

# Reserves & Reserve Funds

# Reserves Overview

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## PURPOSE

Reserves and Reserve Funds are a critical component of the Town's long range financial planning. In its simplest form, a reserve represents monies set aside for a future expenditure or purpose. Reserves and Reserve Funds can fund both operating and capital activities and are the primary means of financing capital assets. Maintaining sufficient balances in reserves and reserve funds is a critical component of a municipality's financial plan to strengthen its long-term financial sustainability, minimize fluctuations in the tax rate and sustain infrastructure. At December 31, 2021, the balance in the Town's Reserves and Reserve Funds was \$47.9 million.

## DEFINITION

### Reserves

A reserve is an allocation of accumulated net revenue. It has no reference to any specific assets and does not require the physical segregation of money or assets and therefore do not earn interest on their own. Any earnings derived from investment of reserves are reported as revenue in the operating fund.

### Reserve Funds

A reserve fund is an allocation of accumulated net revenue, similar to a reserve, but assets are segregated and restricted to meet a specific purpose. All investment earnings are reported as revenue of the reserve fund. There are two types of reserve funds:

#### Obligatory Reserve Funds

As per statute or legislation requirements, funds received for special purposes are segregated from the Town's general revenues and maintained solely for the purpose prescribed for them. For financial statement purposes, all obligatory reserve funds are classified as Deferred Revenue under the liability section of the Consolidated Statement of Financial Position until all conditions to recognize the funds as revenue are met.

#### Discretionary Reserve Funds

Funds may be segregated from the general revenues of the Town at the discretion of Council to finance future expenditures or to provide for a contingent liability so that funds are available as required.

# Reserves Overview

## Summary of Reserves and Reserve Funds

The Town maintains reserves and reserve funds for specific purposes in 3 categories: operating, capital and deferred revenue.

### 1. Operating

Operating reserves are used for one-time expenditures, revenue shortfalls, contingent and potential future liabilities, to manage cash flows, to stabilize the tax levy and water and wastewater rates and offset extraordinary and unforeseen expenditure requirements. Boards and Committees also establish reserves for their exclusive use.

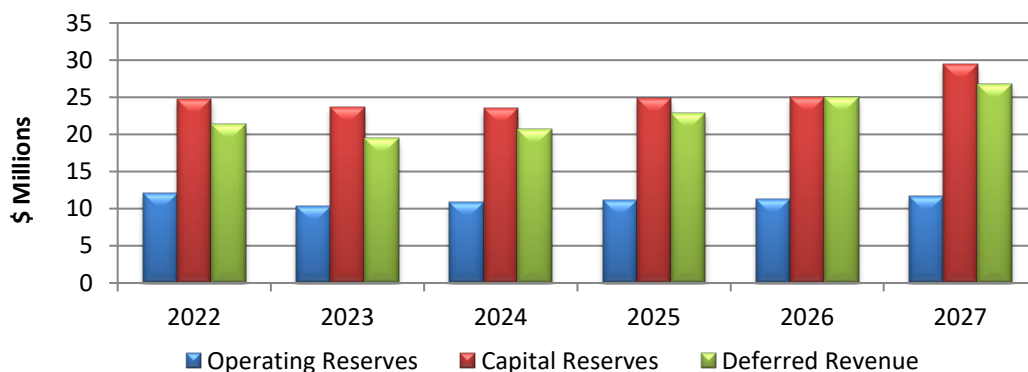
### 2. Capital

Capital Reserves are used to fund the replacement and renewal of existing capital assets as well as the development of new growth infrastructure. As the assets of the Town grow and the related costs increase, so should the contribution from the operating budgets to these reserves based on asset lifecycle costing.

### 3. Deferred Revenue

As per statute or legislation requirements, funds are established to accumulate revenues received from developers and Provincial and Federal Governments for parks, transit and infrastructure.

The following chart summarizes the 3 types of reserves and reserve funds including the estimated and projected balances at December 31 for each of the forecasted years 2022– 2027.



As seen from the chart above, capital reserves represent the largest balance and continue to grow from \$25 million in 2022 to a projected \$29 million in 2027 to accommodate the demand beyond the 5 years.

# Reserves Overview

The Town approved the updated AMP for core infrastructure July 8, 2019 to comply with the Province’s legislated requirements. The plan included an Asset Management Policy and Strategy and was updated with currently available asset studies to provide an updated financing strategy. For 2022, a strategic increase of \$70,000 was added to the Sanitary Sewer Refurbishing reserve to eliminate the remaining gap identified in the associated Master Plan. All other capital reserves were increased in 2022 using an inflationary rate of 3.5%.

For a complete audited listing of reserves, please refer to Note 9 of the 2021 Consolidated Financial Statements.

## Comparison of Reserve Balances to Policy

Council’s approved Reserve Policy identifies target balances, minimum and optimal contributions to meet its long-term needs, minimize fluctuations in the tax and water/wastewater rates, and sustain infrastructure. The target balances identified in the Reserve Policy are outdated based on the most recent AMP and identify contribution targets that are not being met in some instances. Section 8.7(b) states that optimal annual capital contributions be determined based on various consumption rates. The Reserve Policy will be updated in the future to align with the AMP.

## Summary of Significant Changes in Reserves and Reserve Funds

### Reserve and Reserve Fund Balances Showing Balance Decreases

The following reserves and reserve funds are based on approved budget and reflect decreases greater than ten per cent from 2021 to 2022 balances:

Capital	Operating	Deferred Revenue
<ul style="list-style-type: none"> <li>• Facilities Maintenance</li> <li>• Road Refurbishing</li> <li>• Bridges &amp; Culverts Refurbishing</li> <li>• Cemetery Improvements</li> </ul>	<ul style="list-style-type: none"> <li>• Sewer Rate Stabilization</li> <li>• Water Rate Stabilization</li> <li>• Emergency Management</li> <li>• Municipal Elections</li> <li>• Building Permit Surplus</li> <li>• Community Health &amp; Wellness</li> </ul>	<ul style="list-style-type: none"> <li>• Canada Community Benefit Fund</li> </ul>

These reserves and reserve funds have been accumulating balances over the years in preparation for times of need. For example, the budget during the pandemic relied on available funding in the Emergency Management Reserve. These draws are seen as

# Reserves Overview

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temporary and the reserves and reserve funds are replenished when surpluses exist and growth levels return to anticipated levels.

The balances in the reserve and reserve funds related to capital including deferred revenue can fluctuate year over year as funds are received, accumulated and used for projects in the capital program.

## Reserve and Reserve Fund Balances Showing Significant Increases

When compared year over year, the following reserve and reserve fund balances show increases greater than ten per cent due to contributions made in anticipation of future needs:

Capital	Operating	Deferred Revenue
<ul style="list-style-type: none"> <li>• IT Equipment</li> <li>• Fire Equipment Replacement</li> <li>• Museum</li> <li>• Zamboni Replacement</li> <li>• Storm Refurbishing</li> <li>• Municipal Drain</li> <li>• Industrial Land Development</li> <li>• Dedicated Water Meter Replacement</li> <li>• Water Refurbishing</li> <li>• Wayfinding Implementation</li> </ul>	<ul style="list-style-type: none"> <li>• Community Improvement Plan Financial Incentives</li> </ul>	<ul style="list-style-type: none"> <li>• Development Charges</li> </ul>

For each Reserve and Reserve Fund, the following pages summarize:

- The projected balances for the budget year and 2 year forecast (pages 5 to 10), and
- The purpose, source of funding and target amounts (pages 11 to 14) as created in Appendix “1” to the Reserve Policy.
- Please note that the “Estimated Balance” totals are as of February 3, 2022 in advance of final 2021 allocations and audit.

# 2022 Budgeted Balances

Reserves and Reserve Funds	Dec. 31, 2020 Balance	Dec. 31, 2021 Estimated Balance	Projected 2022 Activity						Dec. 31, 2022 Estimated Balance
			Contribution from Operating Budget	Investment Income	Other Revenue	Transfer to Operating	Transfer to Capital Program	Debt Payments	
<b>CAPITAL RESERVES</b>									
Office Furniture and Equipment	\$ 239,005	\$ 242,560	\$ 33,090	\$ 2,511	\$ -	\$ -	\$ (16,000)	\$ -	\$ 262,161
IT Equipment	333,879	484,680	778,337	8,131	-	-	(121,500)	-	1,149,648
Fire Equipment Replacement	852,165	1,057,476	512,693	12,688	-	-	(90,000)	-	1,492,857
Fire Station	4,582	-	-	-	-	-	-	-	-
Facilities Maintenance	2,665,779	2,236,679	894,460	16,889	-	-	(1,990,000)	-	1,158,028
Museum	174,914	193,481	32,935	2,099	-	-	-	-	228,515
Fleet Equipment Replacement	1,468,160	1,271,681	416,019	12,652	-	-	(429,000)	-	1,271,352
Zamboni Replacement	68,871	100,149	19,000	1,096	-	-	-	-	120,245
Transit Capital	58,719	163,050	-	1,641	-	-	-	-	164,691
Storm Refurbishing	1,865,197	2,604,092	1,358,258	27,753	-	(25,000)	(990,939)	-	2,974,164
Municipal Drain	229,585	264,140	215,160	3,267	-	(90,000)	-	-	392,567
Road Refurbishing	4,026,203	2,822,055	3,479,237	21,425	-	(50,000)	(4,788,350)	-	1,484,367
Bridges & Culverts Refurbishing	323,861	894,496	447,179	5,831	-	-	(1,070,000)	-	277,506
Major Capital Expenditure	2,462,246	2,671,966	-	26,720	-	-	-	-	2,698,686
Industrial Land Development	593,889	804,297	200,000	9,043	-	-	-	-	1,013,340
Parking	548,424	706,494	110,000	7,002	-	(22,500)	(100,000)	-	700,996
Dedicated Water Meter Replacement	375,028	799,522	430,300	10,147	-	-	-	-	1,239,969
Water Refurbishing	2,043,208	3,140,622	1,849,471	39,045	-	-	(321,750)	-	4,707,388
Sanitary Sewer Refurbishing	1,835,971	3,189,992	1,826,518	30,847	-	-	(2,037,150)	-	3,010,207
Wayfinding Implementation	106,128	31,694	31,610	345	-	(26,000)	-	-	37,649
Waterfront & Tourism Development	17,252	17,511	-	175	-	-	-	-	17,686
Cemetery Improvements	141,499	171,596	30,236	1,117	-	-	(150,000)	-	52,949
Battlefield Park Pavilion	1,271	1,290	-	13	-	-	-	-	1,303
Major Capital - Garrison Village	313,912	318,621	-	3,186	-	-	-	-	321,807
<b>TOTAL CAPITAL RESERVES</b>	<b>\$ 20,749,748</b>	<b>\$ 24,188,144</b>	<b>\$ 12,664,503</b>	<b>\$ 243,623</b>	<b>\$ -</b>	<b>\$ (213,500)</b>	<b>\$ (12,104,689)</b>	<b>\$ -</b>	<b>\$ 24,778,081</b>

# 2022 Budgeted Balances

Reserves and Reserve Funds	Dec. 31, 2020 Balance	Dec. 31, 2021 Estimated Balance	Projected 2022 Activity						Dec. 31, 2022 Estimated Balance
			Contribution from Operating Budget	Investment Income	Other Revenue	Transfer to Operating	Transfer to Capital	Debt Payments	
<b>OPERATING RESERVES</b>									
General Levy Rate Stabilization	\$ 5,100,214	\$ 3,775,783	\$ 610,320	\$ 36,107	\$ -	\$ (940,500)	\$ -	\$ -	\$ 3,481,710
Sewer Rate Stabilization	1,175,850	1,157,127	50,000	10,567	-	(250,828)	-	-	966,866
Water Rate Stabilization	1,830,935	1,858,399	-	17,584	-	(200,000)	-	-	1,675,983
Self Insurance	1,421,451	1,462,923	-	14,629	-	-	-	-	1,477,552
Encumbrance	566,200	-	-	-	-	-	-	-	-
Emergency Mgmt	2,409,461	929,647	-	6,595	-	(540,300)	-	-	395,942
Municipal Elections	81,995	129,570	58,250	692	-	(178,940)	-	-	9,572
South Niagara Hospital	1,504,924	1,653,435	150,000	17,284	-	-	-	-	1,820,719
Community Improve. Plan Fin'l Incentive	345,049	602,100	250,000	7,271	-	-	-	-	859,371
Museum Memorial Reserve Fund	555,932	549,158	-	5,417	-	(15,000)	-	-	539,575
Building Permit Surplus	552,977	373,726	-	3,487	-	-	(50,000)	-	327,213
Community Health & Wellness	419,809	169,194	30,000	1,342	-	(100,000)	-	-	100,536
GFESS Theatre	387,021	392,826	-	3,928	-	-	-	-	396,754
Ridgeway BIA	3,982	4,102	-	41	-	-	-	-	4,143
Bridgeburg BIA	24,727	25,098	-	251	-	-	-	-	25,349
<b>TOTAL OPERATING RESERVES</b>	<b>\$ 16,380,527</b>	<b>\$ 13,083,088</b>	<b>\$ 1,148,570</b>	<b>\$ 125,195</b>	<b>\$ -</b>	<b>\$ (2,225,568)</b>	<b>\$ (50,000)</b>	<b>\$ -</b>	<b>\$ 12,081,285</b>

Reserves and Reserve Funds	Dec. 31, 2020 Balance	Dec. 31, 2021 Estimated Balance	Projected 2022 Activity						Dec. 31, 2022 Estimated Balance
			Contribution from Operating Budget	Investment Income	Other Revenue	Transfer to Operating	Transfer to Capital	Debt Payments	
<b>DEFERRED REVENUE</b>									
Federal Gas Tax	\$ 2,820,301	\$ 1,565,247	\$ -	\$ 12,522	\$ 973,972	\$ -	\$ (1,600,000)	\$ -	\$ 951,741
Provincial Gas Tax	167,880	170,398	-	1,704	286,701	(286,701)	-	-	172,102
Parkland	2,412,406	3,346,596	538,261	33,743	824,584	-	(1,307,506)	-	3,435,678
Development Charges	12,416,503	14,310,018	-	154,706	4,000,000	(112,500)	(1,279,815)	(286,484)	16,785,925
<b>TOTAL DEFERRED REVENUE</b>	<b>\$ 17,817,090</b>	<b>\$ 19,392,259</b>	<b>\$ 538,261</b>	<b>\$ 202,675</b>	<b>\$ 6,085,257</b>	<b>\$ (399,201)</b>	<b>\$ (4,187,321)</b>	<b>\$ (286,484)</b>	<b>\$ 21,345,446</b>
<b>GRAND TOTAL</b>	<b>\$ 54,947,365</b>	<b>\$ 56,663,491</b>	<b>\$ 14,351,334</b>	<b>\$ 571,493</b>	<b>\$ 6,085,257</b>	<b>\$ (2,838,269)</b>	<b>\$ (16,342,010)</b>	<b>\$ (286,484)</b>	<b>\$ 58,204,812</b>

# Forecast (2023 – 2024)

Reserves and Reserve Funds	Dec. 31, 2021 Estimated Balance	Dec. 31, 2022 Projected Balance	Forecasted 2023 Activity						Dec. 31, 2023 Forecasted Balance
			Contribution from Operating Budget	Investment Income	Other Revenue	Transfer to Operating	Transfer to Capital Program	Debt Payments	
<b>CAPITAL RESERVES</b>									
Office Furniture and Equipment	\$ 242,560	\$ 262,161	\$ 33,090	\$ 2,757	\$ -	\$ -	\$ (6,000)	\$ -	\$ 292,008
IT Equipment	484,680	1,149,648	278,337	7,158	-	-	(1,146,000)	-	289,143
Fire Equipment Replacement	1,057,476	1,492,857	512,693	15,667	-	-	(165,000)	(200,106)	1,656,111
Facilities Maintenance	2,236,679	1,158,028	894,460	11,621	-	-	(886,400)	-	1,177,709
Museum	193,481	228,515	16,935	2,095	-	(55,000)	-	-	192,545
Fleet Equipment Replacement	1,271,681	1,271,352	416,019	12,444	-	-	(470,000)	-	1,229,815
Zamboni Replacement	100,149	120,245	19,000	1,297	-	-	-	-	140,542
Transit Capital	163,050	164,691	-	1,647	-	-	-	-	166,338
Storm Refurbishing	2,604,092	2,974,164	1,358,258	22,673	-	(25,000)	(2,747,068)	-	1,583,027
Municipal Drain	264,140	392,567	215,160	4,501	-	(100,000)	-	-	512,228
Road Refurbishing	2,822,055	1,484,367	3,479,237	14,396	-	-	(3,568,749)	-	1,409,251
Bridges & Culverts Refurbishing	894,496	277,506	447,179	3,936	-	(100,000)	(115,000)	-	513,621
Major Capital Expenditure	2,671,966	2,698,686	-	26,987	-	-	-	-	2,725,673
Industrial Land Development	804,297	1,013,340	200,000	11,133	-	-	-	-	1,224,473
Parking	706,494	700,996	86,500	4,942	-	-	(500,000)	-	292,438
Dedicated Water Meter Replacement	799,522	1,239,969	430,300	14,051	-	-	(100,000)	-	1,584,320
Water Refurbishing	3,140,622	4,707,388	1,849,471	47,716	-	-	(1,721,000)	-	4,883,575
Sanitary Sewer Refurbishing	3,189,992	3,010,207	1,826,518	31,725	-	-	(1,502,000)	-	3,366,450
Wayfinding Implementation	31,694	37,649	31,610	405	-	(26,000)	-	-	43,664
Waterfront & Tourism Development	17,511	17,686	-	177	-	-	-	-	17,863
Cemetery Improvements	171,596	52,949	30,236	281	-	-	(80,000)	-	3,466
Battlefield Park Pavilion	1,290	1,303	-	13	-	-	-	-	1,316
Major Capital - Garrison Village	318,621	321,807	-	3,218	-	-	-	-	325,025
<b>TOTAL CAPITAL RESERVES</b>	<b>\$ 24,188,144</b>	<b>\$ 24,778,081</b>	<b>\$ 12,125,003</b>	<b>\$ 240,840</b>	<b>\$ -</b>	<b>\$ (306,000)</b>	<b>\$ (13,007,217)</b>	<b>\$ (200,106)</b>	<b>\$ 23,630,601</b>



# Forecast (2023 – 2024)

Reserves and Reserve Funds	Dec. 31, 2021 Estimated Balance	Dec. 31, 2022 Projected Balance	Forecasted 2023 Activity						Dec. 31, 2023 Forecasted Balance
			Contribution from Operating Budget	Investment Income	Other Revenue	Transfer to Operating	Transfer to Capital	Debt Payments	
<b>OPERATING RESERVES</b>									
General Levy Rate Stabilization	\$ 3,775,783	\$ 3,481,710	\$ 518,800	\$ 34,817	\$ -	\$ (518,800)	\$ -	\$ -	\$ 3,516,527
Sewer Rate Stabilization	1,157,127	966,866	50,000	8,419	-	(300,000)	-	-	725,285
Water Rate Stabilization	1,858,399	1,675,983	-	16,510	-	(50,000)	-	-	1,642,493
Self Insurance	1,462,923	1,477,552	-	14,716	-	(12,000)	-	-	1,480,268
Emergency Mgmt	929,647	395,942	-	3,959	-	-	-	-	399,901
Municipal Elections	129,570	9,572	58,250	237	-	(30,000)	-	-	38,059
South Niagara Hospital	1,653,435	1,820,719	150,000	9,432	-	(1,905,000)	-	-	75,151
Community Improve. Plan Fin'l Incentives	602,100	859,371	250,000	9,844	-	-	-	-	1,119,215
Museum Memorial Reserve Fund	549,158	539,575	-	5,321	-	(15,000)	-	-	529,896
Building Permit Surplus	373,726	327,213	-	3,272	-	-	-	-	330,485
Community Health & Wellness	169,194	100,536	30,000	655	-	(100,000)	-	-	31,191
GFESS Theatre	392,826	396,754	-	3,968	-	-	-	-	400,722
Ridgeway BIA	4,102	4,143	-	41	-	-	-	-	4,184
Bridgeburg BIA	25,098	25,349	-	253	-	-	-	-	25,602
<b>TOTAL OPERATING RESERVES</b>	<b>\$ 13,083,088</b>	<b>\$ 12,081,285</b>	<b>\$ 1,057,050</b>	<b>\$ 111,444</b>	<b>\$ -</b>	<b>\$ (2,930,800)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 10,318,979</b>

Reserves and Reserve Funds	Dec. 31, 2021 Estimated Balance	Dec. 31, 2022 Projected Balance	Forecasted 2023 Activity						Dec. 31, 2023 Forecasted Balance
			Contribution from Operating Budget	Investment Income	Other Revenue	Transfer to Operating	Transfer to Capital	Debt Payments	
<b>DEFERRED REVENUE</b>									
Federal Gas Tax	\$ 1,565,247	\$ 951,741	\$ -	\$ 9,874	\$ 1,016,319	\$ -	\$ (945,000)	\$ -	\$ 1,032,934
Provincial Gas Tax	170,398	172,102	-	1,721	-	-	-	-	173,823
Parkland	3,346,596	3,435,678	605,845	27,588	494,000	-	(2,453,568)	-	2,109,543
Development Charges	14,310,018	16,785,925	-	163,775	3,500,000	(390,000)	(3,647,770)	(278,987)	16,132,943
<b>TOTAL DEFERRED REVENUE</b>	<b>\$ 19,392,259</b>	<b>\$ 21,345,446</b>	<b>\$ 605,845</b>	<b>\$ 202,958</b>	<b>\$ 5,010,319</b>	<b>\$ (390,000)</b>	<b>\$ (7,046,338)</b>	<b>\$ (278,987)</b>	<b>\$ 19,449,243</b>
<b>GRAND TOTAL</b>	<b>\$ 56,663,491</b>	<b>\$ 58,204,812</b>	<b>\$ 13,787,898</b>	<b>\$ 555,242</b>	<b>\$ 5,010,319</b>	<b>\$ (3,626,800)</b>	<b>\$ (20,053,555)</b>	<b>\$ (479,093)</b>	<b>\$ 53,398,823</b>

# Forecast (2023 – 2024)

Reserves and Reserve Funds	Dec. 31, 2022 Estimated Balance	Dec. 31, 2023 Projected Balance	Forecasted 2024 Activity						Dec. 31, 2024 Forecasted Balance
			Contribution from Operating Budget	Investment Income	Other Revenue	Transfer to Operating	Transfer to Capital Program	Debt Payments	
<b>CAPITAL RESERVES</b>									
Office Furniture and Equipment	\$ 262,161	\$ 292,008	\$ 33,090	\$ 2,836	\$ -	\$ -	\$ (50,000)	\$ -	\$ 277,934
IT Equipment	1,149,648	289,143	278,337	3,813	-	-	(94,000)	-	477,293
Fire Equipment Replacement	1,492,857	1,656,111	512,693	17,290	-	-	(367,000)	-	1,819,094
Facilities Maintenance	1,158,028	1,177,709	894,460	11,749	-	-	(900,000)	-	1,183,918
Museum	228,515	192,545	16,935	1,915	-	(19,000)	-	-	192,395
Fleet Equipment Replacement	1,271,352	1,229,815	416,019	11,718	-	-	(532,000)	-	1,125,552
Zamboni Replacement	120,245	140,542	19,000	1,050	-	-	(90,000)	-	70,592
Transit Capital	164,691	166,338	-	1,663	-	-	-	-	168,001
Storm Drainage Refurbishing	2,974,164	1,583,027	1,358,258	16,799	-	(25,000)	(1,139,605)	-	1,793,479
Municipal Drain	392,567	512,228	215,160	5,823	-	-	(75,000)	-	658,211
Road Refurbishing	1,484,367	1,409,251	3,479,237	12,121	-	(235,000)	(3,638,582)	-	1,027,027
Bridges & Culverts Refurbishing	277,506	513,621	447,179	6,122	-	-	(250,000)	-	716,922
Major Capital Expenditure	2,698,686	2,725,673	-	27,257	-	-	-	-	2,752,930
Industrial Land Development	1,013,340	1,224,473	200,000	13,245	-	-	-	-	1,437,718
Parking	700,996	292,438	90,500	3,377	-	-	-	-	386,315
Dedicated Water Meter Replacement	1,239,969	1,584,320	430,300	13,495	-	-	(900,000)	-	1,128,115
Water Refurbishing	4,707,388	4,883,575	1,849,471	45,888	-	-	(2,439,000)	-	4,339,934
Sanitary Sewer Refurbishing	3,010,207	3,366,450	1,826,518	34,182	-	-	(1,723,000)	-	3,504,150
Wayfinding Implementation	37,649	43,664	31,610	465	-	(26,000)	-	-	49,739
Waterfront & Tourism Development	17,686	17,863	-	179	-	-	-	-	18,042
Cemetery Improvements	52,949	3,466	30,236	61	-	-	(25,000)	-	8,763
Battlefield Park Pavilion	1,303	1,316	-	13	-	-	-	-	1,329
Major Capital - Garrison Village	321,807	325,025	-	3,250	-	-	-	-	328,275
<b>TOTAL CAPITAL RESERVES</b>	<b>\$ 24,778,081</b>	<b>\$ 23,630,601</b>	<b>\$ 12,129,003</b>	<b>\$ 234,311</b>	<b>\$ -</b>	<b>\$ (305,000)</b>	<b>\$(12,223,187)</b>	<b>\$ -</b>	<b>\$ 23,465,728</b>

# Forecast (2023 – 2024)

Reserves and Reserve Funds	Dec. 31, 2022 Estimated Balance	Dec. 31, 2023 Projected Balance	Forecasted 2024 Activity						Dec. 31, 2024 Forecasted Balance
			Contribution from Operating Budget	Investment Income	Other Revenue	Transfer to Operating	Transfer to Capital	Debt Payments	
<b>OPERATING RESERVES</b>									
General Levy Rate Stabilization	\$ 3,481,710	\$ 3,516,527	\$ 440,800	\$ 35,165	\$ -	\$ (440,800)	\$ -	\$ -	\$ 3,551,692
Sewer Rate Stabilization	966,866	725,285	50,000	7,253	-	(50,000)	-	-	732,538
Water Rate Stabilization	1,675,983	1,642,493	-	16,175	-	(50,000)	-	-	1,608,668
Self Insurance	1,477,552	1,480,268	-	14,803	-	-	-	-	1,495,071
Emergency Mgmt	395,942	399,901	-	3,999	-	-	-	-	403,900
Municipal Elections	9,572	38,059	58,250	672	-	-	-	-	96,981
South Niagara Hospital	1,820,719	75,151	150,000	1,502	-	-	-	-	226,653
Community Improve. Plan Fin'l Incentives	859,371	1,119,215	250,000	12,442	-	-	-	-	1,381,657
Museum Memorial Reserve Fund	539,575	529,896	-	5,224	-	(15,000)	-	-	520,120
Building Permit Surplus	327,213	330,485	-	3,305	-	-	-	-	333,790
Community Health & Wellness	100,536	31,191	30,000	462	-	-	-	-	61,653
GFESS Theatre	396,754	400,722	-	4,007	-	-	-	-	404,729
Ridgeway BIA	4,143	4,184	-	42	-	-	-	-	4,226
Bridgeburg BIA	25,349	25,602	-	256	-	-	-	-	25,858
<b>TOTAL OPERATING RESERVES</b>	<b>\$ 12,081,285</b>	<b>\$ 10,318,979</b>	<b>\$ 979,050</b>	<b>\$ 105,307</b>	<b>\$ -</b>	<b>\$ (555,800)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 10,847,536</b>

Reserves and Reserve Funds	Dec. 31, 2022 Estimated Balance	Dec. 31, 2023 Projected Balance	Forecasted 2024 Activity						Dec. 31, 2024 Forecasted Balance
			Contribution from Operating Budget	Investment Income	Other Revenue	Transfer to Operating	Transfer to Capital	Debt Payments	
<b>DEFERRED REVENUE</b>									
Federal Gas Tax	\$ 951,741	\$ 1,032,934	\$ -	\$ 12,411	\$ 1,016,319	\$ -	\$ (600,000)	\$ -	\$ 1,461,664
Provincial Gas Tax	172,102	173,823	-	1,738	-	-	-	-	175,561
Parkland	3,435,678	2,109,543	605,845	21,354	602,000	-	(1,156,137)	-	2,182,605
Development Charges	16,785,925	16,132,943	-	163,940	3,500,000	-	(2,706,051)	(271,807)	16,819,025
<b>TOTAL DEFERRED REVENUE</b>	<b>\$ 21,345,446</b>	<b>\$ 19,449,243</b>	<b>\$ 605,845</b>	<b>\$ 199,443</b>	<b>\$ 5,118,319</b>	<b>\$ -</b>	<b>\$ (4,462,188)</b>	<b>\$ (271,807)</b>	<b>\$ 20,638,855</b>

<b>GRAND TOTAL</b>	<b>\$ 58,204,812</b>	<b>\$ 53,398,823</b>	<b>\$ 13,713,898</b>	<b>\$ 539,061</b>	<b>\$ 5,118,319</b>	<b>\$ (860,800)</b>	<b>\$ (16,685,375)</b>	<b>\$ (271,807)</b>	<b>\$ 54,952,119</b>
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# Reserves and Reserve Funds Created by Council

Reserve Name	Purpose	Source of Funding	Basis for Target Reserve Balance	Target Balance	Basis for Target Minimum Annual Contribution	Target Minimum Annual Contribution
<b>Discretionary Reserves</b>						
Working Capital Reserve	Working capital	General Levy	One months equivalent of tax revenues	\$ 1,500,000	n/a	n/a
<b>Discretionary Reserve Funds</b>						
<b>Operating</b>						
General Levy Rate Stabilization	Fund tax revenue shortfalls, one time expenditures, as well as other contingencies such as costs associated with major OMB hearings	Annual general levy operating budget surpluses	5%-10% of previous years tax levy	\$ 1,000,000	n/a	n/a
Sewer Rate Stabilization	Fund revenue shortfalls, one time expenditures, as well as other contingencies	Established annual utility operating budget contribution	5% - 10% of previous years gross sewer revenue	\$ 430,000	Current allocation	\$ 77,100
Water Rate Stabilization	Fund revenue shortfalls, one time expenditures, as well as other contingencies	Established annual utility operating budget contribution	5% -10% of previous years gross water revenue	\$ 380,000	Current allocation	\$ 64,500
Self Insurance	To offset cost of insurance claims and deductibles	Established annual operating budget contribution	One year's insurance budget	\$ 500,000	Current allocation	\$ 20,000
Emergency Mgmt	Emergency measures including inclement weather	Established annual operating budget contribution	One year's winter control budget	\$ 750,000	Current allocation	\$ 10,000
Municipal Election	To mitigate the increase in operating budget every 4 years associated with election and strategic plan	Established annual operating budget contribution	Election and strat plan budget	\$ 130,000	Current allocation	\$ 33,000
Building Permit Surplus	To offset cost of administration and enforcement of the Building code when fee revenues are less than costs of delivering building services	Year end surpluses from Building and Inspection services net of year end deficits funded from General Levy	One year's Building Permit budget	\$ 360,000	Budget surplus allocation net of deficits	n/a
Community Health & Wellness	Community Health and Wellness purposes	Operating budget contribution	One doctor retention commitment	\$ 60,000	Budget surplus allocation	\$ 20,000
Community Improvement Plan Financial Incentives	Funding of financial incentives in accordance with approved Community Improvement Plans	Annual operating budget surplus of BCIP annual budget allocation	Estimate of cost of incentives	\$ 200,000	CIP grant surplus allocation	n/a
South Niagara Hospital	To accumulate the pledged funds of the new South Niagara Hospital.	Operating budget contribution	\$3m commitment per July 15, 2013 Council Meeting Resolution #13	\$ 3,000,000	Current allocation	\$ 200,000

# Reserves and Reserve Funds Created by Council

Reserve Name	Purpose	Source of Funding	Basis for Target Reserve Balance	Target Balance	Basis for Target Minimum Annual Contribution	Target Minimum Annual Contribution
<b>Discretionary Reserve Funds</b>						
<b>Operating continued</b>						
Greater Fort Erie Secondary School (GFESS) Theatre	To accumulate funds for the construction of a theatre in the new DSBN high school	Donations and Operating budget surplus contribution	Feb 17, 2015 Council-in-Committee Meeting commitment (Resolution #9)	\$ 1,500,000	Annual General Levy Operating surpluses	n/a
Encumbrances	To carry forward budget funding for projects committed but not yet completed	Operating budget contribution	n/a	n/a	n/a	n/a
<b>Obligatory Reserve Funds</b>						
<b>Operating</b>						
Ridgeway BIA	Improvement, beautification, maintenance, advertising and special events of the Ridgeway BIA	Annual BIA operating budget surplus		\$ -	n/a	\$ -
Bridgeburg BIA	Improvement, beautification, and maintenance activities of the Bridgeburg BIA	Annual BIA operating budget surplus		\$ -	n/a	\$ -
Museum Memorial	Museum artifacts perpetual care reserve, to provide for interest allocations to fund museum operations	Donations		\$ -	n/a	\$ -
Provincial Gas Tax	For transit operations in accordance with Provincial Gas Tax Agreement	Quarterly contributions from Province (MTO) as established on an annual basis		\$ -	n/a	\$ -

# Reserves and Reserve Funds Created by Council

Reserve Name	Purpose	Source of Funding	Basis for Target Minimum Annual Contribution	Target Minimum Annual Contribution	Basis for Target Optimal Annual Contribution	Target Optimal Annual Contribution
<b>Discretionary Reserve Funds</b>						
<b>Capital</b>						
Fire Equipment Replacement	Replacement of fire apparatus	Established annual operating budget contribution	Amortization	\$ 288,000	10% of estimated replacement cost	\$ 580,000
Fleet Equipment Replacement	Acquisition of vehicles and equipment	Established annual operating budget contribution, proceeds of sale and insurance claims	Amortization	\$ 258,100	10% of estimated replacement cost	\$ 400,000
Office Furniture and Equipment	New and replacement Municipal Centre office equipment	Established annual operating budget contribution	Amortization	\$ 6,400	10% of estimated replacement cost	\$ 100,000
IT Equipment	New and replacement IT equipment	Established annual operating budget contribution	Amortization	\$ 87,000	20% of estimated replacement cost	\$ 200,000
Major Capital Expenditure	New land and facility acquisition	Net proceeds of land sales in excess of Land Acquisition and Disposal dept net expenditure budget	n/a	\$ -	n/a	\$ -
Industrial Land Development	To finance the servicing and/or purchasing of industrial lands in the Town of Fort Erie	Established annual operating budget contribution	n/a	\$ -	n/a	\$ -
Facilities Maintenance	Facility upgrades and improvements	Established annual operating budget contribution	Amortization	\$ 1,129,200	3% of estimated replacement cost	\$ 1,753,800
Cemetery Improvements	Cemetery improvements and beautification	Operating budget contribution	Amortization	\$ 1,900	long term cemetery strategy pending	TBD
Zamboni Replacement	Life-cycle replacement of Zambonis	Facilities rental user surcharge	Amortization	\$ 10,400	10% of estimated replacement cost	\$ 27,000
Transit Capital	Specialized Transit (FAST) vehicles	Donations and Provincial Gas Tax for transit capital	Amortization	\$ 5,500	10% of estimated replacement cost	\$ 10,000
Waterfront & Tourism Development	Waterfront land acquisition and construction of related tourism infrastructure	Annual fee received for encroachments on Waterfront Road Allowances	n/a	\$ -	n/a	\$ -
Museum	Museum Services Capital and extraordinary operating expenses	Donations	Amortization	\$ 12,000	3% of estimated replacement cost	\$ 45,000
Storm Refurbishing	Storm refurbishing and expansion	Established annual operating budget contribution	Amortization	\$ 481,800	2% of estimated replacement cost	\$ 2,020,000
Municipal Drain	Municipal drain projects	Established annual operating budget contribution	n/a	\$ 200,000	n/a	\$ -
Road Refurbishing	Refurbishing and expansion of road, sidewalk and streetlight system	Established annual operating budget contribution	Amortization	\$ 3,209,300	2% of estimated replacement cost	\$ 6,000,000
Bridges & Culverts Refurbishing	Refurbishing and expansion of bridge and culvert infrastructure	Established annual operating budget contribution	Amortization	\$ 46,000	2% of estimated replacement cost	\$ 290,000

# Reserves and Reserve Funds Created by Council

Reserve Name	Purpose	Source of Funding	Basis for Target Minimum Annual Contribution	Target Minimum Annual Contribution	Basis for Target Optimal Annual Contribution	Target Optimal Annual Contribution
<b>Discretionary Reserve Funds</b>						
<b>Capital continued</b>						
Parking	Parking lot acquisition and improvements	Annual net parking revenues	Amortization	\$ 3,100	2% of estimated replacement cost	\$ 2,200
Sanitary Sewer Refurbishing	Refurbishing and expansion of the sanitary sewer system	Established annual utility operating budget contribution	Amortization	\$ 544,300	2% of estimated replacement cost	\$ 2,040,000
Water Refurbishing	Refurbishing and expansion of the water system	Established annual utility operating budget contribution	Amortization	\$ 516,200	2% of estimated replacement cost	\$ 1,940,000
Dedicated Water Meter Replacement	Replacement of commercial and residential water meters	Established annual utility operating budget contribution	Amortization	\$ 67,000	10% of estimated replacement cost	\$ 480,000
<b>Discretionary Reserve Funds</b>						
<b>Specific use</b>						
Wayfinding Implementation	Signage initiatives of the Wayfinding study	Surplus capital funds	n/a		included with Roads	\$ -
Battlefield Park Pavilion	Improvements to the Battle of Ridgeway Memorial park pavilion	One time donation from the Ridgeway Battlefield Association	n/a		included with Parks	\$ -
Fire Station	The replacement of fire stations.	Operating budget contribution	n/a		included with Facilities	
<b>Obligatory Reserve Funds</b>						
<b>Capital</b>						
Parklands	For park or other public recreational purposes	Cash payments in lieu of the conveyance of lander under a plan of subdivision	Amortization	\$ 504,300	5% of estimated replacement cost	\$ 685,000
Development Charges	To fund growth related capital projects as identified in the DC Background Study	Direct allocation of development charges collected in accordance with by-law	See DC background study	\$ -	n/a	\$ -
Major Capital-Garrison Village	Drainage improvements in the Garrison Village area	Developer contribution	n/a	\$ -	n/a	\$ -
Federal Gas Tax	Infrastructure supporting cleaner water, cleaner air or reduced greenhouse gas emissions in accordance with Federal Gas Tax Agreement	Quarterly contributions from the Federal government as established in the agreement. Cannot exceed three years contributions	n/a	\$ -	n/a	\$ -