

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 road works 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 resolution must be approved by those eligible to vote.

5. What are the proposed loan by-laws?

The purpose of Loan By-Law number 335 is to authorize the awarding of a contract, the borrowing and the necessary expenditures, up to a maximum of \$504,000, in order to replace a 6-wheel truck with snow removal equipment, as announced in the 2026-2027-2028 program of capital expenditures (PTI). The repayment will be over a 10-year period.

**SPECIAL QUESTIONS CONCERNING LOAN BY-LAW NUMBER 353
FOR THE REPLACEMENT OF A 6-WHEEL TRUCK WITH SNOW REMOVAL EQUIPMENT**

1. What is the purpose of this borrowing regulation?

This is a municipal expense that benefits everyone and will be reimbursed by all Town taxpayers up to a maximum of \$504,000.

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

This is a municipal expense that benefits everyone and will be reimbursed by all Town taxpayers up to a maximum of \$504,000.

The annual cost to taxpayers will depend on the final expenditure, the interest rate, and the number of payers during the borrowing period. Considering the number of payers indicated in the summary of the roll currently available for assessment, the loan amount for taxpayers of \$504,000, and an estimated interest rate of 3.5%, the annual repayment of this loan over a 25-year period will cost approximately \$16.38 for a building 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. 353	Replacement of a 6-wheel truck with snow removal equipment	\$504,000	10 years	\$16.38	All taxpayers	No

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

3. The Town has replaced several vehicles and pieces of equipment in recent years. Why is it replacing more this year?

The Town of Sutton monitors all of its equipment by assessing, among other things, its age and condition. Timely preventive maintenance of certain equipment, in addition to the replacement of other equipment, ensures continuous service to the public, reduces maintenance costs, and guarantees the safety of Town employees.

4. Why is there a register for this loan regulation?

The Cities and Towns Act specifies who must repay a borrowing by-law and which borrowing by-laws require the opening of a register for a referendum vote. This borrowing by-law is subject the [approval of the qualified voters](#) (in French only), and a public notice will be published at a later date to inform taxpayers that a register will be opened.