

THE CORPORATION OF THE MUNICIPALITY OF MAGNETAWAN

BY-LAW NO. 2004 - 02

**Being a BY-LAW To Authorize
BORROWING FOR CURRENT EXPENDITURES
DURING THE FISCAL YEAR ENDING DECEMBER 31, 2004.**

WHEREAS Section 407 of the *Municipal Act, 2001*, S.O. 2001 c.25, as amended, provides that at any time during a fiscal year, a Municipality may authorize temporary borrowing, until the taxes are collected and other revenues are received, of the amount Council considers necessary to meet the current expenditures of the Municipality for the year; and

WHEREAS the total amount which may be borrowed from all sources at any one time, to meet the current expenditures of the Corporation, except with the approval of the Ontario Municipal Board, is limited by Section 407 (2) of the *Municipal Act, 2001*;

NOW THEREFORE The Council of the Corporation of the Municipality of Magnetawan enacts as follows:

- 1) **Borrowing Authority**
The Head of Council and the Treasurer are hereby authorized to borrow from time to time by way of promissory note or bankers' acceptance during the year 2004 (hereinafter referred to as the current year) such sums as may be necessary to meet, until the taxes are collected and until other revenues are received, the current expenditures of the Corporation and the other amounts that are set out in Subsection 407(1) of the *Municipal Act*.
- 2) **Instruments**
A promissory note or bankers' acceptance made under Section 1 shall be signed by the Head of Council or such other person as authorized by By-Law to sign, and by the Treasurer.
- 3) **Lenders**
The Lenders from whom amounts may be borrowed under authority of this By-Law shall be the Kawartha Credit Union Limited and such other lender(s) and reserve funds of the Municipality as may be determined from time to time by Resolution of Council.
- 4) **Limit On Borrowing**
Except with the approval of the Ontario Municipal Board, the total amount borrowed at any one time plus any outstanding amounts of principal borrowed and accrued interest shall not exceed:
 - a) from January 1 to September 30 in the year, 50 per cent of the total estimated revenues of the Municipality as set out in the budget adopted for the year; and
 - b) from October 1 to December 31 in the year, 25 per cent of the total estimated revenues of the Municipality as set out in the budget adopted for the year.

For purposes of this By-Law, the estimated revenues of the Corporation shall not

include revenues derivable or derived from:

- a) any borrowing, including through any issue of debentures;
- b) a surplus, including arrears of taxes, fees or charges; or
- c) a transfer from the capital fund, reserve funds or reserves.

5) **Borrowing Documents Required**

The Treasurer shall, at the time when any amount is borrowed under this By-Law, ensure that the lender is or has been furnished with a certified copy of this By-Law, a certified copy of the Resolution mentioned in Section 3 determining the lender if applicable and a certified copy of the estimates of the Corporation adopted for the current year and also showing the total of any other amounts borrowed from any and all sources under authority of Section 407 of the *Municipal Act, 2001* that have not been repaid.

6) **Pending adoption of Budget**

Until the budget is adopted in a year, the limits upon borrowing under Section 407 (2) shall temporarily be calculated using the estimated revenues of the Municipality set out in the budget adopted for the previous year.

7) **Directive To Treasurer**

The Treasurer is hereby authorized and directed to apply in payment of all or any sums borrowed under this By-Law, together with interest thereon, all or any of the money hereafter collected or received, either on account of or realized in respect of, the taxes levied for the current year and preceding years or from any other source, which may lawfully be applied for such purpose.

8) **Effective Date**

This By-Law shall come into force on the 1st day of January, 2004.

Passed in open Council as read a First, Second and Third time
this 14th day of January, 2004.

Jack Crossman, *Deputy Reeve*

Brenda J. Fraser, *Clerk/Administrator*