



Staff Report

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Report To:	General Government Committee		
Date of Meeting:	January 10, 2022	Report Number:	FSD-001-22
Submitted By:	Trevor Pinn, Director of Financial Services/Treasurer		
Reviewed By:	Andrew C. Allison, CAO	Resolution#:	
File Number:		By-law Number:	
Report Subject:	2022 Interim Financing By-law		

Recommendations:

1. That Report FSD-001-22 and any related communication items, be received;
2. That the By-law attached to Report FSD-001-22, as attachment 1, be approved; and
3. That all interested parties listed in Report FSD-001-22 and any delegations be advised of Council's decision.

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 by-law is an annual requirement and remains unchanged from prior years. Staff do not anticipate that the Municipality will draw on this credit facility.

1. Background

- 1.1 Annually, Council is requested to grant authority to the Mayor and Treasurer to borrow, temporarily, funds that may be required to meet current expenditures and liabilities of the Municipality before the receipt of the Municipality's property taxes and other revenues. These borrowings may be in the form of external or internal sources, including inter-fund transactions.
- 1.2 The legal authority for these borrowings is under Section 407 of the *Municipal Act, 2001*. It 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. Staff do not anticipate utilizing the funds in 2022; however, the adoption of the by-law 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 collecting the Municipality's revenues. The proposed 2022 limit remains unchanged from 2021

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Attachments:

Attachment 1 – Draft By-law to authorize temporary borrowing for the year 2022

Interested Parties:

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

TD Bank