

VILLAGE OF MCADAM

BY LAW NO. 22

A BY – LAW TO AUTHORIZE THE ESTABLISHMENT OF CAPITAL

RESERVE AND DEPRECIATION TRUST FUNDS

PASSED

BE IT ENACTED by the Mayor
And Councillors of the Village of McAdam
as follows:

Original signed by the Mayor
H.S. Dixon

1. (1) The Council may by resolution establish a Capital Reserve Fund in which the proceeds from the sale of a capital asset or capital assets of the Village may be placed.
- (2) The proceeds:
 - a) from the sale of more than one capital asset,
 - b) from different capital assets, and
 - c) from sales of capital assets which take place from time to time, may be placed in the Capital Reserve Fund.
- (3) Subject to section 2 hereof, the proceeds from the sale of a capital asset shall be placed in the Capital Reserve Fund unless the Council by resolution expressly provides to the contrary, or unless such proceeds are to be immediately applied to the purchase of a capital asset in place of the asset which is sold.
2. (1) When deemed expedient and in the best interests of the Village, the Council may by resolution establish an additional capital reserve fund for a particular or special purpose and such fund shall be designed as a Special Capital Reserve Fund.
- (2) The proceeds from the sale of capital assets designated in the resolution establishing such fund or in subsequent resolutions of the Council shall be placed in the Special Capital Reserve Fund.
- (3) Where, pursuant to subsection (1) hereof, a Special Capital Reserve Fund is established, the purpose of such fund shall be clearly stated in the resolution established from the Capital Reserve Fund.
- (4) The monies in a Special Capital Reserve Fund shall not be used for the purchase of an asset or assets other than that for which such fund was established.
3. The Council may, from time to time, authorize the payment into Capital Reserve Fund or a Special Capital Reserve Fund of funds in such amounts and from such sources, other than the sale of capital assets, as may be lawful and deemed in the best interests of the Village.

4. The money in a Capital Reserve Fund or a Special Capital Reserve Fund shall not be expended except to purchase or assist in the purchase of a capital asset or assets and shall only be expended when expressly authorized by a resolution of the Council.
5. (1) The Council, by resolution, may establish a Machinery and Equipment Depreciation Trust Fund for the replacement of its machinery and equipment.

(2) Subject to s. 91 of the Municipalities Act, Stats. N.B. 1966, c.20 as amended and the Regulations enacted there under, the council may from time to time authorize the payment of specified amounts of money into the fund so established and may include such amounts in the annual estimate of expenditures or the Village.
6. The money in the Machinery and Equipment Depreciation Trust Fund shall not be expended except to Purchase replacement machinery or equipment unless the expenditure is approved by the Commissioner of Municipal Affairs and in no event shall such Money be expended unless expressly authorized by a resolution of the Council.
7. Subject to s. 91 of the Municipalities Act, Stats. N.B 1966, c. 20 as amended, the Council may from time to time authorize the investment of the monies within the Capital Reserve Fund or a Machinery and Equipment Depreciation Trust Fund.
8. A Capital Reserve Fund, Special Capital Reserve Fund or a Machinery and Equipment Depreciation Trust Fund established pursuant to the by – law shall be subject in all respects to the provision of the Municipalities Act, Stats. N.B. 1966, c.20 as amended.

Original signed by the Village Clerk
Marjorie O'Keefe

Read first time: January 10, 1970
Read second time: January 17, 1970
Read third time & enacted: January 17, 1970