Respectfully submitted,

Sandy O'Reilly

Controller and Manager of Financial Services

Ext 7648

Report Approval:

All reports are reviewed and/or approved by Department Director, the Chief Financial Officer and the Executive Director of Legal Services & Corporation Council. Final approval is by the City Manager.