

**Rural Municipality of Eastern Kings, PE
A Bylaw to Regulate Reserve Funds,
Bylaw # 2024 – 02**

BE IT ENACTED by the Rural Municipality of Eastern Kings as follows:

1. Title

- 1.1. This bylaw shall be known and cited as the “RMEK 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 municipality for any municipal purpose and may make contributions to the reserve funds pursuant to the bylaw or in accordance with the financial plan for the municipality.

3. Definitions

- 3.1. “Act” means the Municipal Government Act.
- 3.2. “Chief Administrative Officer” or “CAO” means the administrative head of the municipality as appointed by Council under subsection 86(2)(c) of the *Municipal Government Act*.
- 3.3. “Council” means the Mayor and other members of the Council of the municipality.
- 3.4. “Councillor” means a member of Council other than the Mayor.
- 3.5. “Municipality” means the Rural Municipality of Eastern Kings.
- 3.6. “Reserve fund” means money set aside for a specific purpose by approval of Council.

4. Principle

- 4.1. 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;

5. Criteria and Conditions for Reserve Fund Contributions, Transfers, Withdrawals

- 5.1. The reserve funds are hereby established in Schedule “A” that is attached to, and forms part of, this bylaw.
- 5.2. Money set aside in reserve funds shall be approved by Council for the purposes identified in Schedule “A”.
- 5.3. Any interest derived from a reserve fund is reported as revenue fund earnings and shall be considered part of the fund.

- 5.4. Council may add new reserve funds or change the purpose of reserve funds, in Schedule "A" by a resolution of Council.
- 5.5. All contributions and withdrawals from each reserve fund must be approved by Council either generally as part of the annual budget approval process or by resolution at a duly constituted meeting of the Council.

6. Closure of Reserve Funds

- 6.1. A reserve fund may not be closed, and any remaining money may not be withdrawn, until such time as Council determines the following: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.
- 6.2. 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 Fund Bylaw to reflect the closure date of the reserve fund.

7. Reporting

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

8. Effective Date

- 8.1. This RMEK Reserve Funds Bylaw # 2024-02, shall be effective on the date of approval and adoption below.

First Reading:

This RMEK Reserve Funds Bylaw # 2024-02, was read a first time at the Council meeting held on the 14th day of May, 2024.

This RMEK Reserve Funds Bylaw # 2024-02, was approved by a majority of Council members present at the Council meeting held on the 14th day of May, 2024.

Second Reading:

This RMEK Reserve Funds Bylaw # 2024-02, was read a second time at the Council meeting held on the 11th day of June, 2024.

This RMEK Reserve Funds Bylaw # 2024-02, was approved by a majority of Council members present at the Council meeting held on the 11th day of June, 2024.

Approval and Adoption by Council:

This RMEK Reserve Funds Bylaw # 2024-02, was adopted by a majority of Council members present at the Council meeting held on the 11th day of June, 2024.

9. Signatures

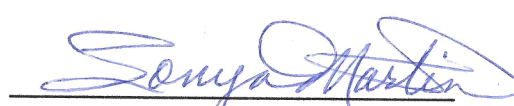


Mayor (signature sealed)



Chief Administrative Officer (signature sealed)

This RMEK Reserve Funds Bylaw #2024-02 adopted by the Council of the Rural Municipality of Eastern Kings on the 11th day of June 2024, and is certified to be a true copy.



Chief Administrative Officer Signature

Date

June 11, 2024

Schedule "A"

Name	Year Established	Purpose	Date of Fund Closure
CAPITAL ASSET PROJECT RESERVE	2024	To provide for expenditures associated with the restoration or replacement of existing capital infrastructures or portions thereof; and to provide for any new municipal capital asset projects.	
CONTINGENCY GENERAL RESERVE	2024	To provide for unforeseen expenditures that may occur with in a year which are not part of the approved budget.	
ECONOMIC DEVELOPMENT	2024	To provide one-time funding for opportunities to enhance the business environment and to create a catalyst to stimulate and support continued economic growth.	
EMERGENCY MANAGEMENT	2024	To provide funds for costs incurred in clean-up after a disaster and for future-proofing the municipality against the costs resulting from a disaster to minimize financial implications.	
EXPENDITURES	2024	To provide for unanticipated administrative/operational expenses.	
PROFESSIONAL FEES	2024	To address unanticipated professional costs.	