



Meeting Date: March 10, 2021
Submitted by: Tiffany Farrell, Director of Corporate Services
Report No: CPS-09-2021
Subject: Annual Repayment Limit 2021

Recommendation:

THAT the annual repayment limit 2021 Report CPS-09-2021 be received for information.

Purpose:

The purpose of this report is to present to Council the 2021 Annual Repayment Limit as determined by the Ministry.

Background:

Staff received the 2021 Annual Repayment Limit (ARL) at the end of February 2021.

The Annual Repayment limit is calculated based on data contained in the 2019 Financial Information Return. It represents the maximum amount which the Municipality had available as of December 31, 2019 to commit to payments relating to debt and financial obligation. The limit is calculated as 25% of net revenues, which based on the 2019 amount, is \$7,630,449 (2020- \$7,393,225).

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 \$5,436,239 (2020- \$5,200,338).

At this point 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%. Please note that a new Annual Repayment limit is calculated every time the Municipality borrows money or is in a position where borrowing may occur (Drain Improvements) and is presented to Council before any borrowing is completed.

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 2020 Middlesex Centre

A2 Annual Repayment Limit Guide

A3 2021 ARL Transmittal Letter