

## Municipal District of Mackenzie No. 23

<b>Title</b>	<b>Vehicle &amp; Equipment Replacement Reserve</b>	<b>Policy No.</b>	<b>RESV 06</b>
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<b>Account Code</b>	<b>31 -761</b>
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### **Purpose**

To establish a vehicle and equipment replacement reserve. This reserve will provide funding in order to retain a stable municipal taxation structure and to fund public works and utility department vehicle and equipment purchases. This reserve excludes emergency services type vehicles. The MD has a policy, which outlines the appropriate mileage and/or age requirements as to when an individual unit will be replaced.

<b>Targeted Minimum</b>	<b>\$500,000</b>
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<b>Targeted Maximum</b>	<b>\$1,000,000</b>
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### **Funding**

As part of the annual budget process, an in-depth review is undertaken of the five (5) year capital expenditures plan to determine the appropriate yearly amount to place in the vehicle replacement reserve. A minimum of \$250,000 should be budgeted as a contribution to this reserve.

### **Policy Statement and Guidelines**

1. The Chief Administrative Officer will ensure the overall effective administration of dedicated reserves in accordance with this policy; recommending changes in policy or guidelines to Council to ensure they are employed to the benefit of the MD.
2. Annually, in conjunction with the budget process and the presentation of the audited financial statements to MD council, a list indicating the current and previous year-end balances for this reserve will be provided.
3. The use of this reserve to fund any expenditure must be by way of a Council resolution or motion.

	Date	Resolution Number
Approved	June 6, 2001	01-320
Amended		
Amended		