

CITY OF CHARLOTTETOWN

RESERVE FUNDS BYLAW

BYLAW # 2018-16

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

1. Title

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

2. Authority

- 2.1. Section 155.(1) of the *Municipal Government Act* R.S.P.E.I. 1988, Cap. M-12.1., enables Council to establish, by bylaw, one or more reserve funds in the name of the City for any municipal purpose and may make contributions, withdrawals, and/or transfers from the reserve fund in accordance with the City's Reserve Funds Bylaw and/or financial plan.

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 provides for the consolidation of the authority for all reserve funds into one bylaw and all previous reserve funds being renamed and/or amalgamated into the reserve funds outlined in Schedule A; effective the date of this bylaw.

4. Definitions

In this bylaw:

- 4.1. "Act" means the *Municipal Government Act*.
- 4.2. "Chief Administrative Officer" (CAO) means the administrative head of a municipality as appointed by Council under subsection 86(2)(c) of the *Municipal Government Act*.
- 4.3. "City" means the City of Charlottetown.
- 4.4. "Council" means the Mayor and other members of the Council of the City.
- 4.5. "Councillor" means a Member of Council other than the Mayor.
- 4.6. "Reserve fund" means money set aside for a specific purpose by approval of Council.

5. Principles

- 5.1. 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 and as authorized by the Reserve Fund Policy that governs each reserve fund adopted by Council; and
 - (f) The Chief Administrative Officer (CAO) will administer and monitor all transactions involving reserve funds.

6. Criteria and Conditions for Reserve Fund Contributions, Transfers, and/or Withdrawals

- 6.1. The reserve funds listed in Column I 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 each "Reserve Fund Policy" established by Council.
- 6.2. Any interest derived from a reserve fund is reported as revenue fund earnings and shall be considered part of the fund.
- 6.3. 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.

7. Closure of Reserve Funds

- 7.1. 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.
- 7.2. 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 Funds Bylaw to

reflect the closure date of the reserve fund. Any closure of a reserve fund must be documented in Schedule "A". Schedule "A" is considered to be part of this Bylaw and may only be altered by amendment of this Reserve Funds Bylaw.

8. Reporting

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

9. Effective Date

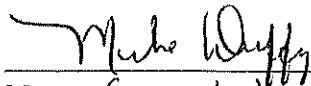
9.1. This Reserve Funds Bylaw #2018-16, shall be effective on the date of approval and adoption noted below.

First Reading:
This Reserve Funds Bylaw, #2018-16, was read a first time and approved by a majority of members present at the Council meeting held on the 13th day of November, 2018

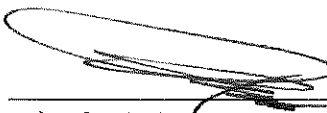
Second Reading:
This Reserve Funds Bylaw, #2018-16, was read a second time and approved by a majority of members present at the Council meeting held on the 4th day of December, 2018

Approval and Adoption by Council:
This Reserve Funds Bylaw, #2018-16, was adopted by a majority of Council members present at the Council meeting held on the 4th day of December, 2018.

Witness the corporate seal of the City.




Mayor (Deputy)



Chief Administrative Officer

This Reserve Funds Bylaw #2018-16 adopted by the Council of the City of Charlottetown on 4th day of December, 2018 is certified to be a true copy.



Chief Administrative Officer

December 4, 2018

Date

Schedule A – Reserve Funds

Note: this Schedule forms part of the bylaw and may only be amended in accordance with Part 5 Division 2 Bylaws and Resolutions of the *Municipal Government Act*.

Name	Year Established	Purpose	Date of Fund Closure
Tangible Capital Assets Reserve	2018	To provide funding for the acquisition, betterment, and/or disposal of tangible capital assets as defined by the City's Tangible Capital Asset Policy. Principle 5.1(a and b)	
Greenspace Acquisition and Development Reserve	2018	To provide funding for the purchase, betterment, and/or development of parkland/facilities. Includes the cash-in-lieu provisions of the subdivision bylaw as prescribed in the Zoning and Development Bylaw. Principle 5.1(a and b)	
Sick Leave Reserve	2018	To provide funding for payment of employee accumulated sick leave benefits to eligible employees upon retirement, termination, or death. Principle 5.1(a and b)	
Retiring Allowance Reserve	2018	To provide funding for payment of employee retiring allowances payable to eligible employees upon retirement, termination, or death. Principle 5.1(a and b)	
Municipal Elections Reserve	2018	To provide funding of costs associated with municipal elections. Principle 5.1(c)	
Snow Removal Reserve	2018	To provide funding for the cost of snow removal in excess of planned expenditures. Principle 5.1(d)	
Event Attraction and Promotion Reserve	2018	To provide funding for unforeseen future event opportunities brought to the City. Principle 5.1(d)	

Reserve Funds Bylaw

<p>Parking Reserve</p>	<p>2018</p>	<p>To provide funding for parking (including new structures, maintenance, replacement, and/or expansion of existing parking facilities and resources). Includes funding made available by developers who wish to utilize the cash-in-lieu provisions of the Zoning and Development Bylaw instead of providing on-site parking for site specific developments. Principle 5.1(b)</p>	
<p>General Reserve</p>	<p>2018</p>	<p>To provide funding for unplanned expenditures and/or opportunities. Principle 5.1 (b and d)</p>	