

Appendix D - Reserves

This appendix summarizes year end reserves and forecasted reserves where forecasted figures have been provided.

Name	Year End Balance Before Surplus / (Deficit)	Year End Surplus	Year End Balance	2021 Budget	In-Year Forecast	Forecasted Year End Balance	Funding Target	Progress
Boards and Committees (“BC”)								
Grants Committee Reserve (W)	\$ 12,250	\$ -	\$ 12,250	\$ -	\$ -	\$ 12,250	Varies - Dependent on Activity^	Achieved
Library Bequest Reserve B	\$ 4,188	\$ -	\$ 4,188	\$ -	\$ -	\$ 4,188	Varies - Dependent on Library Board Requirements^	Achieved
Library Employee Future Benefit Reserve B	\$ 16,806	\$ -	\$ 16,806	\$ -	\$ - H	\$ 16,806	75% of Employee Future Benefit and WSIB Liability (Estimated target \$131,200)	Not Achieved - Long-Term Target
Library Capital B	\$ 120,712	\$ -	\$ 120,712	\$ -	\$ -	\$ 120,712	Varies - Dependent on Library Board Requirements	Requires Facility Condition Study - Public Works is reviewing options with the Library to complete
Library Reserve B	\$ 54,450	\$ -	\$ 54,450	\$ -	\$ - H	\$ 54,450	5% of the gross Library budget (Estimated at \$83,000)	Not Achieved - Mid -Term Target
Local Architectural Conservation Advisory Committee (LACAC) Reserve (W)	\$ 10,184	\$ -	\$ 10,184	\$ -	\$ -	\$ 10,184	Varies - Dependent on Activity^	Achieved
NEW Community Safety Committee (W) C	\$ 3,947	\$ -	\$ 3,947	\$ -	\$ -	\$ 3,947	Varies - Dependent on Activity^	Achieved
Mayors Youth Council Committee (MYCC) Reserve (W)	\$ 3,217	\$ -	\$ 3,217	\$ -	\$ -	\$ 3,217	Varies - Dependent on Activity^	Achieved
Museum Bequest Reserve	\$ 51,473	\$ -	\$ 51,473	\$ -	\$ -	\$ 51,473	Varies - Dependent on Library Board Requirements^	Achieved
Museum Capital	\$ 31,667	\$ -	\$ 31,667	\$ -	\$ -	\$ 31,667	Varies - Dependent on Library Board Requirements^	Achieved
Seniors Advisory Committee (SAC) Reserve (W)	\$ 4,392	\$ -	\$ 4,392	\$ -	\$ -	\$ 4,392	Varies - Dependent on Activity^	Achieved
Niagara South Coast Tourism (W)	\$ 35,402	\$ -	\$ 35,402	\$ -	\$ -	\$ 35,402	Varies - Dependent on Activity^	Achieved
Total Boards and Committees Reserves	\$ 348,688	\$ -	\$ 348,688	\$ -	\$ -	\$ 348,688		
Programs, Grants and Activities								

Canada Summer Games Reserve	\$ 27,500	\$ 2,500	\$ 30,000	\$ 15,000	\$ - I	\$ 45,000	Council Commitment	Achieved
Canal Days Reserve	\$ 50,000	\$ -	\$ 50,000	\$ -	\$ -	\$ 50,000	5% of the gross Canada Days budget (Estimated target at \$44,000)	Achieved
CIP Incentives Reserve (W)	\$ 110,054	\$ -	\$ 110,054	\$ -	\$ -	\$ 110,054	Council Commitment	Awaiting Study approved Report 2021-81*
Show Boat (W) D	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	Varies - Dependent on Activity^	
NEW Roselawn T	\$ 679,299	\$ -	\$ 679,299	\$ -	\$ -	\$ 679,299	TBD	Requires Roselawn Plan
Transit (W)	\$ 166,078	\$ -	\$ 166,078	\$ -	\$ -	\$ 166,078	Bridge Funding	Achieved
Municipal Election Reserve (W)	\$ 65,585	\$ 25,000	\$ 90,585	\$ 30,000	\$ - J	\$ 120,585	Clerk proposed budget	In progress of being achieved through base Levy budget funding
<b>Total Programs, Grants and Self Sustaining Entities (SSE)</b>	<b>\$ 1,098,516</b>	<b>\$ 27,500</b>	<b>\$ 1,126,016</b>	<b>\$ 45,000</b>	<b>\$ -</b>	<b>\$ 1,171,016</b>		
Building Department Reserve (RF)	\$ 83,220	\$ -	\$ 83,220	-\$ 83,220	\$ -	\$ -	Funded by User Fees - Surplus / (Deficit) - Zero	Achieved - User fees will need to increase in the future to maintain
Beach Reserve E	\$ 171,665	\$ 41,064	\$ 212,729	\$ 2,300	\$ -	\$ 215,029	Funded by User Fees - Surplus / (Deficit) - 5% of gross Beach budget plus pay-as-you-go balance required for capital and related projects	Achieved - in conjunction with Community funding expected to come to Council this summer
Overholt Cemetery Reserve	\$ 13,870	\$ 9,527	\$ 23,397	-\$ 38,600	\$ -	-\$ 15,203	Funded by User Fees - Surplus / (Deficit) - 5% of gross Overholt Cemetery budget plus pay-as-you-go balance required for capital and related projects	Business Plan is being developed with subject matter expert assistance
Sugarloaf Marina Reserve	\$ 408,622	-\$ 232,771	\$ 175,851	-\$ 13,177	\$ -	\$ 162,674	Funded by User Fees - Surplus / (Deficit) - 5% of gross Marina budget plus pay-as-you-go balance required for capital and related projects	Business Plan to be presented at the first Council meeting in May.
Marina Internal Financing	-\$ 367,951	\$ -	-\$ 367,951	\$ 76,883	\$ -	-\$ 291,068	Not applicable	
<b>Total Self Sustaining Entities</b>	<b>\$ 309,426</b>	<b>-\$ 182,180</b>	<b>\$ 127,246</b>	<b>-\$ 55,814</b>	<b>\$ -</b>	<b>\$ 71,432</b>		
<b>General Government</b>								
NEW Economic Development Reserve (W) F	\$ -	\$ -	\$ -	\$ -	\$ 250,000 K	\$ 250,000	Varies - Dependent on Activity^	Achieved
Encumbrance Reserve (W)	\$ 109,285	\$ 88,000	\$ 197,285	\$ -	-\$ 197,285 L	\$ -	Zero	Achieved
Future Liabilities Reserve (W)	\$ 1,146,111	\$ 209,644	\$ 1,355,755	\$ 8,014	\$ 208,000 M	\$ 1,571,769	75% of Employee Future Benefit and WSIB Liability (Estimated target \$7,217,000)	Not Achieved - Long-Term Target
General Stabilization	\$ 2,892,187	\$ -	\$ 2,892,187	-\$ 253,400	\$ 253,400 N	\$ 2,892,187	10% of the Levy (Estimated target \$2,058,000)	Achieved
Opportunities Fund	\$ 2,000,000	\$ -	\$ 2,000,000	\$ -	\$ -	\$ 2,000,000	Established at \$2 million from successful NRBN initiative	Achieved
Subject Matter Experts Reserves (W)	\$ 208,598	\$ -	\$ 208,598	\$ -	\$ -	\$ 208,598	0.25% of the City's consolidated budget (Estimated target of \$51,000)	Achieved

Working Capital Reserve	\$ 2,003,223	\$ 15,477	\$ 2,018,700	\$ 39,300	\$ - O	\$ 2,058,000	10% of the Levy (Estimated target \$2,058,000)	Achieved
<b>Total General Government</b>	<b>\$ 8,359,404</b>	<b>\$ 313,121</b>	<b>\$ 8,672,525</b>	<b>-\$ 206,086</b>	<b>\$ 514,115</b>	<b>\$ 8,980,554</b>		
<b>Capital and Related Projects (these reserves represent funding not allocated to a capital or related project)</b>								
Development Charges (RF)	\$ 339,712	\$ -	\$ 339,712	\$ 2,010	\$ - P	\$ 341,722	Varies - Dependent on requirements identified in multi-year forecasts	Public Works is leading infrastructure needs studies / planning, including facilities condition assessments. These will be used to establish these reserve levels when complete.
Drain Reserve A	\$ 343,955	\$ -	\$ 343,955	\$ 85,000	\$ - Q	\$ 428,955		
Facilities Reserve	\$ 131,385	\$ -	\$ 131,385	\$ -	\$ -	\$ 131,385		
Fleet and Equipment Reserve	\$ 704,237	\$ -	\$ 704,237	\$ -	\$ -	\$ 704,237		
Goderich Maintenance Agreement (W)	\$ 83,852	\$ -	\$ 83,852	\$ -	\$ -	\$ 83,852		
Grants - Federal Gas Tax (RF) A	\$ 1,069,588	\$ -	\$ 1,069,588	-\$ 1,063,258	\$ 318,349 R	\$ 324,679		
Grants - Ontario Community Infrastructure Fund (RF) A	\$ 755,955	\$ -	\$ 755,955	-\$ 751,485	\$ 213,057 S	\$ 217,527		
General TCA Reserve	\$ 2,441,383	\$ -	\$ 2,441,383	-\$ 282,360	\$ -	\$ 2,159,023		
Storm Sewer Reserve	\$ 325,437	-\$ 89,605	\$ 235,832	\$ 43,697	\$ -	\$ 279,529	10% of budget plus pay-as-you go balance required for capital and related projects (Estimated target \$85,000 plus capital and related projects)	
Waste Water Reserve	\$ 651,019	-\$ 607,056	\$ 43,963	\$ 258,468	\$ -	\$ 302,431	10% of budget plus pay-as-you go balance required for capital and related projects (Estimated target \$676,000 plus capital and related projects)	
Water Reserve	\$ 616,695	\$ 127,822	\$ 744,517	\$ 618,148	\$ -	\$ 1,362,665	10% of budget plus pay-as-you go balance required for capital and related projects (Estimated target based on budget = \$474,000 plus capital and related projects)	
<b>Total Capital and Related</b>	<b>\$ 7,463,218</b>	<b>-\$ 568,839</b>	<b>\$ 6,894,379</b>	<b>-\$ 1,089,780</b>	<b>\$ 531,406</b>	<b>\$ 6,336,005</b>		
<b>Combined Reserves and</b>	<b>\$ 17,579,252</b>	<b>-\$ 410,398</b>	<b>\$ 17,168,854</b>	<b>-\$ 1,306,680</b>	<b>\$ 1,045,521</b>	<b>\$ 16,907,695</b>		
Work-in-progress G	\$ 4,540,195	\$ -	\$ 4,540,195	\$ 5,329,738	\$ 265,000	\$ 10,134,933		
	\$ 22,119,447	-\$ 410,398	\$ 21,709,049	\$ 4,023,058	\$ 1,310,521	\$ 27,042,628		
Less: Deferred Revenue (Sum of A's) recognizing these are recorded on the Balance Sheet	\$ 2,165,255	\$ -	\$ 2,165,255	-\$ 1,812,733	\$ 531,406	\$ 883,928		
<b>Total Reserves and Reserve Funds</b>	<b>\$ 19,954,192</b>	<b>-\$ 410,398</b>	<b>\$ 19,543,794</b>	<b>\$ 5,835,791</b>	<b>\$ 779,115</b>	<b>\$ 26,158,700</b>		

^ From a City's risk perspective, reserves denoted with a "^" require a balance of zero or greater. Anything above zero is identified as a funding level being achieved.

B - To be updated following discussions with the Library Board regarding the 2020 fiscal year.

C - When developing the Reserve and Reserve Fund Policy (FIN - 04) this committee was missed. It is recommended that this committee be added similar to other committees in FIN - 04.

**D** - It is recommended this reserve be removed. It was originally established to support the Lighthouse relationship. The agreement no longer requires this reserve be maintained and therefore it is recommended it be removed.

**E** - Renamed per memo to Nickel Beach and Centennial - Cedar Bay Seasonal Operations Plan 2021, Report 2021-49.

**F** - New Reserve approved by Council in the Economic Development Reserve Account, Report 2021-81.

**G** - This account represents the capital budget carried forward from 2020 (**Appendix C**) and new capital approved through the budget or other report (including this report). The total figure ties to **Appendix B** which now serves as the on-going Capital and Related Project tracking list. Financial Services has setup these projects in a new capital tracking module of the Financial System to allow for greater visibility and improved reporting and recording keeping. Having established this financial model Staff will work to forecasting spending moving forward.

**H** - At the time of writing this report the Library year end is being finalized.

**I** - Per review of Council's commitment it was noted past budgets were \$2,500 short of the commitment. It is recommended year end surplus be used to top-up to the committed balance.

**J** - A budget model has been in place to budget for the Council election including transition and related technology costs. After review it is recommend an additional \$25,000 be added to this reserve. The Clerk will be discussing the election plan with Council at a future date. If the funds are not required they can go toward future elections or be repurposed by Council.

**K** - Represents land sale proceeds less Council's approved CIP project (Report 2021-81) estimated at \$125,000.

**L** - The encumbrance reserve is a reserve where projects that could not get completed in one year can be carried forward to the next year. The reserve initially represented \$69,300 for physician recruitment (Physician Recruitment Guideline, Report 2021-37 identified we need 2-3 new physicians, this funding will supplement the \$148,000 budgeted in 2021), \$34,548 for cannabis enforcement funded from the Ministry, and \$5,437 related to the smoke alarm program. It is recommended that surplus is the amount of \$30,000 for a cannabis strategy and \$58,000 to cover the identified general insurance shortfall identified the General Insurance, Report 2021-25 be added to this reserve.

**M** - For reference purposes the \$208,000 is budgeted, the budget just did not reflect a transfer to reserve, rather it reflected an external expense. This will be corrected in future financial reporting by way of a budget adjustment. The \$209,644 is surplus recommended to be allocated to the future liabilities reserve. This aligns with comments in the confidential report WSIB Coverage and Related Insurance, Report 2021-91

**N** - The Province of Ontario has provided \$630,536 in COVID-19 related funding. The funding of \$253,400 was identified in the REVISED 2021 Levy Budget, Report 2020-168. It is recommended these funds be left in reserve while the Province of Ontario funding is available. Progress on COVID-19 funding and related expenditures will accompany the first trimester reporting for the period ending April 30, 2021. Readers of this report will identify this reserve is above target. Staff recommend leaving this reserve in excess of target while the Nyon development progresses.

**O** - When preparing this year end report it was noted the Working Capital Reserve was \$15,477 short of its estimated target. It is recommended year end surplus be utilized to bring the reserve to target.

**P** - Development charges are forecasted to increase by budget only. For the purpose of conservatism and given the high degree of discounting Staff have not forecasted development charges at this time. Staff will be reviewing development charges and recommending a review, including the potential to speed up the development charge phase-in.

**Q** - As the year progresses Staff anticipate requiring the use of this reserve to fund drain activity. Staff will provide an update at future trimester reporting.

**R** - The Federal Government recently accounted they would increase the City's Gas Tax on a one-time basis by \$558,126 plus the City the year end close out identified \$25,223 of unallocated Gas Tax as a result of previously closed out projects. In light of this funding Staff recommend a funding substitution related to the Clarence Street Sidewalk Construction - Hampton Avenue to Wood Lane, Report 2021-65 whereby 80% or \$132,000 of the project now be funded from Federal Gas Tax instead of the 2021 Capital Budget contingency. Staff also recommend a new project to address a health and safety concern related to the elevator in City Hall. The project would replace the wiring and is estimated at \$100,000 of which 80% or \$80,000 is recommended from Gas Tax funding with the remaining coming from the 2021 Capital Budget contingency fund. The new forecasted balance of the 2021 Capital Budget contingency fund is \$172,654.

**S** - This reflects a COVID Resilient grant Staff have applied for with respect to the Multi-Use Trail (to Dain City). Staff anticipate the grant being awarded but at the time of writing this report have not heard definitively.

**T** - It is recommended this reserve be established to facilitate funds unspent from previous capital and related projects recommended for close out from **Appendix C**.