

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 (PTI). 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 public works reserve and the working capital is not intended for such large planned expenditures. 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 drinking water supply that are for the benefit of all citizens or if a subsidy has been granted for at least 50% of the expenditure.

The proposed borrowing regulation is not subject to approval by those eligible to vote.

5. What are the proposed loan by-laws?

The purpose of Loan By-Law number 364 is to authorize the award of a contract and the necessary expenditures, up to a maximum of \$2,089,680 and the borrowing up to a maximum of \$660,030 to finance drilling work, as well as the construction of a pilot well and a drinking water supply well in the Academy sector, as announced in the 2026–2027–2028 triennial capital assets plan (PTI). The repayment will be made over a period of 25 years.

SPECIAL QUESTIONS CONCERNING LOAN BY-LAW NUMBER 364 FOR THE CONSTRUCTION OF A SECOND WELL IN THE ACADEMY SECTOR

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

If adopted, this borrowing by-law will authorize an expense of \$2,089,680 and a loan of \$660,030 for the construction of a second well in the Academy sector.

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

This is a municipal expense that benefits the village center—more specifically, the Town’s taxpayers served by the municipal water system, who will be required to reimburse the borrowing said expense to a maximum of \$660,030, which is the difference between the total amount of the loan and the grant received or receivable under the *Programme de transfert pour les infrastructures d'eau et collectives du Québec 2024-2028* (TECQ):

Total amount of the loan:	\$2,089,680
TECQ:	- \$1,429,650
Cost to taxpayers:	\$660,030

The annual cost to the eligible taxpayers will depend on the final expense, the interest rate, and the number of payers during the borrowing period. Based on the number of taxpayers listed in the tax roll summary currently available for review, with the loan amount for the affected taxpayers totaling \$660,030 and an estimated interest rate of 3.5%, the annual repayment of this loan over a 25-year period will cost approximately \$47.58 for a property with a municipal assessment of \$677,030.

By-law	Purpose	Amount to be paid by taxpayers	Repayment period	Average annual cost per property*	Payable by	Register
No. 364	Construction of a second well in the Academy sector	\$660,030	25 years	\$47.58	Village center: Town’s taxpayers served by the municipal water system	No

* For a property with an average assessed value of \$677,030.

3. Why does the city need to add a second well?

The first Academy well is currently the Town's only source of drinking water supply for the urban area. Like any infrastructure, a well ages over time. As the existing well gets older, the risk of the well screen collapsing increases, which could affect its operation.

Since there is no alternative source of water supply for this service area, a failure of the Academy well could result in an interruption of drinking water service for residents.

The purpose of constructing a second well is to ensure the reliability and continuity of the Town's drinking water supply. It will provide a backup source, reduce the risks associated with a failure of the existing well, and help ensure a safe and dependable water supply for years to come.

4. 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 borrowing regulation concerns drinking water supply projects and is eligible for a 50% subsidy; therefore, it is not subject to approval by those eligible to vote.