



# Municipality of Port Hope

## Staff Report

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### Report Title: 2025 Short-Term Borrowing By-law

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**Report to:** Committee of the Whole

**Date of meeting:** December 3, 2024

**Report Author:**

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**Department responsible:**

Finance

**Report Number:** FS-19-24

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#### Recommended Action:

That a By-law be presented to Council to approve short-term borrowing for 2025.

#### Highlights:

- Short-term borrowing to be a maximum of \$11 million for the period January 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 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 year for the period October 1 to December 31.

#### Discussion:

Taking into consideration the limits and exclusions as outlined in Section 407 (2) and (4), 25% of estimated revenues as outlined in the 2025 budget would be \$11 million which is anticipated to meet the Municipality's operational cash needs. Accordingly, the draft 2025 Borrowing By-law (Attachment 1) authorizes borrowing up to a maximum of \$11 million for the period January 1 to December 31.

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

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**Financial Considerations:**

This will enable the Municipality to borrow up to \$11 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 Applicable.

**Conclusion:**

A short-term borrowing by-law is being established 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 – 2025 Borrowing By-law