

**FINANCIAL MANAGEMENT COMMITTEE**

**TO:**            *MAYOR AND COUNCILLORS*

**SUBJECT: PROVINCIAL CHANGES TO BORROWING REGULATIONS**

**RECOMMENDATION:**

**THAT** the report titled “Provincial Changes to Borrowing Regulations” dated July 15, 2025, of the Financial Management Committee meeting, be received for information.

**REPORT**

The Financial Management Committee, at its meeting held on July 15, 2025, received and adopted the attached report providing Council with an update on the recent changes to borrowing regulations for British Columbia municipalities.

On behalf of the Financial Management  
Committee,

Councillor S. Dhaliwal  
Chair

Councillor A. Gu  
Vice Chair

**TO:** FINANCIAL MANAGEMENT COMMITTEE (FMC)  
**FROM:** DEPUTY CHIEF ADMINISTRATIVE OFFICER AND CHIEF FINANCIAL OFFICER  
**SUBJECT:** **PROVINCIAL CHANGES TO BORROWING REGULATIONS**  
**PURPOSE:** To update Council on the recent changes to borrowing regulations for British Columbia municipalities.

## RECOMMENDATION

**THAT** the report titled “Provincial Changes to Borrowing Regulations” dated July 15, 2025, be received for information.

### 1.0 POLICY SECTION

- Municipal Liabilities Regulation, B.C. Reg. 254/2004
- Short Term Borrowing Limit Regulation, B.C. Reg. 368/2003
- Community Charter – Section 178

### 2.0 BACKGROUND

Municipalities in British Columbia are subject to borrowing limits set by the provincial government to ensure fiscal responsibility and sustainability. These limits are typically expressed as a percentage of a municipality’s annual calculation revenue which reflects its capacity to service debt. The annual calculation revenue is a subset of a municipality’s total revenue which reflects sustainable and predictable income. It ensures municipalities do not overextend themselves financially based on volatile or one-time revenues.

In June 2025, the Province of British Columbia enacted two significant amendments to municipal borrowing regulations through **Order in Council No. 276/2025**. These changes were implemented to directly support the concerns of municipalities regarding elector approval requirements for borrowing. A process which municipalities saw as prohibitive to the replacement of essential infrastructure due to the highly resource intensive and costly nature of the electoral approval process. The purpose of these changes are to expand the borrowing capacity of municipalities:

- To provide municipalities with greater financial flexibility to address growing infrastructure and service delivery needs.
- To support long-term capital planning and investment in critical areas such as housing, transportation, and climate resilience.

**3.0 GENERAL INFORMATION**

The Province of British Columbia, on June 9, 2025, amended the Municipal Liabilities Regulation and the Short-Term Borrowing Regulation to simplify the process and enhance borrowing authority without electoral approval. Previously, under the Municipal Liabilities Regulation, municipal liabilities with annual debt servicing costs (e.g. principal and interest payments) exceeding 5% of the annual calculation revenue required electoral approval. This approval-free liability threshold, under which electoral approval is not required, has now been increased to 10% of the calculation revenue. In addition, the per capita limit established under the Short Term Borrowing Limit Regulation has been increased from \$50 per resident to \$150 per resident.

**4.0 COMMUNICATION AND COMMUNITY ENGAGEMENT**

Not applicable

**5.0 FINANCIAL CONSIDERATIONS**

Municipalities provide financial data to the Provincial Ministry annually. The Local Government Data Entry (LGDE) system provides reporting statistics and guidelines to municipalities so there is clarification on borrowing capacities – both with and without electoral approval.

Based on the latest LGDE information available (December 31, 2023), the City of Burnaby’s maximum Liability Servicing Limit is \$176 million per annum with electoral approval. The approval free liability amount is \$70.3 million per annum. Based on the current Municipal Finance Authority projected long-term borrowing rates of 4.10%, the City’s maximum loan amounts for a 10-year loan based on electoral approval and approval free liability (no electoral approval required) are \$1.37 billion and \$540 million respectively

Respectfully submitted,

Douglas Spindler, Director Treasury Services  
For  
Noreen Kassam, Deputy Chief Administrative Officer and Chief Financial Officer

**ATTACHMENTS**

- Attachment 1 – cir 2511 – Changes to Borrowing Regulations.pdf
- Attachment 2 – cir 2511 – attachment OIC 276-2025.pdf

**REPORT CONTRIBUTORS**

This report was prepared by Douglas Spindler, Director Treasury Services, and reviewed by Ratan Grewal, Deputy General Manager Finance, and Richard Mester, Manager Business Process and Reporting, Finance.