



TOWN OF MINTO

DATE: December 21, 2016
REPORT TO: Mayor and Council
FROM: Gordon Duff, Treasurer
SUBJECT: Temporary Borrowing By-Law

STRATEGIC PLAN:

Fiscal responsibility - Establish sustainable financing mechanisms and sources.

BACKGROUND

It is common for municipalities to seek authority to borrow temporarily to cover operating expenses, especially before final tax rates are set. A By-Law for this purpose is normally required by financial institutions in order to renew credit limits on an annual basis.

COMMENTS:

The Town of Minto has passed Temporary Borrowing By-Laws in the past and has been asked for proof of such by our Bank as part of the annual renewal of credit and as part of our banking agreements. Cash flow is frequently tight between tax due dates if large expenditures are due during these time periods. The Town of Minto has not needed to exercise this authority in the past, but it is prudent to have this option if required.

FINANCIAL CONSIDERATIONS:

This By-Law allows the Town to borrow to cover expenditures on a short-term basis.

RECOMMENDATION:

THAT Council of the Town of Minto receives the Treasurer's report dated December 21, 2016, and considers passing By-law 2017-02 in regular Council session.

Gordon Duff
Treasurer