

Report to Council

Report Title:	2025 Annual Repayment Limit		
Prepared By:	Trish Serratore, Chief Financial Officer		
Department:	Finance		
Date:	July 15, 2025		
Report Number:	FIN2025-19	File Number:	C11FIN
Attachments:	2025 Annual Repayment Limit (ARL) Transmittal Letter 2025 Annual Repayment Limit for Brockton		

Recommendation:

That the Council of the Municipality of Brockton receives Report Number FIN2025-19 – 2025 Annual Repayment Limit, prepared by Trish Serratore, Chief Financial Officer for information purposes.

Report:

Background:

The report on Municipal Debt Limits, based on the latest Annual Repayment Limit (ARL) provided by the Ministry of Municipal Affairs and Housing (MMA), is presented to Council annually. This report provides Council with information with respect to the municipality's existing levels of long-term debt as well as the additional long-term borrowings that could be available as per the provincial guidelines.

Analysis:

As outlined by the regulation, a municipality's ARL, as provided by the MMA represents the maximum amount that a municipality has available to commit to additional payments relating to debt and financial obligations. The limit is based on a 25% calculation of annual operating fund revenues excluding certain revenues such as government grants and transfers from reserves and reserve funds. The MMA determines the municipality's ARL under Ontario Regulation 403/02 of the *Municipal Act, 2001*, S.O. 2001, c. 25, based on the second previous year's Financial Information Return, as prepared by the municipality, and submitted annually to the MMA.

The *Municipal Act, 2001* regulation permits a maximum of 25% of net operating revenues to be used to fund principal and interest charges for debt. In 2023, the Municipality paid principal and interest charges totalling \$4,399,385. As a percentage of net operating revenues as defined under the Provincial regulation this represents 17.01%, which is under the limit. However, it should be noted this has increased from 2022 at 6.39%.

Attached to this report is a copy of the 2024 Annual Repayment Limit, provided by the MMA on July 10, 2025.

The 2025 ARL is based on information from the 2023 Financial Information Return.

Strategic Action Plan Checklist:

What aspect of the Brockton Strategic Action Plan does the content/recommendations in this report help advance?	
• Recommendations help move the Municipality closer to its Vision	N/A
• Recommendations contribute to achieving Heritage, Culture, and Community	N/A
• Recommendations contribute to achieving Quality of Life	N/A
• Recommendations contribute to achieving Land Use Planning and the Natural Environment	N/A
• Recommendations contribute to achieving Economic Development	N/A
• Recommendations contribute to achieving Municipal Governance	N/A

Financial Impacts/Source of Funding:

- Do the recommendations represent a sound financial investment from a sustainability perspective? Yes

Respectfully Submitted by:



Trish Serratore, Chief Financial Officer

Reviewed By:



Sonya Watson, Chief Administrative Officer