

**Volunteer Emergency Service Providers
Capital Loan Policy
V-108-19**

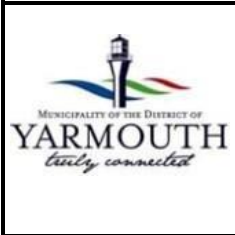
Effective
Date:
November
26, 2025

Part 1 Purpose

- 1.1 This policy is intended to provide for a mechanism whereby the Municipality may make available capital loans to registered, functioning, volunteer emergency service providers within the Municipality for major capital purchases deemed necessary by the Municipality to the carrying out of their mandated fire protection and/or emergency response duties.
- 1.2 The Municipality will establish and maintain Reserve Funds for the purpose of providing for capital loans to registered, functioning municipal volunteer emergency service providers that qualify for major capital purchases. These purchases are to be limited to property/buildings or vehicles owned, or in the case of vehicles, to be owned, by the applicant. These purchases must also be deemed necessary to the carrying out of their core mandate, which is the provision of emergency and first responder services to their designated geographic fire district.

Part 2 Application Process

- 2.1 Registered, functioning, volunteer emergency service providers within the Municipality may make application to the Municipality for access to the “Reserve Funds for Registered Volunteer Emergency Service Providers”. In doing so, the following criteria or conditions will apply:
 - Loan approvals may be subject to availability of Municipal Funds.
 - The capital loan may be for major capital purchases only, being for property/buildings or vehicles, deemed by the Municipality to be necessary in the carrying out of their mandated duties.
 - The minimum amount that may be borrowed is \$25,000.
 - The maximum amount that may be borrowed is \$400,000.
 - The organization applying for a capital loan must have 20% of the funds required for the capital purchase, from their own sources, to put toward the overall purchase, except for exceptional instances which may be considered by Council on an individual basis.
 - The Municipality may apply the following considerations in assessing the financial and operational ability of the volunteer fire department to




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undertake a proposed capital commitment:

- debt/equity ratio;
- liquidity ratio;
- debt service ratio;
- purchases/repayment history;
- asset protection/maintenance capacity;
- revenue generating capacity;
- any other criteria that may be established by Council from time to time.

- 2.2 Approved loan funds will be provided at an interest rate consistent with the rate that the Municipality receives for funds on deposit in accordance with current and subsequent banking agreements. Payment may be adjusted semi annually by the Municipality to reflect adjustments in the bank rates, which change monthly, to properly reflect and adjust payments and amounts due.
- 2.3 Any associated expenses incurred which are incidental to the provision of these capital loans, will be the responsibility of the volunteer emergency service provider, and rolled into the capital loan approved - Examples: Such as legal fees, surveys, appraisals, security, recording fees, deeds, etc.
- 2.4 Repayment terms will be negotiated for each loan, with terms on the most major purchases not to exceed 20 years, or the useful life of the asset, whichever is less.
- 2.5 The Municipality is to have secure 1st mortgage, or 1st lien on the asset being purchased, unless a banking institution holds the 1st mortgage or 1st lien in which case the Municipality will hold the 2nd mortgage or 2nd lien.
- 2.6 An appraisal of the asset may be required by the Municipality in order to verify the value, and ensure that the application for a loan is reasonable, and that the value of the investment is realized in the asset purchased.
- 2.7 Adequate fire and other insurance requirements deemed necessary by the Municipality must be in place so as to insure the Municipality's interest in the asset, and the Municipality is to be named as beneficiary of any policy insuring the asset, so that should anything happen to the asset, the Municipality is recipient of insurance pay out sufficient to cover the amount of the capital loan by the Municipality that is outstanding at the time. Proof of such insurance coverage must be provided to the Municipality as required.

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|  | <p>Volunteer Emergency Service Providers Capital Loan Policy V-108-19</p> | <p>Effective Date: November 26, 2025</p> |
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- 2.8 Volunteer emergency service providers that are deemed eligible for capital loans under this policy will be required to sign whatever legal documentation the Municipal Solicitor deems necessary, from time to time, and would be similar to any documentation required by a chartered bank for a similar loan.
- 2.9 Volunteer emergency service providers would be allowed to pay out the balance of their loan, or any part thereof, at any time without penalty.
- 2.10 In the event of default, the Municipality has the option of acting on their security, or to institute an area rate on the areas serviced by the volunteer emergency service providers, sufficient to recover any amounts owed at the time of the default, and subsequent to that date as a result of the default.
- 2.11 The Municipality reserves the right to approve or reject any capital loan applications, which decision is final.

| <p style="text-align: center;">Chief Administrative Officer’s Annotation for Official Policy Book</p> | |
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| Date of Notice to Council members of Intent to Consider (7 days Min) | November 19, 2025 |
| Date of Passage of current Policy | November 26, 2025 |
| <p>I certify that this Volunteer Emergency Service Providers Capital Loan Policy V-108-19 was adopted by Council as indicated above.</p> | |
|  <hr/> Chief Administrative Officer | <p style="text-align: center;"><u>December 2, 2025</u> Date</p> |

Date last reviewed: November 26, 2025

Amendment Log

| Date | Amendment Description |
|-------------------|---|
| November 26, 2025 | Part 2.1 – increased the maximum loan to \$400,000. |