



Staff Report

Finance

Report To: COW- Admin, Corp and Finance, SI, Comm. Services
Meeting Date: January 13, 2025
Report Number: CFS.25.003
Title: Borrowing By-law Update
Prepared by: Monica Quinlan, Director of Corporate & Financial Services

A. Recommendations

THAT Council receive Staff Report CFS.25.003, entitled "Borrowing By-law Update";

AND THAT Council approve the By-law to authorize temporary borrowing to meet the current expenses for the year ending December 31, 2025 at the January 27, 2025 Council Meeting.

B. Overview

To obtain Council's approval to allow The Blue Mountains to temporarily borrow funds if required to meet current expenses of the municipality as per The Municipal Act, 2001, S.O. 2001, c. 25, s. 407.

C. Background

Although the Town has not needed bank financing to address current operating needs for many years, it is prudent to have a borrowing by-law in place to address unforeseen circumstances. Each year, TD Canada Trust, the Town's banking partner, requests a copy of this by-law to confirm the borrowing limits in case the need arises.

D. Analysis

Staff do not anticipate having to borrow money in 2025 to meet operational requirements. If the Town finds it necessary to borrow money for this purpose, this By-law provides the Treasurer and the Head of Council the authority to temporarily borrow money, subject to the legislative requirements. The Town's credit facility agreement with TD Canada Trust, allows for \$1,000,000 to be temporarily borrowed for operating expenses at a rate of Prime less 0.75%.

E. Strategic Priorities

1. Communication and Engagement

We will enhance communications and engagement between Town Staff, Town residents and stakeholders

2. Organizational Excellence

We will continually seek out ways to improve the internal organization of Town Staff and the management of Town assets.

3. Community

We will protect and enhance the community feel and the character of the Town, while ensuring the responsible use of resources and restoration of nature.

4. Quality of Life

We will foster a high quality of life for full-time and part-time residents of all ages and stages, while welcoming visitors.

F. Environmental Impacts

None.

G. Financial Impacts

TD Canada Trust does not charge the Town a standby fee for availability of the operating loan. The sole purpose of the operating loan is for working capital purposes and any advances will bear interest and fees at prime rate less 0.75%.

The Town would be required to pay interest on any short-term borrowing. The Town does not budget for interest expense, as borrowing has not been required in the past.

H. In Consultation With

N/A

I. Public Engagement

The topic of this Staff Report has not been the subject of a Public Meeting and/or a Public Information Centre as neither a Public Meeting nor a Public Information Centre are required. However, any comments regarding this report should be submitted to Monica Quinlan, Director of Corporate & Financial Services at directorfit@thebluemountains.ca.

J. Attached

1. 2025 Borrowing By-law

Respectfully submitted,

Monica Quinlan
Director of Corporate & Financial Services

For more information, please contact:
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Report Approval Details

Document Title:	CFS.25.003 Borrowing By-law Update.docx
Attachments:	- By-law-2025-XX-Borrowing-By-law.pdf
Final Approval Date:	Jan 3, 2025

This report and all of its attachments were approved and signed as outlined below:

Monica Quinlan - Jan 3, 2025 - 8:33 AM

The Corporation of The Town of The Blue Mountains

By-law Number 2025 – XX

Being a By-law to authorize temporary borrowing to meet the current expenses of the municipality for the year ending December 31, 2025

Whereas the provisions of the Municipal Act, 2001, S. O. 2001, c. 25, Section 407, permit a municipality to authorize temporary borrowing, until the taxes are collected and other revenues are received, of the amounts that the municipality considers necessary to meet the current expenses of the municipality for the year;

And whereas the total amount borrowed at any one time plus any outstanding amounts of principal borrowed and accrued interest, except with the approval of the Ontario Municipal Board, is limited;

Now therefore the Council of The Corporation of the Town of The Blue Mountains hereby enacts as follows:

1. At any time during a fiscal year, the Head of Council and the Treasurer may authorize temporary borrowing, until the taxes are collected and other revenues are received, of the amounts that the municipality considers necessary to meet the current expenses of the municipality for the year, and of the amounts, whether or not they are expenses for the year, that a municipality requires in the year for:
 - a) reserve, sinking and retirement funds;
 - b) principal and interest due on any debt of the municipality;
 - c) school purposes;
 - d) other purposes the municipality is required by law to provide for; and,
 - e) the amount of principal and interest payable by a person or municipality primarily liable for a debt, if the municipality has guaranteed the debt and the debt is in default.
2. Except with the approval of the Local Planning Appeal Tribunal, 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.
3. Until the budget is adopted in a year, the limits upon borrowing under Section 2 shall temporarily be calculated using the estimated revenues of the municipality set out in the budget adopted for the previous year.
4. In Sections 2 and 3, estimated revenues do not include revenues derivable or derived from:
 - a) arrears of taxes, fees or charges; or,
 - b) a payment from a reserve fund of the municipality, whether or not the payment is for a capital purpose.
5. The lenders from whom amounts may be borrowed under authority of this By-law shall be TD Canada Trust and such other lender(s) as may be determined from time to time by resolution of Council.

6. The lender is not responsible for establishing the necessity of temporary borrowing or the manner in which the borrowing is used.

And further, that this By-law shall come into force and take effect upon the first day of January, 2025.

Enacted and passed this 27th day of January, 2025.

Andrea Matrosovs, Mayor

Corrina Giles, Town Clerk

DRAFT