
GENERAL QUESTIONS CONCERNING LOAN BY-LAWS

1. What is a loan by-law?

A loan by-law (definition only in French) allows a municipality to obtain a long-term loan to finance certain work or to acquire equipment requiring a significant investment. The borrowed capital and the interest due are repayable over a predefined period corresponding to the life of the work or equipment financed. A special tax will be levied which will reimburse the borrowed capital and interest. This special tax will be paid by all or part of the municipality's taxpayers, depending on the nature of the work or the equipment.

2. How am I affected by a loan by-law and how much will it cost me as a taxpayer?

A loan by-law can cover essential works mentioned in the three-year investment plan. Each work project requires its own loan by-law. The Cities and Towns Act defines who has to pay for which project (all citizens or only some of them) and which borrowing by-law is subject to the approval of the qualified voters. In this case, a register is opened to determine if a referendum vote must be held to approve the loan by-law.

3. Why are the Town's reserves not used to finance planned projects instead of a loan by-law?

The Cities and Towns Act provides for restrictions on the use of municipal reserves. For the project mentioned above, no reserve can be used. Working capital is not intended for such large expenses. Only projects related to road works can be financed from the public works reserve, but that reserve is currently insufficient for the work envisaged. As for the unallocated accumulated surplus, it can only be used for emergencies or unforeseen expenses.

4. What approvals are required for a loan by-law?

All loan by-laws adopted by a municipality must be approved by the ministère des Affaires municipales et de l'Habitation (Ministry of Municipal Affairs and Housing), even those under \$100,000.

For loan by-laws subject to the approval of the qualified voters, the opening of a register and, if necessary, the holding of a referendum are compulsory and subject to the provisions of the Act respecting Elections and Referendums in municipalities.

Some loan by-laws do not require citizen approval, including those for road works that are for the benefit of all citizens, as is the case with proposed loan by-law number 310.

**SPECIAL QUESTIONS CONCERNING LOAN REGULATION NUMBER 310
FOR THE REPAIR OF PART OF THE SCENIC ROAD AND
THE REPLACEMENT OF 17 CULVERTS ON SCENIC AND ALDERBROOKE ROADS**

1. What is the purpose of this loan by-law?

If adopted, this loan by-law will authorize an expenditure and a loan of \$2,613,601.35 over a 25-year period to repair Scenic Road, between Schweizer and Old Notch roads, and the replacement of 17 culverts on Scenic and Alderbrooke roads.

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

This is a municipal expense that benefits everyone and will be reimbursed by all city taxpayers up to \$1,031,868.35, corresponding to the difference between the total amount of the loan and the two grants to be received from the MTQ:

Total amount of the loan:	2,613,601.35 \$
MTQ Grant for the repair of Scenic road:	-595,833.00 \$
MTQ Grant for the replacement of 17 culverts:	-985,900.00 \$
 Cost to taxpayers:	 1,031,868.35 \$

The annual cost to taxpayers will depend on the final expense, the interest rate, and the number of payers during the borrowing period. As an example, assuming the number of payers is the same as in 2021, the amount of the loan for the taxpayers is \$1,031,868.35 and the interest rate is 2%, the annual loan repayment for a 25-year period will cost around \$15 for a building with a municipal assessment of \$322,560.

The table below summarizes the proposed loan by-law number 310 and indicates the amount to be paid by the taxpayers.

By-law	Purpose	Amount to be paid by taxpayers	Repayment period	Average annual cost per property*	Payable by	Register
No. 310	Repair of Scenic Road + Replacement of 17 culverts on Scenic and Alderbrooke roads	\$1,031,868.35	25 years	15 \$	All taxpayers	No

* For a property with an average property assessment of \$322,560.

3. Why are Scenic and Alderbrooke roads prioritized over other streets or roads?

The Town prioritizes repair work based on the state of deterioration of the roads or equipment. The rehabilitation of the section of Scenic Road between Schweizer Road and Old Notch Road and the replacement of culverts on Scenic and Alderbrook roads had long been identified by the Town as a priority. However, because of the large amounts required for this major work, they had to be subject to a prior request for government subsidy. After several years of waiting, the Town is pleased to receive financial assistance from the ministère des Transports (Ministry of Transportation), which will total \$1,581,733.

4. Why is there no register required for this loan by-law?

The Cities and Towns Act specifies who must repay a loan by-law and which loan by-law requires the opening of a register for a referendum. Loan by-law number 310 pertaining to road works will be reimbursed by all taxpayers and is not subject to referendum approval.