



RM of St. Clements

Public Information Summary

By-law 7-2026 Regional Sewer System Expansion Borrowing By-law

The RM of St. Clements requested an independent legal review of By-law 7-2026 and questions that have been raised regarding the borrowing by-law process.

Based on that review, Administration can advise the public of the following key conclusions:

What the review found

1. The Municipality has the authority to pursue the borrowing by-law.

The legal review confirmed that municipalities are permitted to seek approval for long-term borrowing to fund future capital infrastructure projects such as the Regional Sewer System Expansion in accordance with provincial legislative requirements. The project was identified in the Municipality's 2026 financial plan as part of its long-term capital planning program.

2. No public hearing is required for this type of borrowing by-law.

Provincial legislation requires a municipality to give public notice before the council meeting at which the borrowing by-law will receive first reading. However, the legislation does not require the municipality to hold a public hearing for this type of borrowing by-law. Council may allow public presentations, but it is not a public hearing. Council has continually chosen to do so in the interest of transparency, communication and ensuring an open dialogue with residents.

3. Publication of the public notice.

The review noted one element of the notice information that was added to the Municipality's website and office posting adding the necessary rate of taxation was not added to the newspaper publication due to publication timing constraints. The issue relates to the required contents of the public notice, not to Council's authority to consider the borrowing by-law itself.

4. The item missing from the public notice was inadvertent.

The review found that the public notice would be lawful but for the one inadvertent irregularity that was unrelated to the Municipality's borrowing authority, the by-law's intent or the validity of the project. The legal opinion notes that provincial legislation also provides a mechanism for the Municipal Board to review and validate any such inadvertent procedural irregularities.



5. The recommended path forward is to seek Municipal Board approval.

The legal review supports proceeding with referral of the by-law to the Municipal Board and including a request that the Board address the notice irregularity and validate the inadvertent omission as part of its review process and in accordance with its statutory authority to do so.

6. Future borrowing and project expenditures would still require normal budget processes.

Even if the Municipal Board approves the borrowing by-law, the Municipality will still need to include the necessary borrowing and project expenditures in its capital budget when the Municipality is ready to proceed with the project. Municipal Board approval of the borrowing by-law will not authorize or result in any immediate borrowing or spending outside of the Municipality's regular budgeting process under the Municipal Act.

7. References within the by-law do not affect its validity.

The legal review also advised that questions raised about references to specific sections of legislation in the preamble to the by-law do not affect the validity of the by-law. The Municipal Act gives the Municipality the authority to pursue the borrowing by-law.

Summary

The independent legal review concluded that the Municipality has the authority to pursue the borrowing by-law for the Regional Sewer System Expansion. The recommended approach is to seek Municipal Board approval of the by-law. The review did not identify concerns that would prevent the Municipality from asking the Municipal Board to consider the borrowing by-law.

This summary has been prepared by the RM of St. Clements to communicate the general conclusions of an independent legal review. It is intended for informational purposes only and does not reproduce or disclose solicitor-client privileged legal advice.