

THE CORPORATION OF THE CITY OF BROCKVILLE
BY-LAW NUMBER 119-96

**A BY-LAW OF THE CITY OF BROCKVILLE RESPECTING
THE ESTABLISHMENT OF A RESERVE TO BE KNOWN
AS THE CAPITAL FUND FISCAL MANAGEMENT RESERVE**

WHEREAS the council of the corporation deems it appropriate to implement a program of financial planning and control with respect to surplus funds in the capital fund; and

WHEREAS the council of the corporation deems it to be beneficial and prudent fiscal management to identify future corporate capital programmes and needs and to provide for the funding thereof; and

WHEREAS the council of the corporation considers it advisable to provide for the control, management and allocation of surpluses accumulated in the capital fund to accommodate unforeseen capital needs; and

WHEREAS pursuant to Section 162 (2) of the Municipal Act, R.S.O. 1990, c.M45, as amended, in preparing the estimates the council shall make due allowance for a surplus of any previous year that will be available during the current year and for such reserve as the council considers necessary.

NOW THEREFORE THE COUNCIL OF THE CORPORATION OF THE CITY OF BROCKVILLE ENACTS AS FOLLOWS:

1. DEFINITIONS:-(In this section)

(a) "municipality" means a municipality as defined in the Municipal Affairs Act.

2. THAT a reserve to be known as the "Capital Fund Fiscal Management Reserve" (the "Reserve") be and is hereby established.

3. THAT the purpose of the said "Reserve" is;

(a) to manage the funding of capital projects and accommodate any cost overruns to the extent there is sufficient funds in the "Reserve" to do so; and

(b) to provide an alternative source of funding for new projects considered a priority which have not previously been identified in the capital program of the corporation; and

© to allow the accumulated balance in the "Reserve" to be used as a contingency to fund unforeseen capital needs, provided the balance at the credit of the "Reserve" is sufficient, thereby eliminating the need for a contingency allowance to be included in the annual capital budget.

4. THAT annually, at the fiscal year end of the corporation,

(a) all surplus funds from completed and closed capital projects and funds considered to be surplus to the funding requirements of any other capital project not yet closed, shall be transferred to the said "Reserve"; and

(b) all deficits from completed and closed out projects shall be transferred to the "Reserve" to the extent there are sufficient funds in the said "Reserve" to accommodate the said deficits.

5. THAT all money(s) received, appropriated for or transferred to the said "Reserve" for the stated purposes, aims and objectives shall be paid into or deposited in the capital fund bank account.

6. THAT money(s) at credit of the "Reserve" shall not be expended, pledged or applied for any other purpose than as stated except that a by-law authorizing such other use be separately reported and passed by council.

7. **THAT** the Treasurer, as part of the annual reporting process, shall provide the council of the corporation with a statement of continuity and source and application of funds for the said "Reserve" which shall show;

(a) the opening balance at credit of the account.

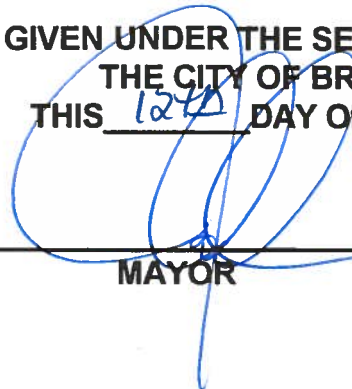
(b) a schedule of capital projects the balances of which were transferred to the "Reserve" in accordance with the provisions of sub-sections 4(a) and 4(b).

(c) the application of funds.

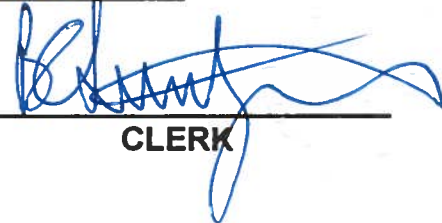
(d) the closing balance at credit of the "Reserve".

8. **THAT** the Corporation's Auditor shall report annually on the activities and sufficiency of the "Reserve".

GIVEN UNDER THE SEAL OF THE CORPORATION OF
THE CITY OF BROCKVILLE AND PASSED
THIS 12th DAY OF September A.D. 1996



MAYOR



CLERK