Subject: Borrowing By-Law 2020  
Report Number: FIN 20-08  
Author: Dave Rushton, Director of Finance  
Meeting Type: Council Meeting  
Meeting Date: Tuesday, April 14, 2020

RECOMMENDATION

THAT By-Law 2020-033, being a by-law to authorize the borrowing of money to meet current expenditures of the Town of Tillsonburg for the 2020 fiscal year, be brought forward for Council’s consideration.

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.

DISCUSSION

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 Town’s banking services agreement. In accordance with the Act, based on the estimated 2019 revenues of $26.0 million, the Town’s temporary borrowing limits for 2020 will be:

- $13.0 million from January 1 to September 30
- $6.5 million from October 1 to December 31.

FINANCIAL IMPACT/FUNDING SOURCE

This by-law enables the Town to acquire funds as needed to the maximum. The Town of Tillsonburg currently has $3.5 million in overdraft protection available through TD Bank.
COMMUNITY STRATEGIC PLAN (CSP) LINKAGE

1. Excellence in Local Government
   ☒ Demonstrate strong leadership in Town initiatives
   ☒ Streamline communication and effectively collaborate within local government
   ☒ Demonstrate accountability
Report Approval Details

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

**No Signature - Task assigned to Kyle Pratt was completed by workflow administrator Michelle Smibert**

*Kyle Pratt - Apr 6, 2020 - 3:09 PM*