

Reserve Consolidation

Issue

Council approval is required to consolidate reserves.

Motion Proposed by Administration

1. That the Emergency Management Reserve 710-260-010 be eliminated and the funds remaining in the reserve of \$0.011M be transferred to the General Operating Reserve.
2. That the Safety Codes Reserve 710-270-010 be eliminated and the funds remaining in the reserve of \$0.060M be transferred to the General Operating Reserve.
3. That the Public Transportation Reserve 710-320-010 be eliminated and the funds remaining in the reserve of \$0.029M be transferred to the General Operating Reserve.
4. That the Snow Removal Reserve 710-320-030 be eliminated and the funds remaining in the reserve of \$0.250M be transferred to the General Operating Reserve.
5. That the Foothills Centennial Centre Reserve 710-330-020 be eliminated and the funds remaining in the reserve of \$0.530M be transferred to the General Operating Reserve.
6. That the Survey Control Network Reserve 710-610-010 be eliminated and the funds remaining in the reserve of \$0.059M be transferred to the General Operating Reserve.
7. That the Long Range Plan Reserve 710-610-060 be eliminated and the funds remaining in the reserve of \$0.040M be transferred to the General Operating Reserve.
8. That the Parks Construction Projects Reserve 710-750-010 be eliminated and the funds remaining in the reserve of \$0.050M be transferred to the General Operating Reserve.
9. That the Machinery Reserve 760-120-010 be eliminated and the funds remaining in the reserve of \$0.594M be transferred to the General Recap Reserve.
10. That the Eco Efficiency Reserve 760-314-020 be eliminated and the funds remaining in the reserve of \$0.486M be transferred to the General Recap Reserve.
11. That the Public Facilities Reserve 760-330-010 be eliminated and the funds remaining in the reserve of \$5.558M be transferred to the General Recap Reserve.
12. That the Recycling Depot Reserve 760-440-020 be eliminated and the funds remaining in the reserve of \$0.396M be transferred to the General Recap Reserve.
13. That the Land Reserve 760-660-040 be eliminated and the negative reserve balance of -\$0.111M be transferred to the General Recap Reserve.

14. That the Downtown Parking Reserve 760-660-050 be eliminated and the funds remaining in the reserve of \$0.049M be transferred to the General Recap Reserve.
15. That the cemetery trust be eliminated and the remaining funds of \$0.428M be transferred to the General Operating Reserve.

Report, Analysis and Financial Implications

Since 2018, we have been reviewing the number of reserves and the future state requirements. With the approval of Councils Long Term Financial Health Framework in September, a framework was established to guide the efficiency and effectiveness of our financial policies. While a formal reserve policy will not be presented to Council until January there are steps that can be taken now that are consistent with the recommendations of the finance and audit committee regarding the consolidation of reserves.

As part of the 2020 Budget we are proposing the following changes to the current reserves:

The yellow represents operating reserves and blue represents capital reserves.

Proposed Reserve Consolidation			
2019 Estimated Balances			
(\$M's)			
	Current Reserves	Proposed Reserve Adjustments	Remaining
Reserve 710-120-100 General Operating	0.040	1.029	1.069
Reserve 710-260-010 Emergency Mgmt	0.011	-0.011	-
Reserve 710-270-010 Safety Codes	0.060	-0.060	-
Reserve 710-320-010 Public Transportation	0.029	-0.029	-
Reserve 710-320-030 Snow Removal	0.250	-0.250	-
Reserve 710-330-020 Foothills Centennial Centre	0.530	-0.530	-
Reserve 710-610-010 Survey Control Network	0.059	-0.059	-
Reserve 710-610-060 Long Range Plan	0.040	-0.040	-
Reserve 710-750-010 Parks Cont Prjs	0.050	-0.050	-
Reserve 760-120-010 Gen Recap	8.157	6.971	15.128
Reserve 760-310-010 Machinery	0.594	-0.594	-
Reserve 760-314-020 Eco Efficiency	0.486	-0.486	-
Reserve 760-330-010 Public Facilities	5.558	-5.558	-
Reserve 760-440-020 Recycling Depot	0.396	-0.396	-
Reserve 760-660-040 Land	-0.111	0.111	-
Reserve 760-660-050 Downtown Parking	0.049	-0.049	-
	16.197	0.000	16.197

The elimination and consolidation of these reserves will allow us to fund project expenditures using the appropriate capital or operating funding source. Overall there will be fewer reserves that will require funding and administration. It is important to

declare these consolidations prior to the commencement of the next year to impact the 2020 financial statements.

In our review we have determined that for a municipally owned cemetery there is no requirement for a trust account. The intent of the trust conditions under the act was to ensure that funds be available for long term maintenance in private cemeteries. We will consolidate the current balance of \$0.428M that is the Trust account to the General Operating reserve at year end.

Strategic Plan Goals

<input type="checkbox"/>	Manage Community Growth	<input checked="" type="checkbox"/>	Provide Strong Governance
<input type="checkbox"/>	Provide Quality Community Infrastructure	<input type="checkbox"/>	Healthy and Safe Community
<input checked="" type="checkbox"/>	Enhance Organizational Excellence	<input type="checkbox"/>	Foster Economic Vitality
		<input type="checkbox"/>	Promote Environmental Excellence

Governing Policies/Bylaws/Legislation or Agreements

2019 Long Term Financial Health Framework

Public Participation Strategy

Alternatives for Consideration

CAO Comments

I support the consolidation of these reserves as the recommendations are in alignment with the work of the finance and audit committee and consistent with the Long term financial health framework. It is a good start with the balance of reserve considerations to start in January 2020.

Attachment(s)

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