



MUNICIPALITY OF **West Elgin**

The Corporation Of The Municipality Of West Elgin

By-Law No. 2021-08

Being a By-Law for Municipal Borrowing of Current Expenditures

Whereas the *Municipal Act, R.S.O. 2001* provides under Section 407 (1) that at any time during a fiscal year, a municipality may authorize temporary borrowing, until the taxes are collected and other revenues are received, of the amount council considers necessary to meet the current expenditures of the municipality for the year, including amounts required in the year for, (a) sinking and retirement funds; (b) principal and interest due on any debt of the municipality; (c) school purposes; (d) other purposes the municipality is required by law to provide for; and (e) the amount of principal and interest payable by a person or municipality primarily liable for a debt, if the municipality has guaranteed the debt and the debt is in default. 2001, c. 25, s. 407 (1); and

Whereas the *Municipal Act, R.S.O. 2001* provides under Section 407 (3) that until the budget is adopted in a year; the limits upon borrowing under subsection (2) shall temporarily be calculated using the estimated revenues of the municipality set out in the budget adopted for the previous year and under Section 407 (4) provides that in subsections (2) and (3), estimated revenues do not include revenues derivable or derived from, (a) arrears of taxes, fees or charges, or; (b) a payment from a reserve fund of the municipality, whether or not the payment is for a capital purpose; and

Whereas Council of the Corporation of the Municipality of West Elgin deems it necessary to borrow the sum of Two Million Two Hundred Thousand Dollars (\$2,200,000.00) to meet, until the taxes are collected, the current expenditures of the Corporation for the year; and

Whereas the total amounts previously borrowed under Section 407 of the *Municipal Act, 2001*, as amended from time to time, (the "Act"), that have not been repaid are **NIL dollars**; and,

Whereas the amount of the estimated revenues (as defined and interpreted in the Act) of the Corporation adopted for the previous year was **Three Million Five Hundred Thousand dollars (\$3,500,000.00)**; and

Whereas the amount to be borrowed under this by law and the amounts of borrowings that have not been repaid does not in the aggregate exceed from January 1st to September 30th

of the year, 50% of the total, and from October 1st to December 31st, 25% of the total of the estimated revenues of the Corporation as set out above; and,

Now therefore be it resolved that the Council of The Corporation of the Municipality of West Elgin enacts as follows:

1. That the Mayor and the Treasurer of the Corporation are hereby authorized on behalf of the Corporation to borrow from time to time, by way of promissory note or banker's acceptance, from the Royal Bank of Canada, a sum or sums not exceeding in the aggregate Two Million Two Hundred Thousand dollars (\$2,200,000.00) to meet until the taxes are collected, the current expenditures of the Corporation for the year, including the amount required for the purpose mentioned in subsection (1) of the said Section 407, as amended from time to time, and to give, on behalf of the Corporation, to the Bank a promissory note or notes, sealed with the corporate seal and signed by them for the moneys so borrowed, and such other documentation as may be requested by the Bank therefore, with interest at a rate not exceeding prime percent per annum, which may be paid in advance or otherwise.
2. That all sums borrowed from the said Bank, for any or all of the purposes mentioned in the said Section 407, as amended from time to time, shall with interest thereon, be a charge upon the whole of the revenues of the Corporation for the current year and for all preceding years, as and when such revenues are received.
3. That the Treasurer is hereby authorized and directed to apply in payment of all sums borrowed pursuant to the authority of this By-law, as well as all the other sums borrowed in this year and any previous years, from the said Bank for any or all of the purposes mentioned in the said Section 407, as amended from time to time, together with interest thereon, all of the moneys hereafter collected or received on account or realized in respect of the taxes levied for the current year and preceding years and all of the moneys collected or received from any other source, which may lawfully be applied for such purpose.
4. That this By-Law shall come into force and effect upon final passing.

Read a first, second, and third time and finally passed this 11th day of February, 2021.

Duncan McPhail
Mayor

Jana Nethercott
Clerk