

**To: Warden and Members of County Council**

**From: Director of Corporate Services**

## **Borrowing By-law - 2022**

### **RECOMMENDATION**

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1. **That By-law No. 6396-2021, being a by-law to authorize the borrowing of money to meet current expenditures of the County of Oxford for the 2022 fiscal year, be presented to Council for enactment.**

### **REPORT HIGHLIGHTS**

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- County's temporary borrowing limits for 2022 will be:
  - \$68.0 million from January 1 to September 30
  - \$34.0 million from October 1 to December 31
- No monies have previously been borrowed by the County to meet current expenditures.

### **Implementation Points**

The enactment of a Borrowing By-law is required in the event that the County finds it necessary to borrow funds to meet current expenditures throughout the 2022 fiscal year. Enacting the by-law at the onset of a new fiscal year ensures the authorities are in place for the banking institution to provide temporary borrowing immediately if required.







### **Financial Impact**

There is no financial impact as a result of enacting a Borrowing By-law unless temporary borrowing is drawn on credit from the bank at which time the County will pay monthly interest.

### **Communications**

A copy of the Borrowing By-law will be provided to the bank in which the County currently has a banking services agreement to provide authority for temporary borrowing throughout the 2022 fiscal year.

## Strategic Plan (2020-2022)

					
<b>WORKS WELL TOGETHER</b>	<b>WELL CONNECTED</b>	<b>SHAPES THE FUTURE</b>	<b>INFORMS &amp; ENGAGES</b>	<b>PERFORMS &amp; DELIVERS</b>	<b>POSITIVE IMPACT</b>
		3.iii.			

## DISCUSSION

### Background

In accordance with Section 407 of the *Municipal Act, 2001*, (the “Act”) Council may, at any time during a fiscal year, authorize temporary borrowing until the taxes are collected and other revenues are received of the amount considered necessary to meet the current expenditures of the municipality for the year.

Until the budget is adopted in a year, the limits upon borrowing under subsection (2) shall temporarily be calculated using the estimated revenues of the municipality set out in the budget adopted for the previous year. The total amount borrowed at any one time plus any outstanding amounts of principal borrowed and accrued interest shall not exceed:

- (a) from January 1 to September 30 in the year, 50 per cent of the total estimated revenues of the municipality as set out in the budget adopted for the year; and
- (b) from October 1 to December 31 in the year, 25 per cent of the total estimated revenues of the municipality as set out in the budget adopted for the year.

### Comments

In order to ensure temporary funding is available if necessary to meet current expenditures in each fiscal year, a by-law is required to provide for the borrowing of funds under the County’s banking services agreement.

In accordance with the Act, based on the estimated 2021 revenues of \$136.1 million, the County’s temporary borrowing limits for 2022 would be:

- \$68.0 million from January 1 to September 30
- \$34.0 million from October 1 to December 31.

## Conclusions

This report introduces a by-law for Council's consideration to authorize the borrowing of money to meet current expenditures for the 2022 fiscal year.

## SIGNATURES

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### Departmental Approval:

Original signed by

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Lynn S. Buchner, CPA, CGA  
Director of Corporate Services

### Approved for submission:

Original signed by

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Michael Duben, B.A., LL.B.  
Chief Administrative Officer