



Meeting Date: April 5, 2023

Submitted by: Tiffany Farrell, Director of Corporate Services

Report No: CPS-21-2023

Subject: Annual Repayment Limit 2023

Recommendation:

THAT Report CPS-21-2023, re: Annual Repayment Limit 2023 be received for information.

Purpose:

The purpose of this report is to present to Council the 2023 Annual Repayment Limit as determined by the Ministry.

Background:

Staff received the 2023 Annual Repayment Limit (ARL) in March 2023.

The Annual Repayment limit is calculated based on data contained in the 2021 Financial Information Return (FIR). It represents the maximum amount which the Municipality had available as of December 31, 2021 to commit to payments relating to debt and financial obligation. The limit is calculated as 25% of net revenues, which based on the 2021 amount, is \$8,642,709 for 2023 (2022 - \$8,172,038).

Therefore, based on the debt outstanding, the Municipality has the capacity to borrow an amount that would result in payments equal to or less than \$6,650,850 for 2023 (2022 - \$6,158,403).

At this time, we still have a sufficient amount of borrowing capacity under the annual repayment limit of 25%. However, the Municipal debt limit under our debt policy is 17%. Based on the actual debt figures as noted in the 2021 FIR, the Municipality is only using 5.76% of the annual debt capacity of the allowed 25%.

Furthermore, a new Annual Repayment Limit is calculated every time the Municipality borrows money or in a position where borrowing may occur (i.e. drain improvements, proposed annual budget) and is presented to Council before any borrowing is completed.

Taking into account the proposed future debt, the annual repayment limit is actually at 9.87% of the allowed 25%.

Analysis:

N/A

Financial Implications:

N/A

Strategic Plan:

This matter aligns with following strategic priorities:

- Responsive Municipal Government

The annual repayment limit is a legislative requirement under the Municipal Act, staff have prepared this report in order to provide this information to Council and the public to be open and transparent, therefore it responds to Objective 5.3 – Foster a culture of innovation, continuous improvement, and cost-effective services by sharing information and gathering input, by continuing our timely and effective communication to the public.

Attachments:

A1 Annual Repayment Limit 2023 Middlesex Centre

A2 Annual Repayment Limit 2023 Middlesex Centre – with 2023 proposed debt