

THE CORPORATION OF THE MUNICIPALITY OF MAGNETAWAN

BY-LAW NO. 2012-04

BEING A BY-LAW TO AUTHORIZE BORROWING FOR CURRENT EXPENDITURES 2012

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

AND WHEREAS the total amount that may be borrowed from all sources at any one time to meet the current expenditures of the Municipality, 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 By-law:

The signing Authorities of the Municipality of Magnetawan are hereby authorized to borrow from time to time of promissory note or bankers' acceptance during the year 2012 (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 Subsection 407 (1) of the Municipal Act.

2. Instruments:

A promissory note or bankers' acceptance made under Section 1 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 authority of this by-law shall be the Kawartha Credit Union Limited and other such lender(s) and reserve funds of the Municipality as may be determined from time to time by Council resolution.

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, fifty percent (50%) of the total estimated revenues of the Municipality as approved in the budget adopted for the year.

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- b) From October 1 to December 31 in the year, twenty-five per cent (25%) of the total estimated revenues of the Municipality as approved in the budget adopted for the year.

For purposes of this by-law, the estimated revenues of the Municipality shall not include revenues derived 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 that 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 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 the Budget:


Until the budget is adopted in the current year, the limits upon borrowing under Section 407(2) shall be calculated temporarily using the estimated revenues of the Municipality, 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 1st day of January 2012.

Read a first, second and third time and adopted this 8th day of February 2012.



Mayor



Clerk