



## MUNICIPALITY OF THE COUNTY OF PICTOU FIRE DEPARTMENT LOAN GUARANTEE POLICY

In accordance with Section 294(6) of the Municipal Government Act, being Chapter 18 of the Revised Statutes of Nova Scotia, 1998, the Municipal Council for the Municipality of the County of Pictou hereby enacts a policy with respect to loan guarantees for volunteer fire departments.

### **Policy**

1. A fire department registered with the Municipality pursuant to section 294(1) of the Municipal Government Act, may apply to the Municipality to guarantee a loan of the department.
2. The loan guarantee shall only apply to capital requirements of the fire department.
3. The fire department applying to the Municipality for a guarantee shall:
  - a. Hold a public meeting to discuss the purpose for which the loan is required in order to inform the residents of the need for the loan and asset.
    - i. The public meeting may be a district ratepayers meeting.
  - b. Provide the Municipality with details of the purpose for which the loan guarantee is required including:
    - i. Cost of the capital asset
    - ii. Financing plan of the asset
    - iii. Latest financial statements of the department
    - iv. Date of the public meeting required pursuant to this policy Section 3(a)
4. The application for a loan guarantee shall be reviewed by the Financial Services Committee. The Financial Services Committee may:
  - a. Recommend the issuance of a loan guarantee for the department to Council, or
  - b. Dismiss the application.
5. The Municipal Council, upon approving the loan guarantee shall submit the guarantee to the Minister of Municipal Affairs in accordance with S. 88 (3) of the

Municipal Government Act that requires Ministerial approval for the guarantee to have effect.

6. The Municipal Council may require that the department enter into an agreement with the Municipality which shall certify that the department has complied with all terms of the policy and are aware of conditions that may be imposed by the Municipality should the department fail to meet loan obligations.
7. In the event that the department defaults on the loan, and the financial institution exercises the guarantee. The Municipality shall institute an area rate to recover from the residents served by the fire department the principal and interest costs associated with the payment of the guarantee or loan.
  - a. The details of the area rate shall be determined by the Municipal Council.
8. It shall be at the sole discretion of Council to limit the number of loan guarantees that it issues to fire departments at any one time.
  - a. A fire department that has been provided a loan guarantee by the Municipality shall not be entitled to apply for a second loan guarantee until the existing loan for which the guarantee has been provided, has been reduced by at least 75 percent.
9. All other policies enacted with respect to loan guarantees for fire departments are hereby repealed.