

The Corporation of the Township of

South Algonquin By-Law #21-669

BEING a By-Law to establish a Capital Reinvestment policy for the Township of South Algonquin.

WHEREAS section 224(d) of the Municipal Act states it is the role of Council to ensure that administrative practices and procedures are in place to implement the decisions of Council.

AND WHEREAS the Township of South Algonquin desires establishing a Capital Reinvestment policy, which will ensure appropriate Financial Controls are in place

AND WHEREAS Council of the Corporation of the Township of South Algonquin deems it expedient adopt a Capital Reinvestment Policy

Therefore, the Council of the Township of South Algonquin enacts as follows:

- 1. That** the Capital Reinvestment Policy, attached hereto and forming part of this By-Law be adopted
- 2. That** this By-law shall come into force and effect on the day of its passing.
- 3. That** any other By-Law antedating this By-Law is hereby repealed.

READ A FIRST & SECOND TIME THIS 6TH DAY OCTOBER 2021

Jane A E Dumas, Mayor

Bryan Martin, CAO Clerk /Treasurer

READ A THIRD TIME AND PASSED THIS 6TH DAY OCTOBER 2021

Jane A E Dumas, Mayor

Bryan Martin, CAO Clerk /Treasurer

CAPITAL REINVESTMENT POLICY

POLICY MANUAL	POLICY NO. FS-008-01
For Township of South Algonquin	EFFECTIVE DATE: October 6, 2021 Revised:
SUBJECT: Capital Reinvestment Policy	DEPARTMENT: Finance

RECOMMENDATION

That Council adopt a Capital Reinvestment Policy to aid in the long-term tangible capital asset renewal. AND further that Council adopts a 1% Levy Increase each year to fund the Capital Reserve

PURPOSE

The goal of the Township’s Capital Reinvestment Policy shall be to set out the guiding principles for the financing of future capital expenditures in a manner that considers the infrastructure investment requirements of the Township as well as affordability issues for taxpayers.

GLOSSARY

Capital Levy – The amount of money raised through taxation that is transferred to the capital fund or reserves to be used to help pay for the cost of capital projects.

Debt – Any obligation for the payment of money. The Township considers debt to consist of debentures, cash loans from financial institutions, capital leases, debenture financing approved through By-Law for which no debt has yet been issued, debenture financing approved through the capital budget for which no By-Law has yet been established, outstanding financial commitments, loan guarantees and any debt issue by, or on behalf of the Township, including mortgages, debentures or demand loans.

Long-term Debt – Any Debt for which the repayment of any portion of the principal is due beyond one year.

Municipal Levy – The amount of money raised through taxation by the Township for the purposes of funding operating costs as well as the Capital Levy.

POLICY STATEMENTS

1. The Township shall increase the Municipal Levy by a minimum of 1% per year for each of the next five years (2022 to 2026 inclusive), with the 1% increase being added to the Capital Levy.
2. The increase in the Capital Levy shall only be used for the following purposes:
 - a. To fund capital expenditures.
 - b. To increase reserve balances in order to finance future capital expenditures; or
 - c. To finance the annual costs associated with Long-term Debt issued in connection

with capital projects.

3. This policy will be reassessed upon completion of a comprehensive asset management plan and recommendations will be brought forward at that time for the future funding requirements of the plan.

	Contribution	Increase	Contribution
2022		\$ 24,571.35	\$ 24,571.35
2023	\$ 24,571.35	\$ 25,313.40	\$ 49,884.75
2024	\$ 49,884.75	\$ 26,077.87	\$ 75,962.62
2025	\$ 75,962.62	\$ 26,865.42	\$ 102,828.05
2026	\$ 102,828.05	\$ 27,676.76	\$ 130,504.80