

2015 Reserve Transactions**Report Purpose**

To present the 2015 reserve transactions for Council's approval.

Recommendations

1. THAT the transfer of \$15,604,769 to reserve in the amounts of \$11,913,208 to Municipal Projects reserve (1.3773), \$621,578 to Municipal Infrastructure Lifecycle, Maintenance and Replacement reserve (1.3800), \$216,546 to Utilities Rate Stabilization and Contingency reserve (11.4425), and \$2,853,437 to Utilities Infrastructure Lifecycle, Maintenance and Replacement reserve (11.4440), in accordance with the 2015 annual operating surplus for tax purposes allocation, be approved.
2. THAT the re-designation of a project savings in the amount of \$100,000 from the Municipal Year-End Carry Forwards reserve (1.3769) to the Municipal Projects reserve (1.3773), as set out in Enclosure 2 to the March 1, 2016 Financial Services report, be approved.
3. THAT the 2015 Reserve Transaction Report (unaudited), as set out in Enclosure 3 to the March 1, 2016 Financial Services report, be ratified.

Council History

December 9, 2014 – Council approved the 2015 Operating and Capital Budgets.

December 8, 2015 – Council approved the 2016 Operating and Capital Budgets.

January 19, 2016 – Council approved the FIN-001-024: Financial Reserves Policy, as revised.

February 23, 2016 – Council approved the additional recommended allocations of the 2015 municipal operating surplus.

Strategic Plan Priority Areas

Economy: Reserves support the strategic management, investment, and planning for sustainable municipal infrastructure.

Governance: Reserves contribute to good governance and strong fiscal management.

Social: Reserves provide funding for projects that support community health and well-being.

Culture: Reserves provide funding for projects that support cultural assets and activities.

Environment: Reserves provide funding for projects that contribute to the sustainability of our environment and resources.

Other Impacts

Policy: FIN-001-008: Allocation of Year-End Municipal Operating Surplus; FIN-001-024: Financial Reserves

Legislative/Legal: *Municipal Government Act, R.S.A. 200, c. M-26*

Interdepartmental: All departments

Summary

Allocation of Surplus to Reserves

The 2015 annual operating surplus for tax purposes additional allocations were presented to Council, and approved February 23, 2016. The corresponding transfers to reserve include the following:

Amount	Description	Reserve Title	Reserve #
\$ 11,023,427	Centre in the Park (CITP) Underground Parkade alternative financing	Municipal Projects	1.3773
\$ 400,000	River Valley Alliance trails to match external funding sources to complete connector trails	Municipal Projects	1.3773
\$ 489,781	WCB Partnerships in Injury Reduction rebate to be used for future OHS initiatives	Municipal Projects	1.3773
\$ 325,000	Community Hall lifecycle funding and installation of Automated External Defibrillators in public spaces including Community Halls	Municipal Infrastructure Lifecycle, Maintenance, and Replacement	1.3800
\$ 296,578	Road project deficiency holdback and asphalt penalties for future road maintenance	Municipal Infrastructure Lifecycle, Maintenance, and Replacement	1.3800
\$ 216,546	Self-Sustaining allocation	Utilities Rate Stabilization and Contingency	11.4425
\$ 2,853,437	Self-Sustaining allocation	Utilities Infrastructure Lifecycle, Maintenance, and Replacement	11.4440
<u>\$ 15,604,769</u>			

Re-designation of Reserve Funds

A re-designation is needed when reserve funds are no longer required for their original intended purpose. The recommended re-designation of \$100,000 from the Municipal Carry Forwards reserve is provided in Enclosure 2.

2015 Reserve Transactions

Summaries of the unaudited 2015 Reserve Transactions in Enclosure 3 include the surplus allocations and the re-designation as described above.

Optimal Balances

The Optimal Reserve Balances have been updated as at December 31, 2015 and align with the approved 2016 budget; as such the calculated results are representative of a point in time. The outstanding Annual Capital Programs review, Utility Financial Policy development, and Land Strategy may result in further impact on these calculations.

Enclosures

- 1 Policy FIN-001-024: Financial Reserves (Document: 8369575)
- 2 2015 Year End Re-designation of Reserve Accounts (Document: 8374871)
- 3 2015 Reserve Transaction Report (unaudited) (Document: 8369989)
- 4 PowerPoint Presentation (Document: 8376514)