DEPARTMENT: FINANCIAL SERVICES
SUBJECT: 2018 BORROWING BY-LAW
REPORT NO. FS 2017-26
COUNCIL MEETING DATE: DECEMBER 12, 2017

☐ Approved
☐ Approved with Amendments
☐ Other
Resolution #

INTRODUCTION/BACKGROUND
Due to the timing of instalment dates for property taxes and timing of large capital projects, it is possible that the cash flow of the municipality could become low. Short term borrowing may be required to cover current expenditure requirements. In order for a municipality to access short-term borrowing, the municipality must adopt a Borrowing By-Law on an annual basis.

DISCUSSION/ANALYSIS
The Township provides the Royal Bank of Canada with a current Borrowing By-Law at the beginning of every calendar year.

Typically the Township of Norwich does not have the need for short term borrowing, but circumstances can occur which may require the municipality to obtain short-term operating debt to cover expenditures between property tax installments or prior to debenture funds becoming available. This occurred during the Norwich Community Centre Renovation Project in 2006 but has not occurred since.

INTERDEPARTMENTAL IMPLICATIONS
N/A

FINANCIAL/STAFFING/LEGAL IMPLICATIONS
A Borrowing By-Law should be in place to allow the municipality to access short-term borrowing, if required.

CONCLUSION
Staff is recommending that Council adopt a borrowing by-law for the year 2018.

RECOMMENDATION
THAT Report No. FS-2017-26, 2016 Borrowing By-Law, be received as information; and further that a bylaw be adopted to set a current expenditure borrowing limit for the year 2018 in the amount of $5,000,000.00.