



CORPORATION OF THE CITY OF SUMMERSIDE

BYLAW NAME: RESERVE FUND BYLAW

BYLAW #: # CS-9

BE IT ENACTED by the Council of the City of Summerside as follows:

1. Title

- 1.1. This bylaw shall be known and cited as the "Reserve Fund Bylaw."

2. Authority

- 2.1. Subsection 155(1) of the *Municipal Government Act*, RSPEI 1988, c M-12.1, enables council to establish, by bylaw, one or more reserve funds in the name of the municipality for any municipal purpose.

3. Application

- 3.1. This bylaw applies to Council who may establish one or more reserve funds to facilitate efficient financial planning and ensure greater transparency and accountability to the public.
- 3.2. This bylaw also allows for the consolidation of the authority for all reserve funds into one bylaw.

4. Definitions

- 4.1. In this bylaw:
- (a) "Act" means the *Municipal Government Act*, RSPEI 1988, c M-12.1;
 - (b) "Anticipated expenditures" may include, but are not limited to, capital projects, insurance payments, legal expenses or operating contingencies;

- (c) "Chief Administrative Officer" or "CAO" means the administrative head of a municipality as appointed by council under subsection 86(2)(c) of the *Municipal Government Act*;
- (d) "City" means the City of Summerside;
- (e) "Council" means the Mayor and other member of the council of the City;
- (f) "Councillor" means a member of Council other than the Mayor;
- (g) "Reserve fund" means money set aside for a specific purpose by approval of Council.

5. Interpretation

- 5.1. This bylaw is to be given a broad, liberal interpretation in accordance with applicable legislation, regulations and the definitions set out in them.

6. Principles

- 6.1. The principles regarding reserve funds are as follows:

- (a) reserve funds are important long term financial planning tools;
- (b) reserve funds must be used to promote sound fiscal stewardship and management;
- (c) reserve funds provide resources for balancing the use of long-term debt to provide for reoccurring or anticipated expenditures;
- (d) reserve funds are intended to maintain a prudent level of financial resources to protect against the need to reduce service levels or raise taxes and fees due to temporary revenue shortfalls or unpredicted one-time expenditures;
- (e) money set aside in reserve funds must only be approved by Council for the purposes identified in this bylaw;
- (f) the CAO will administer and monitor all transactions involving reserve funds.

7. Criteria and Conditions for Reserve Fund Contributions, Transfers, Withdrawals

- 7.1. The reserve funds listed in Column 1 of Schedule "A" of this bylaw are hereby established and money shall be deposited into them as allocated by the Council for the purpose(s) described in Column 3 of Schedule "A".
- 7.2. Any interest derived from a reserve fund is reported as revenue fund earnings and shall be considered part of the fund
- 7.3. All withdrawals from the reserve fund must be approved by a resolution of Council.
- 7.4. All contributions and/or withdrawals from each reserve fund must be approved by Council either generally as part of the annual budget approval process or specifically by resolution at a duly constituted meeting of the Council. Council is required to approve all transactions related to reserve funds in accordance with the reserve fund policies established by Council.

8. Closure of Reserve Funds

- 8.1. A reserve fund may not be closed, and any remaining money may not be withdrawn, until such time as Council determines the following:
 - (a) that the purpose for which the reserve fund was established has been achieved;
 - (b) that the reserve fund is no longer required to achieve the long term financial planning goals of Council; or
 - (c) that the money set aside in a reserve fund would be better used for an alternate purpose.
- 8.2. If Council determines that a reserve fund is to be closed, Council must, by resolution, close the reserve fund and must amend Schedule "A" of this Reserve Fund Bylaw to reflect the closure date of the reserve fund. Any closure of a reserve fund must be documented in Column 4 of Schedule "A". Schedule "A" is considered to be part of this bylaw and may only be altered by amendment of this Reserve Fund Bylaw.

9. Reporting

- 9.1. Reserve fund projected contributions and planned expenditure or withdrawals must be presented in the annual financial plan. Reserve fund balances, actual contributions, expenditures or withdrawals must be presented in the year-end financial statements.

10. Effective Date

- 10.1. This Reserve Fund Bylaw, Bylaw CS-9, shall be effective on the date of approval and adoption below.

First Reading

This Reserve Fund Bylaw, Bylaw CS-9 was read a first time at the Council meeting held on the 7th day of August, 2018.

This Reserve Fund Bylaw, Bylaw CS-9, was approved by a majority of Council members present at the Council meeting held on the 7th day of August, 2018.

Second Reading

This Reserve Fund Bylaw, Bylaw CS-9, was read a second time at the Council meeting held on the 20th day of August, 2018.

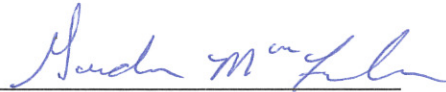
This Reserve Fund Bylaw, Bylaw CS-9, was approved by a majority of Council members present at the Council meeting held on the 20th day of August, 2018.

Approval and Adoption by Council

This Reserve Fund Bylaw, Bylaw CS-9, was adopted by a majority of Council members present at the Council meeting held on the 20th day of August, 2018.



Bill Martin, Mayor



Gordon MacFarlane, Chief Administrative Officer (acting)

This Reserve Fund Bylaw adopted by the Council of the City of Summerside on the 20th day of August, 2018 is certified to be a true copy.



Gordon MacFarlane, Chief Administrative Officer (acting)

Aug 22, 2018
Date

CORPORATION OF THE CITY OF SUMMERSIDE

SCHEDULE: SCHEDULE "A"

BYLAW NAME: RESERVE FUND BYLAW

BYLAW #: # CS-9

Name	Year Established	Purpose	Date of Fund Closure
------	------------------	---------	----------------------

General Fund:

54/56 Central Street	2017	To provide for expenditures related to Central Suites, located at 54/56 Central Street.	
Capital Campaign – Debt Reduction	2016	Funds received from capital campaign pledges are allocated as principal repayments on long term debt associated with Credit Union Place.	
Economic Development	1999	To support future expenditures related to Economic Development's mandate to support business expansion and attraction by generation of wealth through job creation, increased annual commercial and industrial assessment and growth of the labour pool.	
Election	2015	To provide annual contributions for costs associated with municipal elections.	
Financial Reserve – Debt Reduction	2008	To reduce funds required to be borrowed long term for expenditures related to Information Technology.	

Name	Year Established	Purpose	Date of Fund Closure
Financial Reserve	2014	To provide for expenditures associated with major construction, maintenance or improvement of an asset and/or unforeseen expenditures that may occur within a year which are not part of the approved budget, but that Council determines to be necessary or of considerable merit.	
Future Spending – Public Works	2016	To provide funding to support ongoing equipment replacement and fund unforeseen operating expenditures related to Public Works (e.g. snow clearing).	
Land Bank	2015	To allow for the purchase of land as opportunities emerge.	
Parkland Dedication	2000	Funds may be received from developers when parklands are not dedicated within the 'buildable area' of their property which is being subdivided (more than one acre). These funds provide for acquisition and expansion of public parks in the City.	
Summerside Raceway	2009	To provide for principal repayments on debt associated with the City of Summerside's share of the addition and renovation at the Summerside Raceway which occurred in 2009-2010.	
World Softball/Events	1989	These funds may be used to attract regional, national and international sporting events.	

Name	Year Established	Purpose	Date of Fund Closure
------	------------------	---------	----------------------

Electric Utility:

Electric Generator	1998	To provide for expenditures associated with major construction, maintenance or improvement of generation assets.	
Electric Distribution	1998	To provide for expenditures associated with major construction, maintenance or improvement of distribution assets.	
Future Spending	2005	To support future operating and/or capital expenditures related to the Electric Utility	

Water and Sewer Utility:

Future Spending	2002	To support future operating and/or capital expenditures related to the Water and Sewer utilities.	
-----------------	------	---	--