



# Municipality of Port Hope

## Staff Report

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### Report Title: 2024 Borrowing By-law

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**Report to:** Council

**Date of meeting:** December 5, 2023

**Report Author:**

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**Department responsible:**

Finance

**Report Number:** FS-26-23

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### Recommended Action:

Refer to By-laws

### Highlights:

- Routine, annual by-law required to be passed prior to end of the fiscal year.
- Short-term borrowing to be a maximum of \$15 million for the period January 1 to September 30 and \$7.5 million for October 1 to December 31.

### Background:

To assist with cash flow requirements, the Municipality annually establishes the ability to borrow short-term from time to time. The Municipal Act provides for this short-term borrowing in Section 407. The amount borrowed must not exceed 50% of the estimated revenues of the municipality as set in the budget adopted for the previous year for the period January 1 to September 30 and 25% of the estimated revenues of the municipality as set out in the budget adopted for the previous year for the period October 1 to December 31.

### Discussion:

Accordingly, the draft 2024 Borrowing By-law (Appendix 'A') authorizes borrowing up to a maximum of \$15 million for the period January 1 to September 30 and \$7.5 million for the balance of the year. These limits are set based on budget revenues within the 2022 budget and anticipated to meet the Municipality's estimated needs.

The Municipality has not significantly utilized the borrowing limit in recent years, however, it is prudent to have the ability to borrow funds approved and accessible should the need arise.

As this is a routine, annual By-law to be passed in advance of the end of the fiscal year it is being brought directly to Council.

**Financial Considerations:**

This will enable the Municipality to borrow up to \$15 million in the short-term should the need arise, which with significant capital projects underway and planned is prudent to meet the short-term financing requirements.

**Communication and Public Engagement:**

Not required in relation to this report. This is a routine, administrative and legislative requirement.

**Conclusion:**

A short-term borrowing by-law is required to ensure that ongoing operating funds are available to meet the budgeting requirements. The Borrowing By-law has been a standard practice of the past years. Approval of the recommendation ensures that the Municipality has the required authorization to borrow short-term as may be required during the year.

**Attachments:**

Attachment 1 – 2024 Borrowing By-law