

SCHEDULE 4:
MUNICIPAL ASSISTANCE PROGRAM (Partnership Agreements - #5)
Schedule "3" - JOINT CAPITAL PROJECT MANAGEMENT POLICY
Policies and Procedures

LOANS TO COMMUNITY GROUPS

POLICY FOR LOANS TO COMMUNITY GROUPS FOR THE CONSTRUCTION, RECONSTRUCTION, REPAIR OR EXPANSION OF RECREATION FACILITIES

That where the Town is being requested to partially finance a project through a municipal contribution and/or a loan in conjunction with a Community Group, the following requirements will apply:

1. Need
That the community need for the proposed project and benefit be clearly demonstrated to the satisfaction of Council, which would include a determination as to whether or not the need is being addressed to some degree by another service provider in the community.
2. Legal Agreement
That the Community Group be required to enter into an agreement with the Town with respect to repayment, title and operations subject to the approval of the Town's solicitor.
3. Down Payment
 - (i) New Construction
That the sum equal to at least 15% of the project cost be either paid by the Community Group or deposited with the Corporation at the time of signing the agreement and prior to commencement of new Construction;
 - (ii) Revitalization/Expansions
That a sum equal to at least 25% of the project cost be either paid by the Community Group or deposited with the Corporation at the time of signing the agreement and prior to commencement of Reconstruction, Repair or Expansion.
4. Terms
That the length of repayment for the loan not exceed ten years.
5. Ownership
That ownership of the facilities be vested in the Corporation of the Town of Halton Hills.

6. Interest
That the interested group be required to supply to the Treasurer of the Town prior to formal consideration of the application, an audited financial statement* for the preceding fiscal year and a cash forecast of their operations for the lesser of the term of the loan or the following three years, indicating how the loan repayment is to be financed.
7. Financials
That the group provides the Treasurer of the Town with an audited financial statement* of their operations within three months of the end of each fiscal year until the loan is repaid.
8. That all submitted financial reports and documents are prepared to the satisfaction of the Treasurer.
9. That the financial resources of the Community Group be considered as a primary source of funding for the project, when the need for the loan is being assessed.
10. That Council be advised of loan status annually.
11. Project Design
That the design of the facilities be reviewed by Town staff and approved by Council.
12. Construction Procurement
That tenders or requests for proposals be called for and awarded by Council and construction of the facilities be supervised by Town staff, and that any extras to the contract in excess of the contingency allowance be approved by Council prior to the work being carried out.
13. Officers
That the names, addresses, and occupations of the officers of the organization be provided to the Town at the time of application and the Town be informed of any changes so long as the loan remains outstanding.

*The Town Treasurer may waive the requirement for audited financial statements for the preceding year if in his opinion the risk of material error is low and the Community Group provides financial statements prepared by an independent, qualified accountant.