

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.

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](#) (in French only), 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 or if a subsidy has been granted for at least 50% of the expenditure.

5. What are the proposed loan by-laws?

Loan by-law number 324 is for the creation of a storm water drainage system and pavement rehabilitation on the north side of Western Street, as well as work on the parking lots in Goyette-Hill Park.

Loan by-law number 325 is to proceed with the rehabilitation of the aqueduct on the northern section of Western Street.

Loan by-law number 326 is to proceed with the rehabilitation of the wastewater system on the northern section of Western Street.

SPECIAL QUESTIONS CONCERNING LOAN BY-LAW NUMBER 324
FOR THE CREATION OF A STORM WATER DRAINAGE SYSTEM
AND THE REPAIR OF THE ROADWAY ON THE NORTHERN SECTION OF WESTERN STREET,
AS WELL AS FOR THE WORK IN THE PARKING LOT OF GOYETTE-HILL PARK

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

If adopted, this borrowing by-law will authorize an expenditure and a loan of \$5,200,000 over a 25-year period to proceed with the creation of a stormwater drainage system and the rehabilitation of the roadway on the northern section of Western Street, as well as work on the parking lots in Goyette-Hill Park.

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 a maximum of \$3,992,366, which is the difference between the total amount of the loan and the grant received or receivable under the *Gas Tax and Quebec Contribution Program* (TECQ):

Total amount of the loan:	\$5,200,000
TECQ:	- \$1,207,634
Cost to taxpayers:	\$3,992,366

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 \$3,992,366 and the interest rate is 4%, the annual loan repayment for a 25-year period will cost around \$71.35 for a building with a municipal assessment of \$468,093.

At the end of this document, summary tables summarize all the proposed loan by-laws and indicate the amount to be paid by taxpayers and which by-laws are subject to approval by those eligible to vote.

3. Why is the northern section of Western Street being prioritized over other streets or roads?

The Town prioritizes repair work based on the state of deterioration of the road or equipment. The rehabilitation of the northern section of Western Street was identified as a priority in the *Water, Sewer and Pavement Infrastructure Renewal Response Plan* produced by Tetrattech on May 10, 2017. However, due to the importance of the amounts required for this major work, the Town had to be assured of receiving sufficient amounts under the *Quebec Gas Tax and Contribution Program* (TECQ). The Town is pleased with the financial assistance under this program, which will total \$2,057,634 for the work provided for in loan by-laws 324, 325 and 326.

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. This loan by-law pertaining to road works will be reimbursed by all taxpayers and [is not subject to referendum approval](#).

**SPECIAL QUESTIONS CONCERNING LOAN BY-LAW NUMBER 325
FOR THE REHABILITATION OF THE AQUEDUCT ON THE NORTHERN SECTION OF WESTERN STREET**

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

If adopted, this borrowing by-law will authorize an expenditure and a loan of \$800,000 over a 25-year period to proceed with the rehabilitation of the aqueduct on the northern section of Western Street.

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

This is a sectoral expense that benefits only those who are served by the aqueduct - Village Sector and will be reimbursed by the taxpayers of this sector up to a maximum of \$400,000, corresponding to the difference between the total amount of the loan and the subsidy received or to be received within the framework of the *Gas Tax and Quebec Contribution Program (TECQ)*:

Total amount of the loan:	\$800,000
TECQ:	- \$400,000
Cost to taxpayers:	\$400,000

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 \$400,000 and the interest rate is 4%, the annual loan repayment for a 25-year period will cost around \$40.61 for a building with a municipal assessment of \$468,093.

At the end of this document, summary tables summarize all the proposed loan by-laws and indicate the amount to be paid by taxpayers and which by-laws are subject to approval by those eligible to vote.

3. Why is the North Western Street aqueduct prioritized over other aqueducts?

The Town prioritizes repair work based on the state of deterioration of the road or equipment. The rehabilitation of the northern section of Western Street was identified as a priority in the *Water, Sewer and Pavement Infrastructure Renewal Response Plan* produced by Tetrattech on May 10, 2017. However, due to the importance of the amounts required for this major work, the Town had to be assured of receiving sufficient amounts under the *Quebec Gas Tax and Contribution Program (TECQ)*. The Town is pleased with the financial assistance under this program, which will total \$2,057,634 for the work provided for in loan by-laws 324, 325 and 326.

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 vote. This loan by-law concerns drinking water supply work for which at least 50% of the planned expenditure is subject to a subsidy and [is not subject to referendum approval](#).

SPECIAL QUESTIONS CONCERNING LOAN BY-LAW NUMBER 326
FOR THE REHABILITATION OF THE WASTEWATER SYSTEM ON THE NORTHERN SECTION OF WESTERN STREET

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

If adopted, this borrowing by-law will authorize an expenditure and a loan of \$900,000 over a 25-year period to proceed with the rehabilitation of the wastewater system on the northern section of Western Street.

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

This is a sectoral expense that benefits only those who are served by the wastewater system - Village Sector and Mountain Sector and will be reimbursed by the taxpayers of these sectors up to a maximum of \$450,000, corresponding to the difference between the total amount of the loan and the subsidy received or to be received within the framework of the *Gas Tax and Quebec Contribution Program* (TECQ):

Total amount of the loan:	\$900,000
TECQ:	- \$450,000
Cost to taxpayers:	\$450,000

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 \$450,000 and the interest rate is 4%, the annual loan repayment for a 25-year period will cost around \$24.05 for a building with a municipal assessment of \$468,093.

At the end of this document, summary tables summarize all the proposed loan by-laws and indicate the amount to be paid by taxpayers and which by-laws are subject to approval by those eligible to vote.

3. Why is the North Western Street wastewater system prioritized over other wastewater system?

The Town prioritizes repair work based on the state of deterioration of the road or equipment. The rehabilitation of the northern section of Western Street was identified as a priority in the *Water, Sewer and Pavement Infrastructure Renewal Response Plan* produced by Tetrattech on May 10, 2017. However, due to the importance of the amounts required for this major work, the Town had to be assured of receiving sufficient amounts under the *Quebec Gas Tax and Contribution Program* (TECQ). The Town is pleased with the financial assistance under this program, which will total \$2,057,634 for the work provided for in loan by-laws 324, 325 and 326.

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 vote. This loan by-law concerns wastewater disposal work for which at least 50% of the planned expenditure is subject to a subsidy and [is not subject to referendum approval](#).

SUMMARY TABLES

By-law	Purpose	Amount to be paid by taxpayers	Repayment period	Average annual cost per property*	Payable by	Register
No. 324	Creation of a storm water drainage system and the repair of the roadway on the northern section of Western Street, as well as for the work in the parking lot of Goyette-Hill Park	\$3,992,366	25 years	\$71.35	All taxpayers	No
No. 325	Rehabilitation of the aqueduct on the northern section of Western Street	\$400,000	25 years	\$40.61	Taxpayers served by the aqueduct - Village Sector	No
No. 326	Rehabilitation of the wastewater system on the northern section of Western Street	\$450,000	25 years	\$24.05	Taxpayers served by the wastewater system - Village Sector and Mountain Sector	No

Properties	Applicable by-laws	Average annual cost per property*	Register
Properties of the Village Sector served by the aqueduct and by the wastewater system	324 325 326	\$136.01	No
Properties of the Mountain Sector served by the wastewater system	324 326	\$95.40	No
Unserviced properties	324	\$71.35	No

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