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Report 2025-022

Report Title: 2025 Borrowing By-law

Committee Name: Finance and Audit

Committee Meeting Date: February 4, 2025

Prepared by: Matthew Nitsch
Director of Finance/Treasurer
Finance

Approved by: Jennifer Moore, CAO

Council Meeting Date: February 19, 2025

Strategic Plan Priorities: Innovate for Service Excellence
 Ignite Economic Opportunity
 Foster a Thriving Community
 Propel Sustainable Growth
 Champion a Vibrant Future

Recommendation

“That the Finance and Audit Committee, having considered Report 2025-022 ‘2025 Borrowing By-law’, recommend that County Council enact a By-law to authorize the borrowing of \$10,000,000 at the February 19, 2025 County Council meeting.”

Purpose

The purpose of this report is to present the annual by-law to establish borrowing limits for the County to be used, if needed, to meet financial obligations until such time as taxes are collected.

Background

The borrowing by-law is presented annually to establish borrowing limits for the County for the fiscal year. The request has been set at \$10,000,000 for several years and a line of credit is in place with the County’s financial institution for short term borrowing, if necessary, throughout the year due to the timing of levy payments. Levy payments are made by Member Municipalities quarterly. It should be noted that while the line of credit remains in place and available for use, it has not been accessed in more than twelve years. The annual budgets and the timing of

investment maturity dates have been managed in a manner that ensures liquidity as required without the use of short-term borrowing.

The by-law also sets out the terms for early or late levy payments by Member Municipalities.

Consultations

The County's bank typically adjusts interest rates correspondingly to changes in the Overnight Interest Rate as made by the Bank of Canada.

Legislative Authority / Risk Considerations

The *Municipal Act* permits short term borrowing for operating expenditures to meet financial obligations until such time as tax and other revenues have been received.

Discussion / Options

The borrowing by-law is put in place annually to ensure this financial tool is available if it should be needed. A portion of the County's general reserves are invested in High Interest Savings Accounts with our current financial institution aligned with immediate and short-term cash flow needs. This practice allows for sufficient liquidity to prevent the usage of the line of credit and applicable interest charges while maximizing investment returns.

Financial Impact

There is no cost to having the line of credit available and the County will only incur interest charges should funds actually be borrowed.

Member Municipality Impacts

N/A

Conclusion / Outcomes

Staff recommends that the borrowing by-law be brought forward for approval for the 2025 fiscal year.

Attachments

1. Report 2025-022 ATTACH 1 'By-law to Authorize the Borrowing of \$10,000,000'