

**MUNICIPALITY OF CENTRAL MANITOULIN**

**BY-LAW 2011-02**

Being a by-law to authorize the borrowing of money to meet the current expenditures of the Municipality of Central Manitoulin

**WHEREAS** in accordance with subsection 407(1) of the *Municipal Act, 2001, S.O. 2001, c.25* as amended (the "Act"), the Council of the Municipality of Central Manitoulin (the "Municipality") may deem it necessary to borrow from time to time the sum of \$2,000,000.00 ( two million) to meet, until taxes are collected, the current expenditures of the Municipality for the year 2011;

**AND WHEREAS** the total amount previously borrowed by the Municipality pursuant to subsection 407(1) of the Act that has not been repaid is "nil";

**AND WHEREAS**, until the budget is adopted in a year, the limits upon borrowing under subsection 407(2) of the Act, shall temporarily be calculated using the estimated revenues of the municipality set out in the budget adopted for the previous year 2010 is \$8,175,300.00 (eight million one hundred and seventy five thousand three hundred dollars)

**AND WHEREAS** in accordance to subsection 407(2) of the Act, the total amount borrowed pursuant to this By-law, together with the total of any similar borrowing, is not to exceed:

- a) from January 1 to September 30 in the year, fifty percent (50%) 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, twenty-five percent (25%) of the total estimated revenues of the municipality as set out in the budget adopted for the year.

**NOW THEREFORE** the Council of the Municipality of Central Manitoulin hereby enacts as follows:

1. **THAT** the Reeve and the Treasurer are authorized, on behalf of the Municipality, to borrow from time to time, by way of promissory note or bankers' acceptance from the Municipality's financial institution (the "Bank"), a sum or sums not exceeding in the aggregate \$2,000,000.00 (two million) to meet, until taxes are collected, the current expenditures of the Municipality for the year, including the amounts required for the purposes mentioned in subsection 407(1) of the Act and to give on behalf of the Municipality to the Bank, promissory notes or bankers' acceptances, as the case may be, sealed with the Corporate Seal and signed by the Mayor and Treasurer for the sums borrowed plus interest at a rate to be agreed upon from time to time with the Bank.
2. **THAT** all sums borrowed pursuant to the authority of this by-law, as well as all other sums borrowed this year and in previous years from the Bank for any or all of the purposes in the Act, shall, with interest thereon, be a charge upon the whole of the revenues of the Municipality for the current year and for all preceding years as and when such revenues are received.
3. **THAT** the Treasurer is authorized and directed to apply in payment of all sums borrowed plus interest, all of the monies collected or received on account in respect of taxes levied for the current year and preceding years or from any other sources which may lawfully be applied for such purpose.
4. **THAT** the Treasurer is authorized to furnish to the Bank a statement showing the nature and amount of the estimated revenues of the Municipality not yet collected and also showing the total of any amounts borrowed under Section 407 of the Act that have not been repaid.

**READ A FIRST, SECOND, AND FINAL TIME THIS \_\_\_\_\_ DAY OF \_\_\_\_\_ 2010.**

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**REEVE – Gerald Strong**

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**CAO/CLERK – Ruth Frawley**

I, \_\_\_\_\_, Clerk of the Municipality of Central Manitoulin, hereby certify that the foregoing is a true copy of By-Law No. 2011-02, passed by the Council of the Municipality of Central Manitoulin on the \_\_\_\_\_ day of \_\_\_\_\_, 2011.