



**TOWN OF FORT FRANCES
ADMINISTRATION & FINANCE DIVISION
TREASURY REPORT 2013/116**

TO: Mayor Avis & Members of Council
FROM: Laurie Witherspoon, Treasurer
DATE: December 4, 2013
SUBJECT: 2014 Temporary Borrowing to Meet Current Expenditures

BACKGROUND

Section 407 of the Municipal Act authorizes the Town to provide for temporary borrowing, until taxes are collected and other revenue is received, necessary to meet the current expenditures of the municipality for the year. Pursuant to the Act, the total amount borrowed at any one time plus any outstanding principal borrowed and accrued interest shall not exceed 50 per cent of the total estimated revenues of the municipality from January 1 to September 30 and 25 per cent of the total estimated revenues of the municipality from October 1 to December 31 for the year.

Attached is the CIBC required documentation for borrowing for the 2014 fiscal year. An authorizing by-law must be passed.

RECOMMENDATION

The Administration & Finance Executive Committee recommends that Council authorize the preparation of a by-law for temporary borrowing in the amount of \$4,000,000 to meet 2014 expenditures.

<p>Council Approval of This Report Will Agree to the recommendation of the Administration and Finance Executive Committee to authorize the preparation of an authorizing By-Law for temporary borrowing in the amount of \$4,000,000.00 to meet 2014 expenditures.</p>



By-Law No. _____

A by-law authorizing the borrowing of money to meet current expenditures of the council of
(the "Municipality")

*The Corporation of the
Town of Fort Frances*

- A. In accordance with subsection 407(1) of the Ontario *Municipal Act*, S.O. 2001, c.25 (the "Act"), the Municipality considers it necessary to borrow the amount of \$ 4,000,000.00 to meet, until taxes are collected and other revenues are received, the current expenditures of the Municipality for the year.
- B. Pursuant to subsection 407(2) of the Act, the total amount borrowed pursuant to this by-law together with the total of any similar borrowings is not to exceed the limits set forth in that subsection or other relevant sections of the Act and if so required under subsection 407(2), the Municipality shall have obtained the approval of the Ontario Municipal Board.

Therefore, the Council of the Municipality enacts as follows:

1. The Head and the Treasurer are authorized on behalf of the Municipality to borrow from time to time from **Canadian Imperial Bank of Commerce** ("CIBC") a sum or sums not exceeding in the aggregate \$ 4,000,000.00 to meet, until taxes are collected, the current expenditures of the Municipality for the year pursuant to subsection 407(1) of the Act, and to execute any documents that are required in connection with the borrowing of the above sum, plus interest, at a rate to be agreed upon from time to time with CIBC, in addition to any reasonable charges of CIBC associated with this borrowing.
2. All sums borrowed pursuant to this by-law, as well as all other sums borrowed pursuant to the Act in this year and in previous years from CIBC for any purpose will, with interest thereon, be a charge upon the whole of the revenues of the Municipality for the current year and for all preceding years as and when this revenue is received.
3. The Treasurer is authorized and directed to apply in payment of all sums borrowed plus interest, all of the moneys collected or received on account in respect of taxes levied for the current year and preceding years or from any other source which may lawfully be applied for this purpose.
4. The Treasurer is authorized to furnish to CIBC a statement showing the nature and amount of the estimated revenues of the Municipality not yet collected and also showing the total of any amounts borrowed that have not been repaid.

Passed this _____ day of _____, _____.



Head of the Municipality

Clerk

I hereby certify that the foregoing is a true and complete copy of the By-law numbered above of the Municipality in the Province of Ontario, duly passed at a meeting of the Council of the Municipality and that this By-law is in full force and effect.

Dated this _____ day of _____, _____.

Witness the corporate seal



Clerk