



BY-LAW NUMBER 078-2014

A BY-LAW TO ESTABLISH A POLICY GOVERNING THE MANAGEMENT OF A RESERVE FUND FOR THE REPLACEMENT OF VEHICLES AND EQUIPMENT.

WHEREAS pursuant to Section 290 (4) (g), of the *Municipal Act*, 2001 S.O., Chapter 25 as amended, provides that in preparing the budget for a year the local municipality may provide for such reserve funds as the municipality considers necessary;

AND WHEREAS reserves and reserve funds can be set aside to meet specific liabilities such as the replacement/acquisition of capital assets;

AND WHEREAS reserves and reserve funds have long been recognized as key elements of the Town of Cobourg's current and capital financing program relating to reserve fund and adoption of best practices among municipal governments to ensure the adequate funding of capital infrastructure for the replacement of vehicles and equipment;

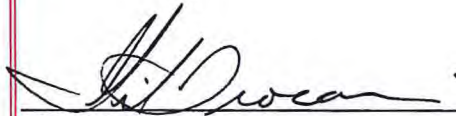
AND WHEREAS Council deems it expedient to review and update the Reserve Fund for the Replacement of Vehicles and Equipment;

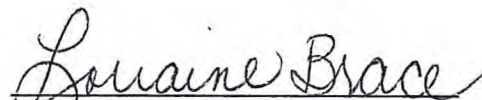
NOW THEREFORE the Municipal Council of the Corporation of the Town of Cobourg enacts as follows:

1. THAT the Reserve Fund known as the Vehicle and Equipment Reserve Fund be maintained.
2. THAT monies accumulated in the said Reserve Fund shall be derived from the following sources:
 - a) In each year, an amount equal to the estimated annual depreciation of all vehicles and equipment purchased after 2001 as calculated using the average life expectancy as per Schedule "A" attached to this By-law;
 - b) The net proceeds from the sale or trade-in of any vehicles or equipment;
 - c) Excess capital financing on vehicle or equipment purchases completed or discontinued in any fiscal period; and
 - d) Such other funds or sources as may be determined by Council.
3. THAT interest shall be credited to such fund annually as may be determined by the Treasurer.
4. THAT the amount in said Reserve Fund shall only be used to finance vehicles and equipment under the following criteria:
 - a) Replacement of vehicles or equipment which have reached the end of their economic utility determined either by age or use;
 - b) The additional cost of upgrading vehicles or equipment;
 - c) Replacement of other equipment as may be determined by Council.

5. THAT monies to be drawn from the Reserve Fund each year shall be approved by Council.
6. THAT monies raised for said Reserve Fund shall not be expended, pledged or applied for any purpose other than that for which the fund was established.
7. THAT a process be established by a policy to evaluate vehicles and equipment on a department-by-department basis annually to determine its their life expectancy and anticipated replacement targets or advanced replacement requirements.
8. Town of Cobourg By-law No. 42-01 be hereby repealed.
9. THAT the provisions of this by-law shall come into force and effect upon passing of the by-law.

READ a first, second and third time and finally passed in Open Council
this 11th day of August, 2014.


MAYOR


MUNICIPAL CLERK

SCHEDULE "A"

TOWN OF COBOURG
ESTIMATED VEHICLE AND EQUIPMENT REPLACEMENT SCHEDULE
BY-LAW NO. 078-2014

VEHICLE/HEAVY EQUIPMENT TYPE	USEFUL LIFE EXPECTANCY (YEARS)
CARS	7
TRUCKS – LIGHT/MEDIUM DUTY	9
TRUCKS – HEAVY DUTY	12
GARBAGE PACKERS	10
HEAVY DUTY CONSTRUCTION EQUIPMENT	20
STREET SWEEPER	10
SEWER INSPECTION CAMERA/TRUCK	10
TRACTORS – HEAVY DUTY	20
VACTOR TRUCK	10
TRACTORS – LIGHT/MEDIUM DUTY	12
TRANSIT COACH – REGULAR	15
TRANSIT COACH – ACCESSIBLE	10
ICE RESURFACERS	10
FIRE TRUCKS – LIGHT/MEDIUM DUTY	9
FIRE TRUCKS – AERIAL/PUMPER/HEAVY DUTY	18
DREDGING VESSEL	20
GENERATOR(S)	20