

# THE MUNICIPAL CORPORATION OF THE TOWNSHIP OF MCMURRICH/MONTEITH

## BY-LAW 16-2025

Being a by-law to create and/or confirm the reserves and reserve funds and their purpose for the Township of McMurrich/Monteith.

**WHEREAS** the primary objective of the Reserves and Reserve Funds is to ensure that monies are set aside for the long-term goals of the municipality and that those funds will be available when needed;

**AND WHEREAS** Reserves and Reserve Funds are important long-term financial planning tools for the municipality;

**AND WHEREAS** it has been deemed necessary to create and/or confirm the Reserves and Reserve Funds of the Township of McMurrich/Monteith;

**NOW THEREFORE** the Council of the Corporation of the Township of McMurrich/Monteith hereby enacts as follows:

1. THAT the following are confirmed Reserves and Reserve Funds for the Township of McMurrich/Monteith until amended or repealed;

### **Working Fund Reserve (discretionary)**

The Working Fund Reserve is a discretionary reserve fund which is used to offset the accounts receivables the municipality has at any given time. This reserve, at the right level, will ensure that the municipality has a reliable cash flow and that it will not have to borrow funds to be able to meet its obligations, especially at the beginning of any given year before the interim taxes are collected. This reserve should be stable and should not be used to fund any project.

Based on the average level of accounts receivable the Township has; the approved level of this reserve is \$400,000.

### **Capital Reserve (discretionary)**

The Capital Reserve is a discretionary reserve which provides a source of financing for general capital projects which are included in the yearly capital budget.

Council approves the transfer of 2% of the total roads operating expenditures into this reserve every year. Council may approve other funds to be deposited into this reserve.

Our 2023 asset management plan shows a yearly capital deficit of \$440,764. Therefore, this reserve should never be below \$1,000,000.

The balance of the following present reserves shall be transferred to the capital reserve:

- a) Roads Reserve
- b) Building Reserve
- c) Roads – Backhoe Reserve
- d) Roads – Grader Reserve

### **Election Reserve (discretionary)**

The Election Reserve is a discretionary reserve established to amortize the cost of a municipal election over 4 years, rather than expensing the entire amount in the year of the election.

Council approves the transfer of 25% of the cost of an election into this reserve every year. This reserve should not exceed \$20,000.

### **MAHC Local Share Reserve (discretionary)**

The MAHC Local Share Reserve is a discretionary reserve setup to be used to fund the Township's share of the cost of the replacement of the local hospitals.

Council has agreed to deposit \$53,250 yearly into this reserve for 12 years commencing in 2023.

### **Local Health Share Reserve (discretionary)**

The Local Health Share Reserve is a discretionary reserve to be used to enhance health services locally.

Council has agreed to deposit \$13,312 yearly into this reserve for 12 years starting in 2023.

### **Fire Reserve (discretionary)**

The Fire Reserve is a discretionary reserve to be used to pay for capital items for the fire department.

Council agrees to deposit \$28,000 yearly into this reserve. Council may approve other funds to be deposited into this reserve.

The balance of the following present reserves shall be transferred to the fire reserve:

- a) Fire – Pumper Reserve
- b) Fire – Air Bottles Reserve
- c) Fire – BF Air Bank Reserve
- d) Fire – Training Unit Reserve

### **Recreation Reserve (discretionary)**

The Recreation Reserve is a discretionary reserve to be used to pay capital items for recreation services.

Council approves the transfer of 2% of the total recreation operating expenditures into this reserve every year. Council may approve other funds to be deposited into this reserve.

The balance of the following present reserves shall be transferred to the recreation reserve:

- a) Recreation – Playground
- b) Recreation – Soccer Field
- c) Recreation – Baseball
- d) Recreation - General

### **Landfill Reserve (discretionary)**

The Landfill Reserve is a discretionary reserve to be used to fund capital items for the landfill.

Council approves the transfer of 2% of the total landfill operating expenditures into this reserve every year. Council may approve other funds to be deposited into this reserve.

### **Canada Community – Building Fund (Gas Tax) (obligatory)**

The Canada Community – Building Fund is an obligatory reserve required by the Federal Government to monitor how the gas tax funds they give to a municipality are kept and/or used. These funds can only be used on capital projects which are approved under the agreement the municipality has with the Federal Government for gas tax funds.

Any gas tax payment received from the Federal Government is deposited into this reserve.

### **Ontario Community Infrastructure Fund (OCIF) (obligatory)**

The Ontario Community Infrastructure Fund is an obligatory reserve required by the Provincial Government to monitor how the OCIF funds they give to a municipality are kept and/or used. These funds can only be used on capital projects which are approved under the agreement the municipality has with the Provincial Government for OCIF funds.

Any OCIF payment received from the Provincial Government is deposited into this reserve.

### **Northern Ontario Resource Development Support Fund (NORDS)**

The Northern Ontario Resource Development Support Fund is an obligatory reserve required by the Provincial Government to monitor how the NORDS funds they give to a municipality are kept and/or used. These funds can only be used on capital projects which are approved under the agreement the municipality has with the Provincial Government for OCIF funds.

Any NORDS payment received from the Provincial Government is deposited into this reserve. This reserve will be automatically deleted when the funds received are used.

### **Modernization Fund (obligatory)**

The Modernization Fund is an obligatory reserve required by the Provincial Government to monitor how the modernization funds received by the municipality are kept and/or used. These funds can only be used on projects which have been approved by the Provincial Government.

This reserve will be automatically deleted when the funds received are used.

### **Parkland Trust Reserve Fund**


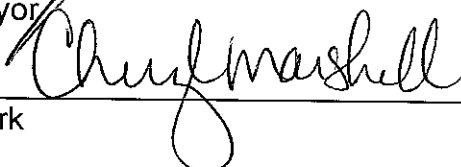
The Parkland Trust Reserve Fund is an obligatory reserve required by the *Planning Act* to be used to create or improve parks in the municipality.

Any payment received under the *Planning Act* in lieu of parkland shall be deposited into this reserve fund.

The balance of the Development Fund Reserve shall be transferred to the Parkland Trust Reserve Fund.

2. THAT this By-law shall be known and may be cited as the "Reserve and Reserve Fund Policy By-law".
3. THAT the Clerk of the Township of McMurrich/Monteith is hereby authorized to make any minor modifications or corrections of an administrative, numeric, grammatic, semantic or descriptive nature or kind to the by-law and schedule(s) as may be deemed necessary after the passage of this by-law, where such modifications or corrections do not alter the intent of the by-law.
4. THAT this by-law shall come into force and take effect on the day it is passed.

Read a first, second and third time,  
signed and the seal of the  
Corporation affixed thereto and  
finally passed in open Council this  
1<sup>st</sup> day of April, 2025.

  
Mayor  
  
Clerk