



Communities,  
Land and  
Environment

Communautés,  
Terres et  
Environnement



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Canada C1A 7N8

Ms. Hilary Price  
Community of Victoria  
P.O. Box 7  
Victoria PE C0A 2G0

August 22, 2018

Dear Ms. Price,

**Re: Victoria – General Borrowing Bylaw (Bylaw #2018-01, adopted March 26, 2018)**

I wish to acknowledge receipt of the following bylaw:

- Victoria – General Borrowing Bylaw (Bylaw #2018-01, adopted March 26, 2018)

A copy of the above noted bylaw has been filed in accordance with the *Municipal Government Act*, s.129. Enclosed is the filed bylaw.

Please be advised that it is the responsibility of the municipality passing a bylaw to both ensure that the subject area covered by the bylaw is within the jurisdiction of the municipality and that the procedures for the passage of a bylaw under the *Municipal Government Act* have been complied with.

Please feel free to contact me should you have any questions regarding this matter.

Regards,

Wendy McIsaac  
Sr. Policy Analyst, Municipal Affairs  
(902) 569-7621  
[wmcisaac@gov.pe.ca](mailto:wmcisaac@gov.pe.ca)

Encl.

City of Municipality of Victoria  
Received August 21, 2018

**Rural Municipality of Victoria, PEI**  
**A Bylaw to Authorize General Borrowing**  
**Bylaw #2018-01**

**BE IT ENACTED** BY THE Council of the Rural Municipality of Victoria as follows:

- 1. Title**
  - 1.1 This bylaw shall be known and cited as the “General Borrowing Bylaw.”
- 2. Authority**
  - 2.1 Sections 164-166 of the *Municipal Government Act* R.S.P.E.I. 1988, Cap. M-12.1., enable municipalities to provide, by bylaw, for the borrowing of money for the purpose of capital expenditures and to finance operating expenditures on a short term basis through the adoption of a bylaw for those purposes.
- 3. Application**
  - 3.1 This bylaw applies to the borrowing of money for capital expenditures or to finance operating expenditures on a short term basis.
  - 3.2 All borrowing of money shall be authorized by a resolution of Council.
- 4. Definitions**
  - 4.1 “Act” means the *Municipal Government Act*.
  - 4.2 “Chief Administrative Officer” or “CAO” means the administrative head of municipality as appointed by Council under subsection 86(2)© of the *Municipal Government Act*.
  - 4.3 “Council” means the Mayor and other members of the council of the municipality.
  - 4.4 “Resolution” means a resolution duly made by Council in accordance with the Act during a regular meeting or a special meeting of Council.
- 5. Borrowing for Capital Expenditures**
  - 5.1 Pursuant to subsection 164(3) of the Act, Council shall only borrow money for capital expenditures where the amount borrowed does not increase the total capital debt of the Rural Municipality of Victoria, including the capital debt of a controlled corporation, to an amount in excess of ten per cent (10%) of the current assessed value of real property in the Rural Municipality of Victoria.
  - 5.2 In accordance with subsection 164(5) of the Act, 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, as the case may be, to the municipality.
  - 5.3 Pursuant to subsection 165(1) of the Act, 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 of this bylaw, upon completion of the capital project for which money was borrowed, Council may, by resolution, authorize that the unexpended balance of money for that capital project be used for another municipal purpose, in accordance with subsection 165(2) of the Act.

**6. Short Term Borrowing**

6.1 Pursuant to subsection 166(1) of the Act, Council may, from time to time and on a short term basis, borrow money for the purpose of financing operating expenditures.

6.2 Pursuant to subsection 166(2) of the Act, 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 the Purpose of 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:

(1.a) capital expenditures; and

(1.b) short term borrowing

**8. Contents of Borrowing Resolution**

8.1 A resolution made pursuant to this bylaw shall, in accordance with section 168 of the Act, include at a minimum:

(1.a) the amount proposed to be borrowed;

(1.b) a statement that the amount borrowed will not cause the municipality to exceed its debt limit;

(1.c) the purpose for which the expenditure is to be made;

(1.d) the proposed term or terms and amortization of the loan;

(1.e) the estimated rate of interest and commissions or other costs payable on the loan;

(1.f) the method of repayment; and

(1.g) the security, if any, to be given by the municipality for the repayment of loan;

(1.h) the revenue sources to be used to repay the capital and interest owing for the amount to be borrowed;

(1.i) 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 Pursuant to subsection 156(1) of the Act, all borrowing agreements shall be signed by both:

(1.a) the Mayor

(1.b) the Chief Administrative Officer



- 9.2 The Mayor and Chief Administrative Office may each, in writing, designate another person to sign a borrowing agreement, in accordance with subsection 1456(2) of the Act.
- 9.3 Pursuant to subsection 156(5) of the Act, Council may by resolution authorize the Chief Administrative Officer alone to sign borrowing agreements if
  - (3.a) the value of the contract or agreement does not exceed \$25,000; and
  - (3.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. Effective Date**

- 10.1 This Borrowing Bylaw, Bylaw #2018-01, shall be effective on the date of approval and adoption below.

**First Reading:**

This General Borrowing Bylaw, Bylaw #2018-01, was read a first time at the Council meeting held on the 12th day of February, 2018.

This General Borrowing Bylaw, Bylaw #2018-01, was approved by a majority of Council members present at the Council meeting held on the 12th day of February, 2018.

**Second Reading:**

This General Borrowing Bylaw, Bylaw #2018-01, was read a second time at the Council meeting held on the 26th day of March, 2018.


This General Borrowing Bylaw, Bylaw #2018-01, was approved by a majority of Council members present at the Council meeting held on the 26th day of March, 2018.

**Approval and Adoption by Council:**


This General Borrowing Bylaw, Bylaw #2018-01, was adopted by a majority of Council members present at the Council meeting held on the 26th day of March, 2018

**11. Signatures:**

  
 \_\_\_\_\_  
 Mayor

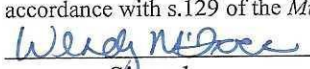
  
 \_\_\_\_\_  
 Chief Administrative Officer

This General Borrowing Bylaw, Bylaw #2018-01, adopted by the Council of the Rural Municipality of Victoria on 26<sup>th</sup> day of March, 2018 is certified to be a true copy.

  
 \_\_\_\_\_  
 Chief Administrative Officer

  
 \_\_\_\_\_  
 Date

Filed on behalf of the Minister of Communities, Land and Environment in accordance with s.129 of the *Municipal Governance Act*

  
 \_\_\_\_\_  
 Signed

  
 \_\_\_\_\_  
 Dated