

**BY-LAW NO. A-9**

**A BY-LAW TO ESTABLISH RESERVE FUNDS FOR THE TOWN OF NACKAWIC**

**1. Title**

This by-law may be cited and referred to as the “Reserve Funds By-Law”.

**2. Definition**

In this by-law,

“General Capital Reserve Fund” means the General Capital Reserve Fund established by this by-law.

“General Operating Reserve Fund” means the General Operating Reserve Fund established by this by-law.

“Utility Capital Reserve Fund” means the Utility Capital Reserve Fund established by this by-law.

“Reserve Fund Regulations” means the regulation made by Order-in-Council, Number 97-1036 dated December 19, 1997 pursuant to Regulation 97-145 Reserve Fund Regulation - Municipalities Act.

“Town” referred to in this by-law means the Town of Nackawic.

“Money” when used with reference to money in a reserve fund includes the income derived from the investment thereof.

“Services”, when used with references to the reserve fund means the water service and sanitary sewerage utility presently provided by the Town of Nackawic.

“Capital expense” means an expenditure or a tangible asset that confers a benefit to the town for a period exceeding one year.

“Operating expense” means an expense incurred by the town other than a capital expense.

**3. General Capital Reserve Fund**

3.01 The town may, by resolution, establish, manage and contribute to a General Capital Reserve Fund for the payment of capital expenses.

3.02 Money held in a General Capital Reserve Fund shall be used for no purpose other than the payment of capital expenses.

3.03 Every resolution respecting a contribution made to the General Capital Reserve Fund in respect of a calendar year shall be made by December 31 of that calendar year and shall specify the dollar amount contributed to the General Capital Reserve Fund.

**4. General Operating Reserve Fund**

4.01 The town may, by resolution, establish, manage and contribute to the General Operating Reserve Fund for the payment of operating expenses.

4.02 The amount held in the General Operating Reserve Fund shall not exceed five percent (5%) of the total expenditures that was budgetted for the municipality for the previous fiscal year.

4.03 Money held in the General Operating Reserve Fund shall be used for no purpose other than the payment of operating expenses.

4.04 Every resolution respecting a contribution made to the General Operating Reserve Fund in respect of a calendar year shall be made by December of that calendar year and shall specify the dollar amount contributed to the General Operating Reserve Fund.

**5. Utility Capital Reserve Fund**

5.01 The town may establish, manage and contribute by resolution to a Utility Capital Reserve Fund for the payment of expenses incurred in the provision of services.

5.02 Money held in the Utility Capital Reserve Fund shall be used for no purpose other than the payment of expenses incurred by the town in the provision of services.

5.03 Every resolution respecting a contribution made to the Utility Capital Reserve Fund in respect of a calendar year shall be made by December 31 of that calendar year and shall specify the dollar amount contributed to the Utility Capital Reserve Fund.

**6. Transfer from Fund**

6.01 No transfer of money from the General Capital Reserve Fund, General Operating Reserve Fund or the Utility Capital Reserve Fund shall be made except:

a) by resolution of Council,

b) within the fiscal year to which the expenditure relates.

## **7. Investment**

7.01 Any money, including interest, within the General Capital Reserve Fund, the General Operating Reserve Fund and the Utility Capital Reserve Fund shall be invested or reinvested in accordance with the Trustees Act, and such investments may include short term deposit certificates and like evidence of indebtedness issued by Canadian chartered banks and trust companies licensed to carry on the business of a trust company in the province of New Brunswick.

## **8. Records**

8.01 The Town Treasurer shall maintain such full and accurate record of monies transferred to the Utility Capital Reserve Fund, General Operating Reserve Fund, and the General Capital Reserve Fund, and the income earned thereon, expenditures there from and of the investment of monies therein as well, enable the Auditor of the town to include in the annual audited financial statements of the Town the information required to be reported on pursuant to the Reserve Fund Regulation and otherwise as may be required or desirable.

## **9. Repeal Provision**

9.01 By-Law No. A-8, A By-Law To Establish Reserve And Depreciation Funds, passed by Town Council on August 18, 2003, is hereby repealed.

9.02 The repeal of By-Law A-8, A By-Law To Establish Reserve And Depreciation Funds, shall not affect any penalty, forfeiture or liability, incurred before such repeal or any proceeding for enforcing the same completed or pending at the time of repeal; nor shall it repeal, defeat, disturb, invalidate or prejudicially affect any matter or thing whatsoever completed, existing or pending at the time of repeal.

DULY PASSED AND ENACTED BY THE COUNCIL OF THE TOWN OF NACKAWIC  
ON NOVEMBER 15, 2004.

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Robert G. Connors, Mayor

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Nancy Cronkhite, Chief Administrative Officer

Read for the first time on: November 1, 2004  
Read for the second time on: November 15, 2004  
Read for the third time and enacted on: November 15, 2004