

MEMORANDUM

TO: BOARD OF DIRECTORS

FROM: KATHRYN DUBICKI, SENIOR DIRECTOR

DATE: SEPTEMBER 28, 2023

RE: RECOMMENDATION NO. 2023/24—12—OPERATING LINE OF CREDIT (REVOLVING DEMAND FACILITY)  
RECOMMENDATION NO. 2023/24—13—RENEWAL RBC CREDIT AGREEMENT

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**1. RECOMMENDATION NO. 2023/24—12—OPERATING LINE OF CREDIT (REVOLVING DEMAND FACILITY):**

That the Board approve increasing the operating line of credit with the Royal Bank of Canada to \$600,000.

**SUBMISSION:**

Community Living Brant maintains an operating line of credit (Revolving Demand Facility) with the Royal Bank to ensure that the agency can meet its cash requirements.

The primary cash requirement is payroll. The standard that has been used to determine an appropriate limit has been the amount of the bi-weekly payroll. The current operating line of credit is \$400,000. As a result of the wage increases over the last few years, the bi-weekly payroll is now averaging approximately \$550,000.

In August, Community Living Brant met with RBC for our annual review and to discuss our financial requirements to ensure we have the appropriate services in place. Our current credit facilities were reviewed.

Historically, Community Living Brant has not had to access the line of credit on a regular basis. Fiscal surpluses, along with the timing of the Ministry Subsidy payments, have enabled Community Living Brant to maintain a positive cash position. While funding has been received for wages, funding to address operational cost was last received in 2018 in the form of Stabilization Funds. However, as costs continue to rise due to inflation, the increased cost of wages and benefits, and the growing Passport Program, ongoing cash surpluses have declined. As a result of this, it is anticipated that Community Living may need to access the line of credit. The recommended increase will ensure that sufficient funds are available to meet payroll requirements.

**2. RECOMMENDATION NO. 2023/24—13—RENEWAL RBC CREDIT AGREEMENT:**

That the Board approve the renewal of the RBC Credit Agreement authorizing borrowings to a maximum of \$750,000.

**SUBMISSION:**

Community Living Brant has an agreement with RBC for our Credit Facilities. This Agreement is required to be renewed/updated from time to time. A copy of the Agreement is attached.

The current Agreement already has a maximum borrowing limit of \$750,000. However, it has been updated to account for the change in the Operating Line of Credit (Revolving Demand Facility) to \$600,000. Also included in the maximum borrowings is the Credit Card Limit of \$100,000.