

 COBOURG	<div>THE CORPORATION OF THE TOWN OF COBOURG</div> <div>BY-LAW NUMBER 048-2024</div>
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**A BY-LAW TO AUTHORIZE THE BORROWING OF MONIES AND A BANK LOAN IN THE PRINCIPAL AMOUNT OF UP TO \$8,214,169 TOWARDS THE COST OF CERTAIN CAPITAL WORKS OF THE TOWN OF COBOURG, VIA SERVICE AGREEMENT WITH LAKEFRONT UTILITY SERVICES INC. (THE “CAPITAL WORKS”)**

**WHEREAS** subsection 401(1) of the *Municipal Act, 2001*, as amended (the “Act”) provides that a municipality may incur a debt for municipal purposes, whether by borrowing money or in any other way, and may issue debentures and prescribed financial instruments and enter prescribed financial agreements for or in relation to the debt; and

**WHEREAS** Ontario Regulation 276/02 of the Act provides that a municipality may enter into bank loan agreements and interest exchange agreements to finance works for which a municipality has authorized borrowing; and

**WHEREAS** the Town of Cobourg is desirous of authorizing the Treasurer to enter into such bank loan agreements and interest exchange agreements as required for the Capital Works and in accordance with O. Reg. 276/02 and the provisions of this By-Law.

**NOW THEREFORE BE IT RESOLVED THAT THE MUNICIPAL COUNCIL OF THE CORPORATION OF THE TOWN OF COBOURG ENACTS AS FOLLOWS:**

**LOAN AMOUNT**

1. The Treasurer of the Town of Cobourg is hereby authorized to borrow and enter into a bank loan agreement for up to \$8,214,169 to finance the cost of the elevated water tank and pumping station to be repaid over a 30-year period, subject to the terms of the credit facility agreement with the lender.

**TERM**

2. The Town of Cobourg shall be authorized to enter into a loan agreement to effectively fix the interest rate for up to 30 years from drawdown.

**INTEREST**

3. The amount borrowed as authorized in Section 1 may bear interest on Canadian Overnight Repo Rate Average plus up to 1.3% per annum or Prime Rate minus 0.25% per annum. The loan will bear interest when the funds are accessed and will remain in place for five years. The interest rate can be either:

- As cost of fund loan where interest the loan will bear interest at a rate to be determined at the time of the drawn-down based on the prevailing rate.

- Canadian Overnight Repo Rate Average plus up to 1.3% or Prime Rate minus 0.25% per annum for the loan (only at the request from The Corporation of the Town of Cobourg).

LOAN AGREEMENT AND INTEREST RATE EXCHANGE AGREEMENTS

4. The Town of Cobourg shall draw and deliver from time-to-time loan agreements and interest rate exchange agreements evidencing and securing the said borrowings as authorized by this By-Law.

EXECUTION OF BORROWING INSTRUMENTS

5. Any loan agreement and interest rate exchange agreement or swap agreement with the lender made under authority of this By-Law shall be signed by the Treasurer and sealed with the seal of the Town of Cobourg.

REPAYMENT

6. All sums of money borrowed under the authority of this By-Law shall be repaid utilizing development charges to the person from whom the same were borrowed in one or more instalments of interest and principal each year.

7. In each year during the currency of the loan agreement, interest rate exchange or swap agreement or other agreements with respect to the sums borrowed, there shall be raised as part of the general levy, the amounts of interest or of principal and interest payable from the sum of money borrowed under this by-law to the extent the amounts have not been provided by any other available source or other taxes or fees or charges imposed on persons or property by by-law of the municipality.

EXECUTION OF AGREEMENTS

8. The Treasurer of the Town of Cobourg is hereby authorized to sign on behalf of the Town of Cobourg and to furnish to the lender, a loan agreement, interest rate exchange or swap agreement or other agreements with respect to the sums borrowed.

READ and finally passed in Open Council this 31<sup>st</sup> day of July, 2024.

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Lucas Cleveland, Mayor

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Brent Larmer, Clerk