



**Town of Cornwall, PEI**  
**A Bylaw to Regulate Reserve Funds**  
**Bylaw # 2021 – 02**

A bylaw to establish and manage reserve funds.

**IT IS ENACTED** by the Council of the Town of Cornwall as follows:

**1. Title**

1.1. This bylaw shall be known and cited as the “Reserve Funds Bylaw.”

**2. Authority**

2.1. This bylaw is enacted under the authority of the *Municipal Government Act* R.S.P.E.I. 1988, Cap. M-12.1.

**3. Definitions**

3.1. “Act” means the Municipal Government Act.

3.2. “Chief Administrative Officer” or “CAO” means the administrative head of a municipality as appointed by council.

3.3. “Council” means the Mayor and other members of the Council of the Town of Cornwall.

3.4. “Councillor” means a member of Council other than the Mayor.

3.5. “Reserve fund” means money set aside for a specific purpose by approval of Council.

**4. Criteria and Conditions for Reserve Fund Contributions, Transfers, Withdrawals**

4.1. The reserve funds are hereby established in Schedule “A” that is attached to, and forms part of, this bylaw, for the purpose indicated in the schedule.

4.2. Money set aside in reserve funds must only be approved by Council for the purposes identified in Schedule A.

4.3. Council may add new reserve funds or change the purpose of reserve funds by amending Schedule A, which will be an amendment of this bylaw.

4.4. Any interest derived from a reserve fund is reported as revenue fund earnings and shall be considered part of the fund.

4.5. 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.

**5. Closure of Reserve Funds**

5.1. A reserve fund may not be closed, and any remaining money may not be withdrawn, until such time as Council determines that:

(a) the purpose for which the reserve fund was established has been achieved;

(b) the reserve fund is no longer required to achieve the long term financial planning goals of Council; or

(c) the money set aside in a reserve fund would be better used for an alternate purpose.

5.2. 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.

**6. Reporting**

6.1. 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.

**7. Severability**

7.1. If any provision in this bylaw is deemed to be invalid for any reason, then that provision shall be severed from this bylaw and all remaining provisions shall remain valid and in force.

**8. Effective Date**

8.1. This Reserve Funds Bylaw, Bylaw# 2021-02, is effective on the date of approval and adoption below.

**First Reading:**

This bylaw was read and formally approved by a majority of Council members present at the Council meeting held on the 17th day of March 2021.


**Second Reading:**

This bylaw was read and formally approved by a majority of Council members present at the Council meeting held on the 21st day of April 2021.

**Formal Adoption by Council:**

This bylaw was formally adopted by a majority of Council members present at the Council meeting held on the 21st day of April 2021.

**Signatures**

  
\_\_\_\_\_  
Mayor

  
\_\_\_\_\_  
Chief Administrative Officer

Certified to be a true copy of the Town of Cornwall Reserve Funds Bylaw, Bylaw #2021-02.

  
\_\_\_\_\_  
Chief Administrative Officer Signature

          MAY 5, 2021            
Date



### Schedule A – Reserve Funds

This schedule forms part of the Reserve Fund Bylaw

<b>Name</b>	<b>Year Established</b>	<b>Purpose</b>	<b>Date of Fund Closure</b>
<b>Town Capital Reserve</b>	2021	To provide for expenditures associated with the rehabilitation or replacement of existing capital infrastructures, or portions thereof. Annual cash budget surpluses from the Town General Fund, net of government contributions, shall be automatically deposited into this fund.	
<b>Utility Capital Reserve</b>	2021	To provide for expenditures associated with the rehabilitation or replacement of existing capital infrastructure, or parts thereof. Annual cash budget surpluses from the Utility General Fund, net of government contributions, shall automatically be transferred into this fund.	