

Adequacy Review of Reserves and Reserve Funds

Year Ending December 31st, 2023

	Balance Dec-31-23	Target Balance	Over/(Under) Target	Notes
<u>Working Funds</u>				
Capital Contingency	\$ 1,500,000	\$ 1,500,000	\$ -	
Accessibility	30,000	30,000	-	
Operating Contingency	396,000	395,876	124	1.
General	2,231,501	500,000	1,731,501	
Mayor's Golf Tournament	24,982	5,000	19,982	
Municipal Election	64,866	140,000	- 75,134	2.
Public Art	87,222	42,500	44,722	
Winter Control	350,727	368,400	- 17,674	3.
WSIB	300,000	300,000	-	
	<u>\$ 4,985,297</u>	<u>\$ 3,281,777</u>	<u>\$ 1,703,521</u>	
<u>Discretionary Reserve Funds</u>				
Land Acquisition	3,469,456	1,000,000	2,469,456	
Working Capital	1,893,063	1,891,739	1,324	4.
Municipal Parking	2,028,179	500,000	1,528,179	
10% Non-DC	327,955	-	327,955	5.
Heritage	75,278	30,000	45,278	
Lifecycle Replacement	5,534,860	11,648,227	- 6,113,367	6.
Waterfront Master Plan	5,385,549	2,300,000	3,085,549	7.
	<u>\$ 18,714,339</u>	<u>\$ 17,369,966</u>	<u>\$ 1,344,373</u>	
<u>Obligatory Reserve Funds</u>				
Building Dept. Stabilization Reserve	<u>\$ 1,798,379</u>	<u>\$ 1,936,582</u>	<u>-\$ 138,203</u>	8.
GRAND TOTAL	<u>\$ 25,498,015</u>	<u>\$ 22,588,325</u>	<u>\$ 2,909,690</u>	

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Notes:

1. The target balance is set at 1% of projected funds to be raised from taxation in the subsequent year. For 2024 this amounts to \$39,587,626.
2. The municipal election reserve is in place to mitigate budget pressure resulting from the expenditures of a municipal election, one-quarter (1/4) of the estimated costs of the election will be transferred annually to this reserve and drawn upon in the year of election.
3. This target is based on 25% of the 5 year average for Winter Control Operations.
4. The upper limit of this fund is set at 5% of net own source revenues for the prior year as determined on Schedule 81 of the FIR (Financial Information Report). The minimum balance is set at \$750,000.

Sch 81 of 2022 FIR "Own Source Revenues":	\$	60,669,557
at 5 %		3,033,478

Median of Minimum balance and Upper limit of the fund: 1,891,739

5. Council approved the dissolution of the 10% Non-DC Growth Reserve Fund with balance to be transferred to the Lifecycle Reserve Fund with approval of Staff Report T2023-13 2022 Statement of Reserves and Reserve Funds. This entry was not made for the 2023 year end and will be for the December 31, 2024 year end.

6. Two years of projects requiring funding from this reserve:

2023 Actual Capital	\$	5,148,227
2024 Capital Budget:		<u>6,500,000</u>
	\$	11,648,227

7. As part of the Sale of Assets proceeds an additional allocation was put towards the WMP, given the Grain Terminals project progress the timing of this addition is favourable.
8. The target balance at a minimum is equal to 24 months of projected operating expenses to mitigate the sharp cyclical drops experienced, or when the economy faces a recessionary period, and to protect against building activity down turns.