	THE CORPORATION OF THE TOWN OF COBOURG
	BY-LAW NUMBER 002-2012

A BY-LAW TO AUTHORIZE BORROWING FROM TIME TO TIME TO MEET CURRENT EXPENDITURES DURING THE FISCAL YEAR ENDING DECEMBER 31, 2012.

WHEREAS the Municipal Act, 2001, Section 407, provides authority for a Council by by-law to authorize the head of Council and the Treasurer to borrow from time to time, by way of promissory note or banker's acceptance, such sums as the council considers necessary to meet, until taxes are collected and other revenues received, the current expenditures of the Corporation for the year; and

WHEREAS the total amount which may be borrowed from all sources at any one time to meet the current expenditures of the Corporation, except with the approval of the Municipal Board, is limited by Section 407 of the Municipal Act;

NOW THEREFORE the Municipal Council of the Corporation of the Town of Cobourg enacts as follows:

1. THAT head of Council and the Treasurer are hereby authorized to borrow from time to time by way of promissory note or banker's acceptance during the year 2012 (hereinafter referred to as the current year) such sums as may be necessary to meet, until the taxes are collected and other revenues received, the current expenditures of the Corporation and the other amounts that are set out in Section 407 (1) of the Municipal Act.

2. The lender(s) from whom amounts may be borrowed under authority of this by-law shall be the Royal Bank of Canada and such other lender(s) as may be determined from time to time by resolution of Council.

3. The total amount which may be borrowed at any one time under this by-law, together with the total of any similar borrowing that have not been repaid, shall not exceed from January 1st to September 30th of the current year, 50 percent of the total, and from October 1st to December 31st of the current year, 25 per cent of the total of the estimated revenues of the Corporation as set forth in the estimates adopted for the current year or $6,000,000.00, whichever is less.

4. The Treasurer shall, at the time when any amount is borrowed under this by-law, 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 2 determining the lender,) if applicable, and a statement showing the nature and amount of the estimated revenues 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 that have not been repaid.

5. a) If the estimates for the current year have not been adopted at the time an amount is borrowed under this by-law, the limitation on total borrowing, as set out in Section 3 of this by-law, shall be calculated for the time being upon the estimated revenues of the Corporation as set forth in the estimates adopted for the next preceding year.

   b) If the estimates for the current year have not been adopted at the time an amount is borrowed under this by-law, the statement furnished under Section 4 shall show the nature and amount of the estimated revenues of the Corporation as set forth in the estimates adopted for the current preceding year and the nature and amount of the received for and on account of the current year.

6. All or any sums borrowed under this by-law shall, with interest thereon, be a charge upon the whole of the revenues of the Corporation for the current year and for any preceding years as and when such revenues are received; provided that such charge does not defeat or affect and is subject to any prior charge then subsisting in favour of any other lender.

7. The Treasurer is hereby authorized and directed to apply in payment of all or any sums borrowed under this by-law, together with interest thereon, all or any of the moneys hereafter collected or received, either on account of or realized in respect of the taxes levied for the current year and preceding years or from any other source, which may lawfully be applied for such purpose.

8. Promissory Notes or banker's acceptances made under Section 1 shall be signed by the Treasurer and the head of council or by such other person as is authorized by by-law to sign it.

9. This by-law shall take effect upon third reading thereof.

READ a first, second and third time and finally passed in Open Council this 16th day of January, 2012.

MAYOR

MUNICIPAL CLERK