

BYLAW NO. 06/14

THE RURAL MUNICIPALITY OF SHERWOOD NO. 159

A BYLAW TO ESTABLISH A GENERAL RESERVE FUND

The Council of the Rural Municipality of Sherwood No. 159 (the "RM of Sherwood"), in the Province of Saskatchewan hereby enacts as follows:

1. This bylaw shall be known as the "General Reserve Fund Bylaw".
2. One or more general reserve fund savings accounts shall be created. These accounts, collectively, shall be referred to as the "General Reserve Fund" and may include any investment permitted by section 160 of *The Municipalities Act*.
3. The sum of \$ 4,311,310.78 representing a portion of the \$ 4,911,310.78 Tax Loss Compensation payment made by the City of Regina to the RM of Sherwood on January 2nd 2014 shall be deposited in the General Reserve Fund.
4. Any interest earned on monies deposited in the General Reserve Fund shall be deposited to and form part of the General Reserve Fund.
5. Transfers from the General Reserve Fund will be limited to:
 - a. Transfers to finance capital projects included in the Municipalities annual operating budget and approved by bylaw which shall, at a minimum, identify the capital project, the sum to be transferred, the interest to be paid, the source of funds to be used for repayment and an annual principal and interest repayment schedule.
 - i. Funds borrowed from the General Reserve Fund under section 5(a) of this bylaw shall be repaid to the Fund by no later than the 10th full calendar year following the transfer; with the repayment term interest rate to be a minimum annual interest charge of the prime rate of the deposit institution holding the General Reserve Fund plus 1% calculated as at the date of the transfer.
 - ii. At no time shall the cumulative balance owing to the General Reserve Fund under section 5(a) be greater than \$2,750,000.00.
 - b. Transfers from the General Reserve Fund approved by Council resolution to temporarily fund capital projects which shall be repaid no later than 12 months following the date of transfer. If not repaid within 12 months, a bylaw setting out the repayment terms shall be established with a repayment term not exceeding 3 years.
 - c. Transfers from the General Reserve Fund to fund the annual operations of the Municipality, for the specific purpose of mitigating tax increases in the years 2015 and 2016, shall be subject to inclusion of transfers in the adopted annual budget for the years 2015 and 2016.
6. Additional contributions to the General Reserve Fund shall be approved by resolution of Council.

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7. This bylaw shall come into force and effect on the date of its final adoption.

Read a first time on the ____ day of _____, 2014.

Read a second time on the ____ day of _____, 2014.

Read a third time and adopted the ____ day of _____, 2014.

(seal)

Reeve

Administrator