



# COUNTY OF WELLINGTON

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## COMMITTEE REPORT

**To:** Chair and Members of the Administration, Finance and Human Resources Committee  
**From:** Ken DeHart, County Treasurer  
**Date:** Tuesday, January 18, 2022  
**Subject:** **Temporary Borrowing Authority 2022**

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### **Background:**

Municipalities are able to borrow funds to meet current expenditures until taxes and other revenues are collected in accordance with Section 407 of the Municipal Act, 2001. The total amount borrowed at any one time and not repaid (including unpaid amounts and accrued interest from the previous year) between January 1 and September 30 must not exceed 50% of the estimated revenues of the municipality as set out in the budget adopted for the year, and between October 1 and December 31, must not exceed 25% of the total estimated revenues of the municipality. When the budget is not yet adopted, the limit upon borrowing shall be calculated using the estimated revenues of the municipality set out in the budget adopted for the previous year.

The recommended resolution allows staff to act quickly in the event borrowing becomes a necessity. Staff have no expectation that the County would need to temporarily borrow at this time. The County has not been in a temporary borrowing situation in many years. It is recommended that the maximum borrowing amount be set at \$27.2 million, which represents approximately 25% of the 2021 approved County tax levy of \$108.8 million.

### **Recommendation:**

That the Wellington County Council authorize the County Treasurer to borrow funds as required on a temporary basis (until the taxes are collected and other revenues received) to meet current expenditures of the County in 2022, subject to a maximum borrowing limit of \$27,200,000.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'Ken DeHart'.

Ken DeHart, CPA, CGA  
County Treasurer