



TOWN OF MINTO

MEETING DATE: January 7, 2025
REPORT TO: Mayor and Council
SERVICE AREA: Finance
SUBJECT: FIN 2025-002 – 2025 Temporary Borrowing

RECOMMENDATIONS:

THAT the Council of the Town of Minto hereby receives report FIN 2025-002 – 2025 Temporary Borrowing Report, prepared by the Treasurer, for information purposes;

AND FURTHER THAT the Council of the Town of Minto considers passage of the related By-law in open session.

BACKGROUND

Section 407(1) of the *Municipal Act, 2001 S.O. 2001, c.25*, as amended (the “Act”), states that at any time during a fiscal year, a municipality 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 expenses of the municipality for the year and of the amounts, whether or not they are expenses for the year, that the municipality requires in the year.

Section 407(2) of the Act sets out the requirement that the total amount that may be borrowed at any one time for the purposes described above plus any outstanding amounts of principal borrowed and accrued interest shall not exceed:

- From January 1st to September 30th in the year, 50% of the total estimated revenues of the municipality as set in the Budget adopted for the year; and
- From October 1st to December 31st in the year, 25% of the total estimated revenues of the municipality as set in the Budget adopted for the year.

Although actual borrowing under the provision has not been required in the past, Council has approved a Temporary Borrowing By-Law in prior years as a proactive measure for unforeseen circumstances.

COMMENTS:

As in previous years, staff does not anticipate having to temporarily borrow money in 2025 to meet operational requirements. However, if the Town of Minto finds it necessary to borrow money for this purpose, the By-law gives the Treasurer the authority to temporarily borrow money, subject to the legislative limitations noted above.

The Town of Minto 2025 Budget deliberations were held in November and December 2024 and the budget was approved on December 17, 2024.

The following table outlines the Town of Minto’s upper limits should borrowing be required in 2025.

Estimated Revenues Set Out in the 2025 Budget	Maximum Borrowing Limits 2025	
	Between January 1 st and September 30 th	Between October 1 st and December 31 st
\$16.4 million	\$8.2 million	\$4.1 million

FINANCIAL CONSIDERATION:

Staff is recommending that a By-law be enacted in accordance with Section 407 of the Act to authorize the temporary borrowing of funds, if considered necessary by the Treasurer, to meet current expenditures for the year 2025, until sufficient taxes are collected, and other non-tax revenues are received.

STRATEGIC PLAN

Goal 5: Responsible Government

Deliver services in an open, accountable, and transparent manner while providing an outstanding working environment for our employees and community.

PREPARED BY: Gordon Duff, Treasurer

RECOMMENDED BY: Gregg Furtney, Chief Administrative Officer (CAO)