

**THE CORPORATION OF THE MUNICIPALITY OF MAGNETAWAN**

**BY-LAW NO. 2017 - 02**

**Being a By-law to authorize borrowing for current expenditures for 2017**

**WHEREAS** Section 407 of *the Municipal Act, 2001, S.O 2001, C.25*, as amended, provides that a municipality may at any time during a fiscal year authorize temporary borrowing, until the taxes are collected and other revenues are received, of the amounts that the municipality considers necessary to meet the expenses of the municipality for the current year and of the amounts, whether or not they are expenses for the year, that the municipality requires in the year.

**AND WHEREAS** Section 407 (2) of *the Municipal Act, 2001, S.O 2001, C.25*, as amended, limits the total amount that may be borrowed from all sources at any one time, except with the approval of the Ontario Municipal Board.

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

**1. Borrowing By-law**

The signing authorities of the Corporation of the Municipality of Magnetawan are hereby authorized to borrow from time to time of promissory note or bankers' acceptance during the year 2017 (current year) such amounts as may be necessary to meet, until the taxes are collected and until other revenues are received, the current expenditures of the Municipality and other amounts that are stated in Section 407 (1) of *the Municipal Act, 2001, S.O 2001, C.25*, as amended.

**2. Instruments**

A promissory note or bankers' acceptance made under Section 1 of this By-law shall be signed by the Treasurer and by the Head of Council or other such person authorized by By-law.

**3. Lenders**

The Lenders from whom amounts may be borrowed under the authority of this By-law shall be the Kawartha Credit Union Limited, and other such tender(s) and reserve funds of the Municipality as may be determined from time to time by Council resolution.

**4. Limit on Borrowing**

Except with 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, fifty per cent (50%) of the total estimated revenues of the Municipality as set out in the budget adopted for the year.
- b) from October 1 to December 31 in the year, twenty-five per cent (25%) of the total estimated revenues of the Municipality as set out in the budget adopted for the year.

Council MTG. of Jan 11/17

Agenda Item # 8.2.

For the purposes of this By-law, the estimated revenues of the Municipality shall not include revenues derived from or derivable from:

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

**5. Borrowing Documents Required**

At the time any amount is borrowed under this By-law, the Treasurer shall 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 Municipality adopted for the current year and also showing the total of any amounts borrowed from any and all sources under authority of Section 407 of *the Municipal Act, 2001, S.O 2001, C.25*, as amended.

**6. Pending Adoption of the Budget**

Until the budget is adopted in the current year, the limits upon borrowing under Section 407 (2) of *the Municipal Act, 2001, S.O 2001, C.25*, as amended, shall be calculated temporarily using the estimated revenues of the Municipality, as adopted in the previous year's budget.

**7. Directive to Treasurer**


The Treasurer is authorized and directed to apply in payment of any or all amounts borrowed under this By-law together with interest, any or all of the funds collected or received, either on account or realized in respect of the taxes levied for the current year and preceding years, or from any other source that may be applied under prevailing legislation for such purpose.

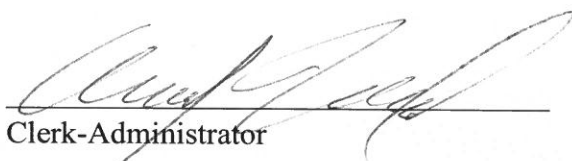
**8. Effective Date**

This By-law shall come into effect retroactive the 1<sup>st</sup> day of January, 2017

**READ A FIRST, SECOND, AND THIRD TIME**, passed, signed and the Seal of the Corporation affixed hereto, this 11<sup>th</sup> day of January, 2017

**THE CORPORATION OF THE  
MUNICIPALITY OF MAGNETAWAN**

  
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Mayor

  
\_\_\_\_\_  
Clerk-Administrator