

**Town of North Rustico, PEI**  
**Borrowing Bylaw**  
**Bylaw No. 2020-08**

A bylaw relating to the borrowing of money for capital expenditures and to finance operating expenditures in the Town of North Rustico.

This Bylaw is made under the authority of the *Municipal Government Act*, R.S.P.E.I. 1988, Cap. M-12.1.

BE IT ENACTED BY THE COUNCIL OF THE TOWN OF NORTH RUSTICO as follows:

**1. Title**

1.1. This bylaw may be cited and referred to as the “Borrowing Bylaw.”

**2. Definitions**

2.1. In this Bylaw:

- (a) “Act” means the *Municipal Government Act*, R.S.P.E.I., 1988 Cap. M012.1, as may be amended from time to time, or any successor act;
- (b) “Bylaw” means this Borrowing Bylaw, as amended from time to time;
- (c) “Chief Administrative Officer” means the administrative head of the Town as appointed by Council pursuant to subsection 86 (2) of the Act;
- (d) “Council” means the mayor and other members of the Town’s Council;
- (e) “Councillor” means a member of Council other than the Mayor;
- (f) “Mayor: means the may of the Town’s Council; and
- (g) “Town” means the Town of North Rustico.

**3. Borrowing of Funds**

3.1. All borrowing of money shall be authorized by a resolution of the Council.

3.2. Council is hereby authorized, by way of resolution, to borrow money as many reasonably be required from time to time for the following:

- (a) Capital expenditures; and
- (b) Short-term borrowing for the purpose of financing operating expenditures.

3.3. A resolution made pursuant to this Bylaw shall, in accordance with section 168 of the Act, include at a minimum:

- (a) The amount proposed to be borrowed;
  - (b) A statement that the amount borrowed will not cause the Town to exceed its debt limit;
  - (c) The purpose for which the expenditure is to be made;
  - (d) The proposed term or terms and amortization of the loan;
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- (e) The estimated rate of interest and commissions or other costs payable on the loan;
- (f) The method of repayment;
- (g) The security, if any, to be given to the Town for the repayment of the loan;
- (h) The revenue sources to be used to repay the capital and interest owing for the amount to be borrowed; and
- (i) In the case of short-term borrowing, a statement confirming that the amount borrowed is to be repaid during the current year.

3.4. In accordance with subsection 165(1) of the Act, Council shall use money borrowed for a capital expenditure only for the purpose that is stated in the resolution authorizing the borrowing of money for that capital project.

3.5. Notwithstanding subsection 3.4 of this Bylaw, upon completion of the capital project for which money is borrowed, Council may, by resolution, authorize that the unexpended balance of money for that capital project be used for another municipal purpose, in accordance with subsection 165(2) of the Act.

#### **4. Restrictions on Borrowing**

4.1. Subject to the exceptions set out in section 164 of the Act, Council shall only borrow money for capital expenditures where the amount borrowed does not increase the total capital debt of the Town, including the capital debt of a controlled corporation, to an amount in excess of ten per cent (10%) of the current assessed value of real property in the Town.

4.2. Subject to subsection 166(2) of the Act, Council shall only borrow money in the short term to finance operating expenditures where the amount borrowed does not exceed 50 per cent (50%) of the total estimated revenues of the Town as set out in the adopted operating budget contained in the financial plan for that fiscal year.

#### **5. Repeal**

5.1. All previous bylaws of the Town pertaining to borrowing are hereby repealed including, without limitation, the General Borrowing Bylaw, Bylaw #2018-2.

#### **6. Effective Date**

6.1. The Borrowing Bylaw, Bylaw #2020-08 shall be effective on the date of approval and adoption below.

**First Reading:**

This Borrowing Bylaw, Bylaw No. 2020-08, was read a first time at the Council meeting held on the 10 day of August 2020.

This Borrowing Bylaw, Bylaw No. 2020-08, was approved by a majority of Council members present at the Council meeting held on the 10 day of August 2020.

**Second Reading:**

This Borrowing Bylaw, Bylaw No. 2020-08, was read a second time at the Council meeting held on the 31 day of August, 2020.


This Borrowing Bylaw, Bylaw No. 2020-08, was approved by a majority of Council members present at the Council meeting held on the 31 day of August, 2020.

**Approval and Adoption by Council:**

This Borrowing Bylaw, Bylaw No. 2020-08, was adopted by a majority of Council members present at the Council meeting held on the 31 day of August 2020.

The Borrowing Bylaw is declared to be passed on the 31 day of August 2020.

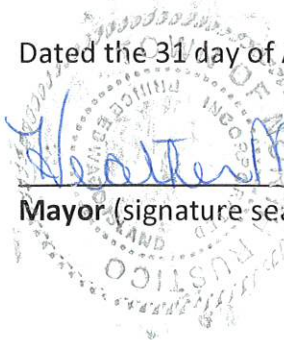
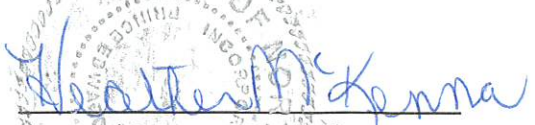
WITNESS the corporate seal of the Town.

  
\_\_\_\_\_  
Mayor (signature sealed)

  
\_\_\_\_\_  
Chief Administrative Officer (signature sealed)

BE IT RESOLVED THAT: Bylaw No. 2020-08, being a bylaw related to the borrowing of money for capital expenditures and to finance operating expenditures in the Town, is hereby enacted as a bylaw of the Town and the Mayor and Chief Administrative Officer be and they are hereby authorized to sign the Bylaw and apply to Town's seal thereto.

Dated the 31 day of August 2020.

  
  
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Mayor (signature sealed)

  
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Chief Administrative Officer (signature sealed)