



Town of Borden-Carleton Borrowing Bylaw

**Town of Borden-Carleton, PE
A Bylaw to Authorize General Borrowing
Bylaw # 2018-04**

IT IS ENACTED by the Council of the Town of Borden-Carleton as follows:

1. Title

1.1. This bylaw shall be known and cited as the "General Borrowing Bylaw."

2. Authority

2.1. The *Municipal Government Act* R.S.P.E.I. 1988, Cap. M-12.1.

3. Application

3.1. This bylaw applies to the borrowing of money by the Town of Borden-Carleton and its controlled corporations.

3.2. All borrowing of money by the Town of Borden-Carleton, including by a controlled corporation, shall be authorized by a resolution of Council passed pursuant to this bylaw.

4. Definitions

4.1. "Act" means the *Municipal Government Act* R.S.P.E.I. 1988, Cap. M-12.1.

4.2. "Chief Administrative Officer" or "CAO" means the administrative head of the Town of Borden-Carleton as appointed by Council.

4.3. "Council" means the Mayor and other members of the council of the Town of Borden-Carleton.

4.4. "Resolution" means a resolution duly made by Council in accordance with the Act during a regular or special meeting of Council.

4.5. "Short Term Basis" means 183 calendar days or less.

4.6. Defined terms in this bylaw may or may not be capitalized dependent upon usage.

5. Borrowing for Capital Expenditures

5.1. Council shall only borrow money for capital expenditures where the amount borrowed does not increase the total capital debt of the Town of Borden-Carleton, including the capital debt of a controlled corporation, to an amount greater than ten per cent (10%) of the current assessed value of real property in the Town.



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- 5.2. Despite subsection 5.1 above, where a contribution agreement has been signed between Council and the Government of Prince Edward Island or the Government of Canada, any monies borrowed by the Council for capital expenditures made pursuant to the agreement shall not be included in calculations to determine the borrowing debt limit, to the extent of the contribution of monies coming from the Government of Prince Edward Island or the Government of Canada to the Town of Borden-Carleton.
- 5.3. Council shall use money borrowed for a capital expenditure only for the purpose that is stated in the resolution authorizing the borrowing of money for that capital project.
- 5.4. Despite subsection 5.3 above, upon completion of the capital project for which money was borrowed, Council may, by resolution, authorize that any unexpended balance of money for that capital project be used for another municipal purpose.

6. Short Term Borrowing

- 6.1. Council may, from time to time and on a short-term basis, borrow money for the financing of operating expenditures.
- 6.2. Council shall only borrow money, in the short term, to finance operating expenditures where the amount borrowed does not exceed 50 per cent (50%) of the total estimated revenues of the municipality as set out in the adopted operating budget contained in the financial plan for that fiscal year.

7. Resolution Required for Borrowing

- 7.1. Council is hereby authorized, by way of resolution, to borrow money as may reasonably be required from time to time for the following:
 - (a) capital expenditures; and
 - (b) short term borrowing.

8. Contents of Borrowing Resolution

- 8.1. A resolution made pursuant to this bylaw shall include:
 - (a) the amount proposed to be borrowed;
 - (b) a statement that the amount borrowed will not cause the municipality to exceed its debt limit;
 - (c) the purpose for which the expenditure is to be made;
 - (d) the proposed term or terms and amortization of the loan;
 - (e) the estimated rate of interest and commissions or other costs payable on the loan;



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- (f) the method of repayment;
- (g) the security, if any, to be given by the municipality for the repayment of the loan; and
- (h) in the case of short term borrowing, a statement confirming that the amount borrowed is to be repaid during the current year.

9. Signing Authority

- 9.1. All borrowing agreements shall be signed by both:
 - (a) the Mayor; and
 - (b) the Chief Administrative Officer.
- 9.2. Subject to the Act, the Mayor and Chief Administrative Officer may each, in writing, designate another person to sign a borrowing agreement.
- 9.3. Council may by resolution authorize the Chief Administrative Officer alone to sign borrowing agreements if:
 - (a) the value of the contract or agreement does not exceed \$25,000; and
 - (b) the Chief Administrative Officer tables a written summary of the nature and value of the contract or agreement at the next meeting of Council.

10. Severability

- 10.1. If any provision in this bylaw is deemed to be invalid for any reason, then that provision shall be severed from this bylaw and all remaining provisions shall remain valid and in force.

11. Effective Date

- 11.1. This Borrowing Bylaw, Bylaw# 2018-04, shall be effective on the date of approval and adoption below.



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First Reading: This General Borrowing Bylaw, Bylaw# 2018-04, was read a first time at the Council meeting held on the 10th day of July, 2018.

This General Borrowing Bylaw, Bylaw# 2018-04, was approved by a majority of Council members present at the Council meeting held on the 10th day of July, 2018.

Second Reading: This General Borrowing Bylaw, Bylaw# 2018-04, was read a second time at the Council meeting held on the 14th day of August, 2018.

This General Borrowing Bylaw, Bylaw# 2018-04, was approved by a majority of Council members present at the Council meeting held on the 14th day of August, 2018.

Approval and Adoption by Council:

This General Borrowing Bylaw, Bylaw# 2018-04, was adopted by a majority of Council members present at the Council meeting held on the 14th day of August, 2018.

12. Signatures

Mayor

Chief Administrative Officer

Date

Date

This General Borrowing Bylaw 2018-04 adopted by Council of the Town of Borden-Carleton on August 14, 2018 is certified to be a true copy.