



Fact sheet: the borrowing by-law

“As a citizen, I get informed and I get involved”

- 1. What is a borrowing by-law?** It is a public decision by the Council that commits the population to pay back a loan over several years; the purpose of the loan is to provide an asset or a service for citizens. Municipalities wishing to borrow sums of money for drinking water and waste water infrastructure, road or other work, or for the acquisition of assets such as equipment, can use make use of a borrowing by-law if they do not have the required funds available in their annual budget. A borrowing by-law includes a detailed description of the expense, the sector affected by the work if relevant, the method of taxation and the details of the funding.
- 2. Why use a borrowing by-law?** Depending on the nature of the work or the asset to be acquired, it is often fairer to finance the project by the citizens who will benefit from it both now and in the future. As an example, the construction of a new public swimming pool will serve the citizens living in the town today and all those who will live in the town over the next 20 years. It seems logical therefore for both the current and the future citizens to pay for the pool. On the other hand, if we accumulate the funds for the pool in advance of the construction, say over a 10-year period, it means citizens are paying for a service that they will only receive in the future. A number of those citizens who have contributed to the funds will no longer be around to benefit from the new pool: some will have moved during the ten-year period, other may have died. Importantly, new arrivals will have the benefit of the swimming pool without having contributed to the fund for its construction.
- 3- What is the procedure leading to a borrowing by-law?** The adoption procedure for a borrowing by-law is governed by the *Loi sur les élections et les référendums dans les municipalités*. Following a recommendation from the one of the Town Departments, and before the by-law is adopted, the Council must decide upon the suitability of the proposed loan. It is only after this step has been

taken that the drafting of the by-law begins. The by-law is written in line with factors established by Council and using the estimated costs submitted by the Department in question. Next, a notice of motion is tabled by a member of Council, this informs Council that they must vote on the by-law at a future sitting; the notice also brings the borrowing by-law to the attention of interested people (the citizens). Council votes on the adoption of the by-law at a meeting following the tabling of the notice of motion. If the by-law is adopted, it is the responsibility of the town clerk to set the date when the register concerning this by-law will be held. The purpose of holding a register is explained in Point 9.

4- How is the citizen informed about a borrowing by-law? A public notice, announcing that a register will be held, is posted on the Town's Web site www.sutton.ca in the Public Notices section, on the notice boards outside the Town Hall and in Glen Sutton (near the intersection of Bridge and Vallée Missisquoi roads) and published in a local newspaper. The notice provides all the relevant information concerning the holding of the register. The citizen may also consult the borrowing by-law on the Town's Web site or at the office of the Town Hall, during office hours, at 11 rue Principale Sud, Sutton.

5- So citizens should stay informed? Yes. In order to do so, citizens should pay attention to announcements of the adoption of by-laws at the Municipal Council's public meetings, take note of the Public Notices posted on the Town's Web site, bulletin boards and in local newspapers, watch the webcast of the Council meetings or subscribe to the Town's weekly newsletter.

6- How do citizens know if they are affected and in which way? In reading the public notice regarding the borrowing by-law or the holding of the register, a citizen can determine if he/she is affected by the work in question. If in doubt, the best thing is to contact the town clerk's office.

7- A borrowing by-law is a complex document. Who should citizens contact to be sure they understand it? In general, before the adoption of a borrowing by-law, Council provides summary information explaining the purpose of the loan. In addition, the Town aims to prepare a fact sheet and organize a public meeting so that citizens can ask questions concerning the loan in question.

8- How are the costs usually allocated? The cost of a borrowing by-law is divided according to the nature of the work to be done. If the work or the item to be acquired is general in nature, the cost will be shared between all taxpayers. If the work involves only one sector, only the residents in the

sector concerned will contribute to the cost. Costs may be allocated in several ways for those involved, for example according to property value, surface area, road frontage, or some other fair method.

9- What is the purpose of the register? The holding of a register enables citizens to request that a referendum be held amongst all qualified voters. In order to request that the by-law be subject to approval by all qualified voters using a referendum, a qualified voter must go to the designated place and sign the register. To do so they must identify themselves with an official identity card (driver's licence, health insurance card or passport.) The register is open from 9 a.m. to 7 p.m, usually at the Town Hall, on the date announced in the public notice. The by-law is deemed to have been approved by the qualified voters if the number of signatories requesting a referendum is less than the number established by the town clerk in accordance with the criteria set out by the law. On the other hand, if the number of required signatories is reached, the town clerk reports it to Council at the meeting following the holding of the register. The Council may then decide to hold a referendum regarding the by-law or abandon the project. Holding a referendum entails a lot of organization and expenses, and may also mean considerable delays, particularly if it is a by-law that concerns all citizens.

10- How is the number of qualified voters decided? The *Loi sur les élections et les référendums dans les municipalités* sets the rules for the calculation regarding qualified voters. This calculation considers the amount of housing units, the non-residential buildings and the establishments located in the municipality's territory or the sector concerned. According to the law, "legal persons" (*les personnes morales*, or companies) are also considered as qualified voters. This same law also lays out the formula for calculating the minimum number of signatories needed to hold a referendum.