

TOWN OF BIRCH HILLS

BYLAW 01/2021

**A BYLAW OF THE TOWN OF BIRCH HILLS TO PROVIDE FOR
BORROWING FOR MUNICIPAL PURPOSES**

A BYLAW to authorize the borrowing of monies to meet the current operating or short term capital expenditures of the Town for municipal purposes until the taxes levied for the current year can be collected.

WHEREAS THE Council of the Town of Birch Hills deems it necessary to borrow the sum of Two Hundred & Fifty Thousand Dollars (\$250,000.00) to meet the current expenditures of the Town for municipal purposes during the year 2021 until the taxes levied or to be levied for the year can be collected.

AND WHEREAS the amount of the total estimated revenues from taxes levied and unconditional Provincial or Federal grants receivable (estimated) for the year is \$1,350,891.00.

AND WHEREAS the Council has been requested to hypothecate all its revenues including all arrears of taxes due to the Town in respect to its own taxes or in respect of taxes levied for any other board or body for which the Town collects taxes and of which the Town has paid the total amount of the levy hitherto made for such other board or body and owing to the Town, excepting school taxes, as additional security for the repayment of the load plus interest authorized by this bylaw.

NOW THEREFORE, the Council of the Town of Birch Hills in Council assembled enacts as follows:

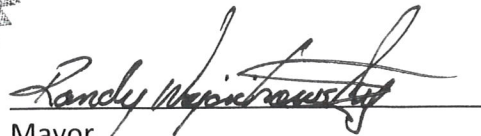
1. The Mayor and Treasurer of the Town of Birch Hills are hereby authorized to borrow from the AFFINITY CREDIT UNION Two Hundred & Fifty Thousand Dollars (\$250,000.00) to meet the current expenditure of the said Town for municipal purposes until the taxes levied or to be levied for the year can be collected, and to pay or agree to pay interest thereon either in advance or at maturity and in either case after maturity at the nominal rate of PRIME RATE per annum, that being a rate (PRIME) percentage points above the Prime Lending Rate (the "PLR") of the Bank in effect on the date hereof, provided that if the whenever the PLR is varied by the Bank, the interest rate charged on said monies loaned shall also be varied, effective on the date such variation in the PLR comes into effect, so that at all times the interest rate thereunder shall be the said number of percentage points above the PLR then in effect, which sum

shall be repayable within the current year. Borrowing may be by way of overdraft accommodation, revolving account or by the advance of specific sums but at no time shall the aggregate borrowed amount outstanding exceed the said sum of \$250,000.00.

2. The Mayor and Treasurer of the Town are hereby authorized on behalf of the Council to execute under the seal of the Town a promissory note or notes, in favour of the said Bank for the amount of the said loan with interest as aforesaid.
3. As security for the amount of the said loan plus interest, the taxes levied or to be levied for the current year and all other revenues of the Town for the year including all arrears of taxes due to the Town in respect to its own taxes or in respect of taxes levied for any other board or body for which the Town collects taxes and to which the Town has paid the total amount of the levy hitherto made for such other board or body (excepting school taxes) for the repayment of the loan authorized by this bylaw shall be and they are hereby charged with the repayment of the said loan as a first charge and are assigned to the said Bank. When collected, the said taxes shall be deposited in the said Bank to the credit of the Town in a special account as collateral security for repayment of the said loan but the Bank shall not be restricted to the said taxes for repayment of the sum so borrowed.
4. Bylaw 1/20 is hereby repealed.

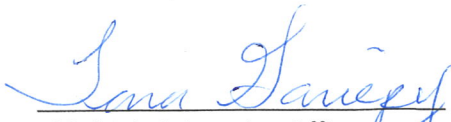
Read a third time and adopted by Council this 13th day of January, 2021.




Mayor

Certified a true copy of Bylaw #01/2021 adopted by resolution of Council on the 13th day of January 2021.


Chief Administrative Officer


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