

General questions related to proposed Loan By-Laws 303 and 304

1. What is a Loan By-Law?

A Loan By-Law enables a municipality to borrow over the long term to finance certain types of work or to purchase equipment that require a substantial investment. The capital and interest are repaid over the period that the work or equipment can be expected to usefully last. The cost of the repayment is covered by a special tax that is charged to some or all the municipal taxpayers depending on the nature of the expense.

2. Why are there so many different Loan By-Laws in 2020, which ones will I have to pay for and how much will it cost me?

The proposed loan by-laws are all for work identified in the three-year investment plan. Each project requires its own loan by-law. Provincial law clearly defines who will pay for what and if the loan by-law is subject to a register or not.

The table below summarizes the proposed loan by-laws and who will be charged for each.

By-law	Purpose	Amount	Loan period	Typical annual cost*	Qualified voters who will be charged	Register
#303	Purchase of two trucks and equipment	\$653,290	10 years	\$21	All taxpayers	Yes
#304	Repaving Mountain Street	\$488,192	20 years	\$9	All taxpayers	No

*For a residence with the average municipal evaluation of \$322,000

3. Why not use the Town reserves to finance some or all the investments rather than a Loan By-Law?

The law defines the restrictions about which reserves can be used for what. Of the Town's three reserves, none are appropriate for the planned investments. The *fonds de roulement* is not for such high expenses. The public works reserve is only for work related to roads and is currently insufficient for the planned road works. The *surplus accumulé non affecté* is for emergencies and unplanned necessary expenses.

4. What process will be used to approve the proposed Loan By-Laws?

Normally the Loan By-Law 303, but not the 304, would require a registration process for qualified voters and, if necessary, a referendum vote. However, during the health emergency and as decreed in Ministerial Order 2020-033, the municipality cannot undertake these processes and must therefore determine an appropriate alternative. Following the Ministerial Order 2020-033, qualified voters must now send a letter to the Town by email, mail or deposited in the drop box at the Town Hall. This letter will be considered as a signature on a register. Details of the procedure are available online in the Public Notice at the following address:

<https://sutton.ca/en/convocation-to-the-register-of-qualified-voters-loan-by-law-number-303>

For all Loan By-Laws, the *Ministère des Affaires municipales et de l'Habitation* must approve them, as is normally the case.

Questions relating to specific Loan By-Laws

BY-LAW #303 FOR TWO TRUCKS

1. What is the purpose of the Loan By-Law?

If adopted, the Loan By-Law will authorize an expense and a loan of up to \$653,290 over a period of 10 years to purchase two vehicles. One of these vehicles is used for snow removal and year-round road maintenance, the other one for garbage and recycle. Both will replace truck at end of their physical life.

2. The Town has replaced a lot of equipment in the past two years. Why does the Town have to replace even more this year?

The Town monitors the age and condition of all its equipment. Proper maintenance along with replacement of equipment in a timely manner guarantees that services to our community are not interrupted, that we do not pay excessively for repairs and that equipment is safe for our employees to use. The two major pieces of public works equipment that need to be replaced shortly are:

- Truck #75. A pick-up truck purchased in 2009 and having more than 215 000 km and at end of its physical life. Will be upgraded to a six-wheel truck with articulated arm for garbage and recycle.
- Truck #66. A ten-wheel truck purchased in 2009 and having more than 490 000 km and at the end of its physical life.

3. Who will pay for the loan and how much will it cost the taxpayer?

The expense is a general one meaning it benefits everyone so the repayment will be shared between all Town of Sutton taxpayers. The annual cost to the taxpayer will depend on the final expense, the interest rate and the number of taxpayers for the year in question. As a rough guide, assuming the same number of taxpayers in the sector as in 2019 and an interest rate of 3%, the annual loan repayment for 10 years would cost approximately \$21 per year for a residence with the average municipal evaluation of \$322,000.

BY-LAW #304 FOR REPAVING MOUNTAIN STREET

1. What is the purpose of the Loan By-Law?

If adopted, the Loan By-Law will authorize an expense and a loan of up to \$488,192 over a period of 20 years to repave Mountain Street between Billings Road and Schweizer Road.

2. Who will pay or the loan and how much will it cost the taxpayer?

The expense is a general one meaning it benefits everyone so the repayment will be shared between all Town of Sutton taxpayers. The loan will be paid back over a period of 20 years. The annual cost to the taxpayer will depend on the final expense, the interest rate, the number of taxpayers for the year in question and the property evaluation. As a rough guide, assuming the same number of taxpayers in the sector as in 2019 and an interest rate of 3%, the annual loan repayment for 20 years would cost approximately \$9 per year for a residence with the average municipal evaluation of \$322,000.

3. Why is Mountain Street being prioritised ahead of other roads.

The state of the section to be repaved is graded “5 – Unserviceable” meaning that more than 50 % requires replacement; any further repair work would be a bad investment. Work to other priority roads such as Scenic Road are subject to grants for which the Town is awaiting approval.

4. Why is no register held for this by-law?

The law specifies who must pay for a Loan By-Law and which borrowing bylaws are subject to a register. Loan By-Laws for road work where the repayments will be borne by all taxpayers are not subject to a register.