

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 open to determine if a [referendum vote](#) (definition only in French) 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*. If a loan by-law is 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 and are payable by all taxpayers.

The proposed loan by-law must be approved by the qualified voters.

SPECIAL QUESTIONS CONCERNING LOAN BY-LAW NUMBER 323 FOR THE ACQUISITION OF VACANT LANDS LOCATED ON SEYMOUR STREET (LOTS NUMBER 4 848 122, 6 157 855 AND 6 157 856)

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

If adopted, this loan by-law will authorize an expenditure and a loan of \$1 570 896 over a 25-year period to acquire the vacant lands located on Seymour Street (lots number 4 848 122, 6 157 855 and 6 157 856) and to make certain expenditures associated with this acquisition. The map below illustrates the vacant lots (in yellow) and their location:



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 \$1 570 896. However, the Town's goal is to resell these lands to a third party or third parties who will be able to realize the Town's vision for affordable housing and housing accessibility. Ultimately, the price of this resale would pay for all the costs paid by taxpayers.

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 2022, the amount of the loan for the taxpayers is \$1 570 896 and the interest rate is 4%, the annual loan repayment for a 25-year period will cost around \$28.08 for a building with a municipal assessment of \$468 093.

By-law	Purpose	Amount to be paid by taxpayers	Repayment period	Average annual cost per property*	Payable by	Register
No. 323	Acquisition of vacant land located on Seymour Street (lots number 4 848 122, 6 157 855 and 6 157 856)	\$1 570 896	25 years	\$28.08	All taxpayers	Yes

* For a property with an average property assessment of \$468 093.