

To: Corporate and Finance Services Committee

From: Stephanie Sinnott, Commissioner,
Corporate and Finance Services Department

Report Number: CF-24-67

Date of Report: November 27, 2024

Date of Meeting: December 2, 2024

Subject: 2025 Borrowing By-law

Ward: All Wards

File: 03-05

1.0 Purpose

The purpose of this report is to obtain approval for the 2025 Borrowing By-law.

2.0 Recommendation

That the Corporate and Finance Services Committee recommend to City Council:

That the Borrowing By-law as outlined in Attachment 1 to Report CF-24-67, 2025 Borrowing By-law, dated November 27, 2024, be approved.

3.0 Input From Other Sources

Legal Services

Legislative Services

4.0 Analysis

The City currently has a non-utilized line of credit with its bank, the Royal Bank of Canada, in the amount of \$2.0 million. To utilize this line of credit, the bank requires the Borrowing By-law to be approved annually by City Council. Although the City of Oshawa currently has no requirements for temporary borrowing to finance its operations, as a matter of procedure, the bank requires a copy of the Borrowing By-law as outlined in Attachment 1 for its files.

Authority for borrowing is provided in Section 407 of the Municipal Act, 2001, as amended, which states that “a municipality may authorize temporary borrowing, until the taxes are

collected and other revenues are received, of the amount that the municipality considers necessary to meet the expenses of the municipality for the year.”

5.0 Financial Implications

If the City utilizes this line of credit, the interest charge applied will be Royal Bank of Canada Prime minus 0.5%. As per the Bank of Canada, the prime rate as of November 27, 2024, was 5.95%

6.0 Relationship to the Oshawa Strategic Plan

This report responds to the Oshawa Strategic Plan Priority Area “Lead: Governance and Service Excellence” with the goal to provide transparent, efficient, and responsible fiscal stewardship and use of resources.



Stephanie Sinnott, Commissioner,
Corporate and Finance Services Department



**By-law -2024
of The Corporation of the City of Oshawa**

being a by-law to authorize borrowing from time to time to meet current expenditures during the fiscal year ending December 31, 2025 ("Borrowing By-law").

WHEREAS Section 407 of the Municipal Act, 2001, S.O. 2001, c. 25, as amended ("Municipal Act, 2001"), provides authority for Council for the Corporation of the City of Oshawa by way of by-law to authorize the Mayor and the City Treasurer to borrow such sums as the Council considers necessary in order to meet the current expenditures of the Corporation of the City of Oshawa ("Municipality") for the year pending collection of taxes and the receipt of other revenue; and,

AND WHEREAS the total amount which may be borrowed from all sources at any one time, except with the approval of the Ontario Land Tribunal (formerly, the Local Planning Appeal Tribunal) is limited by Section 407 of the Municipal Act, 2001.

NOW THEREFORE the Council of The Corporation of the City of Oshawa enacts as follows:

1. The Mayor and the City Treasurer are authorized to borrow from time to time during the year 2025 (hereinafter referred to as the "Current Year") such sums as may be necessary to meet the current expenditures of the Municipality until the taxes are collected and other revenues are received.
2. The lender from whom amounts may be borrowed under authority of this Borrowing By-law is the ROYAL BANK OF CANADA and such other lenders as may be determined from time to time by by-law of Council.
3. The total amount which may be borrowed at any one time under this Borrowing By-law plus any outstanding amounts of principal borrowed and accrued interest shall not exceed 50 per cent of the total estimated revenues of the Municipality as set out in the budget adopted for the Current Year or \$2,000,000, whichever is less, from January 1 to September 30 of the Current Year.
4. The total amount which may be borrowed at any one time under this Borrowing By-law plus any outstanding amounts of principal borrowed and accrued interest shall not exceed 25 per cent of the total estimated revenues of the Municipality as set out in the budget adopted for the Current Year or \$2,000,000, whichever is less, from October 1 to December 31 of the Current Year.

5. The City Treasurer shall, at the time when any amount is borrowed under this Borrowing By-law, ensure that the lender is or has been furnished with a certified copy of this Borrowing By-law and a statement showing the nature and amount of the estimated revenues for the Current Year and also showing the total of any other amounts borrowed from any and all sources under authority of Section 407 of the Municipal Act, 2001 that have not been repaid.
6. If the estimates for the Current Year have not been adopted at the time an amount is borrowed under this Borrowing By-law, the limitation on total borrowing, as set out in Sections 3 and 4 of this Borrowing By-law, shall be calculated for the time being upon the estimated revenues of the Municipality as set out in the estimates adopted for the previous year.
7. If the estimates for the Current Year have not been adopted at the time an amount is borrowed under this Borrowing By-law, the statement furnished under Section 5 shall show the nature and amount of the estimated revenues of the Municipality as set out in the estimates adopted for the previous year and the nature and amount of the revenues received for and on account of the Current Year.
8. All sums borrowed under this Borrowing By-law, including any applicable interest, shall be a charge upon the whole of the revenues of the Municipality for the current year (and, where applicable, for any previous years) as and when such revenues are received. This charge does not defeat or affect and is subject to any prior charge in favour of any other lender.
9. The City Treasurer is authorized and directed to apply in payment of all or any sums borrowed under this Borrowing By-law, together with applicable interest thereon, all or any future money collected or received, from any source, which may lawfully be applied for such purpose.
10. Any banking documentation required by the lender (i.e. promissory notes, banker's acceptances, etc.) may be signed by the Mayor and the City Treasurer, who are expressly authorized in that regard, or by such other person as is authorized by future by-law or resolution of Council.
11. This By-law is in effect on the date of its passing.

By-law passed this day of , 2024.

Mayor

City Clerk