

BY-LAW NO. 2008-57
OF THE
CORPORATION OF THE TOWNSHIP OF WILMOT

Being a by-law of the Corporation of the Township of
Wilmot for establishing and maintaining Reserve Funds

WHEREAS Section 417 of the Municipal Act, 2001, S.O. 2001, c.25 and amendments thereto, allows a municipality to provide for the establishment or maintenance of reserve funds for any purpose for which it has authority to spend money.

AND WHEREAS the Township of Wilmot is operating a number of Reserve Funds.

AND WHEREAS the authority for such Reserve Funds and the purpose for which they are established is to be clear in all cases.

AND WHEREAS it is deemed expedient to consolidate the authority for all Reserve Funds into one by-law.

NOW THEREFORE, THE MUNICIPAL COUNCIL OF THE CORPORATION OF THE TOWNSHIP OF WILMOT ENACTS AS FOLLOWS:

- 1) THAT the separate and distinct Reserve Funds as set out in Schedule "A" attached hereto are hereby ratified and confirmed as Reserve Funds under the provisions of section 417 of the Municipal Act 2001, S.O. 2001, c.25;
- 2) THAT this by-law hereby authorizes the Treasurer of the Corporation of the Township of Wilmot to establish a consolidated bank account in accordance with Section 286 of the Municipal Act 2001, S.O. 2001, c.25;
- 3) THAT the Treasurer of the Corporation of the Township of Wilmot may invest monies held in Reserve Funds, but not immediately required, in any securities authorized under Section 418, of the Municipal Act, 2001, S.O. 2001, c.25;
- 4) That the Treasurer of the Corporation of the Township of Wilmot is hereby authorized to subdivide a Reserve Fund into separate components for accounting purposes.

READ A FIRST AND SECOND TIME this 3rd day of November 2008.

READ A THIRD TIME AND FINALLY PASSED this 3rd day of November 2008.

Mayor

Clerk

SCHEDULE 'A'

TO BY-LAW NO. 2008-57

RESERVE FUNDS:

Obligatory Reserve Funds

1. Development Charges Reserve Fund

- (a) This reserve fund is derived from development charges. This fund may be used to defray net capital costs of growth-related services which may be provided by the Township and for which the funds were raised.
- (b) The following sub-reserve funds will be contained within the Development Charges Reserve Fund:
 - Development Charges – Administrative Services
 - Development Charges – Fire Services
 - Development Charges – Roads/Public Works
 - Development Charges – Waterworks
 - Development Charges – Wasterwater
 - Development Charges – Storm
 - Development Charges – Recreation & Facilities

2. Parkland – Cash-In-Lieu of Parkland Reserve Fund

This reserve fund is primarily derived from contributions under the Planning Act, R.S.O. 1990, Chap. P.13. This fund may be used for such purposes as set out in the Planning Act.

3. Building Reserve Fund

This reserve fund is derived from Bill 124 – Building Code Statute Law Amendment Act, which introduced a fee structure to require that permit fees be collected to cover Building Department operating expenditures. This fund is derived from the excess building permit fees over expenditures, and this fund will be drawn back into the operating budget to cover expenditures when building permit fees collected are less than expenditures.

4. Federal Gas Tax Reserve Fund

Under the Federal Gas Tax Agreement, municipalities are required to deposit these funds into a reserve fund account. Any interest earned on funds by the municipality may be applied to eligible projects or to the administration costs related to the implementation of the funding agreement.

Discretionary Reserve Funds

1. Capital Replacement Reserve Fund

This reserve fund is derived from the “surplus” of the year. The amount of surplus will be equally distributed to the three sub-reserve funds.

- a) The following sub funds will be contained within the Capital Replacement Reserve Fund:
 - (i) Equipment
 - (ii) Roads
 - (iii) Facilities
- b) Purchase of replacement equipment will be funded from the Capital Replacement Reserve Fund.
- c) The purchase of new equipment less than \$5,000 will be funded from the Operating Budget
- d) The purchase of additional new equipment greater than \$5,000 will have access to the Capital Replacement Reserve Fund.
- e) Repairs, replacements, retrofits or renovation items, each of which is less than \$5,000, are to be funded from the Operating Budget
- f) Repairs, replacements, retrofits or renovation items, each of which is greater than \$5,000 should be set up as a Capital Project with financing from the respective Capital Replacement Reserve Fund.

2. Wilmot Recreation Complex (Ministry of Health) Reserve Fund

This fund is primarily derived from the Ministry of Health Promotion Grant for the capital costs of the Wilmot Recreation Complex. Any additional annual budget contributions approved, will be deposited into this account.

3. Baden Park Reserve Fund

This fund is derived from the former Parks Board. The fund is used to pay for equipment and capital expenditures for Baden Parks. This reserve will be terminated when the fund is fully depleted.

4. Election Expenditures Reserve Fund

- a) The annual contribution towards financing election expenditures will be funded from the annual operating budget.
- b) This fund will be used to defray municipal election expenditures.

5. Self-Insured Reserve Fund

- a) This reserve fund is primarily derived from reductions of insurance premium costs through increasing deductible limits.
- b) On an annual basis, the Finance Department budget a certain amount to cover claims that are under the deductible limit.
- c) Commencing 2008, the Finance Department will transfer any unused amount from current year to the Self-Insured Reserve Fund.
- d) This fund will be available to cover claims in excess of the current year's budgeted amount.
- e) The maximum amount for this reserve fund will be capped at \$20,000.

6. Computer Equipment Replacement Reserve Fund

- a) On an annual basis, the Finance Department budget a certain amount to cover the replacement of computers and upgrades of computer hardware and software.
- b) Commencing 2008, the Finance Department will transfer any unused amount from current year Computer Equipment Capital Budget to the Computer Equipment Replacement Reserve Fund.
- c) This fund will defray any future unexpected or emergency computer costs should the expenses exceed the year's budget amount.
- d) The maximum amount for this reserve fund will be capped at \$10,000.

7. Water Works Capital Expenditures Reserve Fund

This Reserve Fund is primarily derived from user-pay funds in the Utilities Division's Budget. This fund will be used to defray the cost of capital expenditures relating to the waterworks system.

8. Water Meter Reserve Fund

This fund is derived from the annual user-pay budget. The fund is used for replacing water meters for the Township.

9. Wastewater Capital Expenditures Reserve Fund

This Reserve Fund is primarily derived from user-pay funds in the Utilities Division's Budget. This fund will be used to defray the cost of capital expenditures relating to the wastewater system.

10. Developer's Deposit Reserve Fund

This reserve fund is derived from developers' deposit for future maintenance and replacement costs for the following sub-funds:

- a) Cash in lieu of two complete sets of decorative street lighting in the Petersburg Subdivision (South)
- b) Deposit for the construction of a noise wall in the Baden West Subdivision

11. Winter Maintenance Reserve Fund

- a) On an annual basis, the Roads Department budget a certain amount to cover the operating expenses to maintain roads throughout the winter season.
- b) Any unused budget from winter maintenance funds for the current year will be placed in the reserve fund for future winter maintenance use.

~~12. Cemetery Operating Reserve Fund~~ Amended Under 2011-40

~~Contributions of this fund are derived from the excess of revenues over expenditures in the cemetery operating budget. The fund will be used to defray the cost of cemetery operating expenses when current year's expenditures exceed revenues.~~

~~13. Cemetery Capital Expenditure Reserve fund~~

~~This reserve fund is primarily used for Capital replacement for Riverside Cemetery.~~

14. Heritage Reserve Fund

This is derived from the sale of Photographic Memory Books for the millennium. The funds will be applied to future Heritage related activities.

**THE CORPORATION OF THE TOWNSHIP OF WILMOT
BY-LAW NO 2011-40**

BY-LAW TO AMEND BY-LAW NO. 2008-57,

**BEING A BY-LAW TO ESTABLISH
AND MAINTAIN RESERVE FUNDS**

WHEREAS Section 417 of the Municipal Act, 2001, S.O. 2001, c.25 and amendments thereto, allows a municipality to provide for the establishment or maintenance of reserve funds for any purpose for which it has authority to spend money.

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- 2) THAT this by-law hereby authorizes the Treasurer of the Corporation of the Township of Wilmot to establish a consolidated bank account in accordance with Section 286 of the Municipal Act 2001, S.O. 2001, c.25;
- 3) THAT the Treasurer of the Corporation of the Township of Wilmot may invest monies held in Reserve Funds, but not immediately required, in any securities authorized under Section 418, of the Municipal Act, 2001, S.O. 2001, c.25;
- 4) That the Treasurer of the Corporation of the Township of Wilmot is hereby authorized to subdivide a Reserve Fund into separate components for accounting purposes.

READ A FIRST AND SECOND TIME this 12th day of September 2011

READ A THIRD TIME AND FINALLY PASSED this 12th day of September 2011

Mayor

Clerk

SCHEDULE 'A'

TO BY-LAW NO. 2011-40

RESERVE FUNDS:

Discretionary Reserve Funds

1. Cemetery Reserve Fund

Contributions to this fund are derived from the excess of revenues over expenditures in the cemetery-operating budget. The fund will be used to defray the cost of cemetery operating and capital expenses.