Municipality of Trinity Bay North
Reserve Funds Bylaw

BE IT ENACTED by the council in the Municipality of Trinity Bay North as follows:

1. **Title**

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

2. **Authority**

    2.1.　Section 88(1) of the Towns and Local Service District Act CT-6.2 s88, enables council by by-law to establish, manage and contribute to one or more reserved funds in the name of the Municipality.

3. **Application**

    3.1　This bylaw applies to council who may establish one or more reserve funds to facilitate efficient financial planning and to ensure greater transparency and accountability to the public.

    3.2　This bylaw also allows for the consolidation of authority for all reserved funds into one bylaw.

4. **Definitions**

    4.1.　"Act" means the Towns and Local Service District Act.

    4.2.　"Chief Administrator Officer" or "CAO" means the administrative head of a municipality also known as the town manager

    4.3.　"Council" means the mayor and other members of the council of a municipality.

    4.4.　"Councilor" means a member of council other than the mayor.

    4.5.　"Reserved Fund" means money set aside for a specific purpose by approval of council.

5. **Principals**

    5.1.　The principals regarding reserved funds are as follows:

    (a) Reserve funds are important long term financial planning tools;

(b) Reserve funds must be used to promote sound fiscal stewardship and management;

(c) Reserve funds provide resources for balancing the use of long-term debt to provide for reoccurring or anticipated expenditures;

(d) 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;

(e) Money set aside in reserve funds must only be approved by council for the purposes identified in this bylaw and as authorized by the Reserve Fund Policy that governs each reserve fund adopted by Council;

(f) The "Chief Administrative Office(CAO) will administer and monitor all transactions involving reserve funds.

Note: Anticipated expenditures may include but are not limited to capital projects, insurance payments, legal expenses or operating contingencies, etc.

6. Criteria and Conditions for Reserve Funds Contributions, Transfers, Withdrawals

6.1.   The reserve funds listed in Column 1 of Schedule A of this bylaw are hereby established and money shall be deposited into them as allocated by the Council for the purpose(s) described in each " Reserve Fund Policy" established by Council.

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

6.3.   All withdrawals from the reserve fund must be approved by a resolution of Council.

6.4.   All contributions and/or withdrawals from each reserve fund must be approved by Council either generally as part of the annual budget approval process or specifically by resolution at a duly constituted meeting of Council. Council is required to approve all transactions related to reserve funds in accordance with the reserve funds policy established by Council.

7. Closure of Reserve Funds

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

(a) The purpose of with 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

7.2.   If Council determines that the 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. Any closure of a reserve fund must be documented in column 2 of Schedule "A". Schedule "A" is considered to be part of the bylaw and may only be altered by amendment of the Reserve Fund Bylaw.
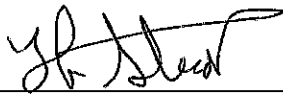
8. Reporting

8.1.   Reserve fund projected contributions and planned expenditures 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.
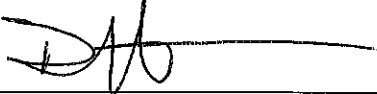
9. Effective Date

9.1.   This Reserve Fund Bylaw shall be effective on the date of approval.
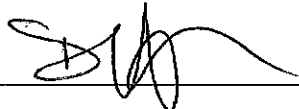
10. Signatures

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Mayor

_____

Chief Administrative Officer

This Reserve Funding Bylaw adopted by the Council in the Municipality of Trinity Bay North on this 30 day of December, 2026 is certified to be a true copy.

_____

Chief Administrative Officer Signature

Dec/31/2025

Date

Schedule A- Reserve Funds

Note: Council should only keep reserve funds that reflect the funds required currently by the Municipality or for purpose identified in a policy or planning strategy established by the municipality. Remove those that do not apply and add any that reflect the policy goals of the municipality.

This schedule forms as part of the bylaw and may only be amended in accordance with section 8.8 of the Towns and Local District Act

Name	Year Established	Purpose	Amount to be reserved (per year)	Date of fund closure
Town building renovations/ Upgrades (Capital Reserve)	2025	To provide for renovations and upgrades to Municipal buildings	$10,500	
Waste water treatment facility (Capital Reserve)	2025	To build a Wastewater treatment facility to meet Federal environmental laws designed to prevent raw sewage and other contaminated water from entering bodies of water such as rivers, lakes, or oceans.	$25,000	
Vehicle/Equipment life cycle management (Capital Reserve)	2025	To provide for the cost of maintenance, repair or replacement of town vehicles/equipment	$20,000	
Fire Truck	2023	To provide the required funds to obtain a new fire truck	$20,000 (50/50 cost share with FD)	
Fire Safety Equipment	2026	Maintain personal protection equipment	$10,000	

Lookout Park Upgrade Project	2026	Improvements/upgrades to our local municipal park	$30,000	