

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 major purchases mentioned in the three-year program of capital expenditures. The *Cities and Towns Act* defines who has to pay for which major purchase (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, the working capital is not intended for such large planned expenditures. As for the unallocated accumulated surplus, it shall 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?

The purpose of Loan by-law number 331 is to authorize awarding of a contract, borrowing and necessary expenditures, up to a maximum of \$426,160, in order to replace breathing apparatus, masks, cylinders and accessories, as announced in the 2023-2024-2025 program of capital expenditures ([page 35 of PDF](#)). Repayment will be over a 10-year period.

**SPECIAL QUESTIONS CONCERNING LOAN BY-LAW NUMBER 331
FOR THE REPLACEMENT OF BREATHING APPARATUS**

1. 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 \$426,160.

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 2023, the amount of the loan for the taxpayers is \$426,160 and the interest rate is 4%, the annual loan repayment for a 10-year period will cost around \$14.90 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. 331	Replacement of breathing apparatus and cylinders	\$426,160	10 years	\$14.90	All taxpayers	Yes

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

2. The Town has replaced a lot of fire equipment over the past years. Why is it replacing equipment again this year?

The Town of Sutton monitors its equipment by assessing its age and condition, among other things. Timely preventive maintenance of some equipment, in addition to the replacement of others, ensures firefighter safety and compliance with fire regulations.

3. Why is a 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 [is subject to referendum approval](#) and a public notice will be published at a later date to inform taxpayers of the register.