



**MAINTENANCE VEHICLE AND EQUIPMENT
RESERVE FUND POLICY**

Approved: 2019-12-17

Motioned by Deputy Chair Van Kroonenburg

"I move that Village of Bible Hill adopt the Maintenance Vehicle and Equipment Reserve Fund Policy as presented, repealing and replacing the Maintenance Vehicle & Equipment Restricted Reserve Fund Policy adopted November 2016."

Seconded by Commissioner Kennedy

Motion carried

Purpose

1. To provide partial financing for the replacement of maintenance vehicles and equipment.

Definitions

2. In this policy,
 - (a) "Clerk and Treasurer" means the person appointed and employed by the Village as Clerk and Treasurer as described in the Municipal Government Act.
 - (b) "Maintenance vehicles and equipment" means any motorized capital asset used primarily in maintaining Village properties and includes motor vehicles, tractors and mowers".
 - (c) "Village" means the Village of Bible Hill.
 - (d) "Village Commission" and "Village Commissioners" have the same meanings as defined in the Municipal Government Act.

Principles Supporting Policy

3. Capital asset replacement needs vary each year. By maintaining a reserve fund, the Village can partially offset fluctuations in budget expenditures required for purchasing capital assets.
4. Replacement of maintenance vehicles and equipment is necessary as existing capital assets age and become less efficient or cost-effective to maintain and operate.

Terms of Policy

5. The Village Commission shall maintain an interest bearing bank account restricted for the purposes of holding funds and transacting under the terms of this policy. The account shall be known as the maintenance vehicle and equipment reserve fund and herein referred to as the reserve fund.
6. The Village Commission shall, on an annual basis, transfer from the operating fund to the reserve fund:
 - (a) One-tenth of the total original cost of maintenance vehicles and equipment held at the beginning of the fiscal year;
 - (b) Proceeds on disposal of maintenance vehicles and equipment, net of any amount required to settle financing liabilities associated with the asset; and
 - (c) Proceeds of insurance resulting from loss or damage of maintenance vehicles and equipment net of amounts used for replacement, repair or reconstruction.
7. Interest earned on the reserve fund balance shall be maintained in the reserve fund.

8. Funds held in the reserve fund shall be used exclusively to finance purchases of maintenance vehicles and equipment.
9. The replacement schedule of maintenance vehicles and equipment is based on the estimated useful life of such capital assets being ten years from the date of purchase.
10. All deposits and withdrawals involving the reserve fund shall be made by motion of the Village Commission.
11. The Clerk and Treasurer shall maintain a listing of the original cost of maintenance vehicles and equipment, rounded to the nearest thousand dollar, for purposes of calculating transfers described in paragraph 6(a).

Reference

Municipal Government Act 444

Municipal Government Act 100

Department of Municipal Affairs Financial Reporting and Accounting Manual Section 3

Policy Document Attestation

Date of Notice to Village Commission of Intent to Consider: 2019-12-10

Date of Passage of Policy: 2019-12-17

I certify that this Policy was adopted by Village Commission as documented above:

Leslie Cornick
Chair

December 18, 2019
Dated

W. J. Hill, CPA, CA
Clerk and Treasurer

2019-12-18
Dated