



Staff Report

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Report To: **General Government Committee**

Date of Meeting: November 30, 2020

Report Number: FND-046-20

Submitted By: Trevor Pinn, Director of Finance/Treasurer

Reviewed By: Andrew C. Allison, CAO

By-law Number:

File Number:

Resolution#:

Report Subject: 2021 Interim Financing By-law

Recommendations:

1. That Report FND-046-20 be received; and
2. That the By-law attached to Report FND-046-20, as Attachment 1, be approved.

Report Overview

The Municipality of Clarington is required to provide a by-law authorizing temporary borrowing as part of its banking arrangements with TD Bank. This is an annual requirement and remains unchanged from prior years. It is not anticipated that this borrowing will be utilized.

1. Background

- 1.1 Annually, Council is requested to grant authority to the Mayor and Treasurer to borrow, on a temporary basis, funds that may be required to meet current expenditures and liabilities of the Municipality prior to the receipt of the Municipality's property taxes and other revenues. These borrowings may be in the form of external or internal sources, including interfund transactions.
- 1.2 The legal authority for these borrowings is pursuant to Section 407 of the *Municipal Act, 2001* and allows municipalities to borrow amounts between January 1 and September 30 not to exceed 50 per cent of total estimated annual revenues and to borrow amounts between October 1 and December 31 not to exceed 25 per cent of total estimated annual revenues.
- 1.3 Consistent with prior years, the request for authority is \$15,000,000. Under current regulations the upper limit would be more than \$25,000,000.
- 1.4 Historically, it has not been necessary for the Mayor and the Treasurer to exercise this authority, it is not expected that authority will be needed; however, this is a requirement of our banking agreements.

2. Concurrence

Not Applicable.

3. Conclusion

It is respectfully recommended that the temporary borrowing by-law be approved and authority be provided. This authority provides the Municipality with contingency borrowing capacity in the event of unknown circumstances related to the collection of the Municipality's revenues. The proposed 2021 limit remains unchanged from 2020.

Staff Contact: Trevor Pinn, CPA, CA, Director of Financial Services/Treasurer, 905-623-3379 ext. 2602, tpinn@clarington.net.

Attachments:

Attachment 1 – Draft By-law to authorize temporary borrowing for the year 2021

Interested Parties:

The following interested parties will be notified of Council's decision:

TD Bank