

Report to Council

Report Title:	2020 Annual Repayment Limit		
Prepared By:	Trish Serratore, Chief Financial Officer		
Department:	Finance		
Date:	March 10, 2020		
Report Number:	FIN2020-09	File Number:	C11FIN, F05
Attachments:	2020 Annual Repayment Limit (ARL) Transmittal Letter ARL202-Brockton ARL Guide		

Recommendation:

That the Council of the Municipality of Brockton receives Report Number FIN2020-09 – 2020 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 two year's prior Financial Information Return, as prepared by the municipality and submitted annually to the MMA.

The Municipal Act regulation permits a maximum of 25% of net operating revenues to be used to fund principal and interest charges for debt. In 2018, the Municipality paid principal and interest charges totalling \$906,833. As a percentage of net operating revenues as defined under the Provincial regulation this represents 6.02%, which is under the limit.

Attached to this report is a copy of the 2020 Annual Repayment Limit, provided by the MMA on February 25, 2020. The 2020 ARL is based on information from the 2018 Financial Information Return.

Sustainability Checklist:

What aspect of the Brockton Sustainable Strategic Plan does the content/recommendations in this report help advance?

- Do the recommendations help move the Municipality closer to its Vision? N/A
- Do the recommendations contribute to achieving Cultural Vibrancy? N/A
- Do the recommendations contribute to achieving Economic Prosperity? N/A
- Do the recommendations contribute to Environmental Integrity? N/A
- Do the recommendations contribute to the Social Equity? N/A

Financial Impacts/Source of Funding:

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

Based on the 2018 Financial Information Return, the consolidated long-term debt repayment is well below the municipalities annual repayment limit.

Respectfully Submitted by:



Trish Serratore, Chief Financial Officer

Reviewed By:



Sonya Watson, Chief Administrative Officer