



STAFF REPORT

Meeting Date: September 11, 2023

Title: Reserve and Reserve Fund Policy Amendment – September 2023

Prepared By: Steven Lansdell-Roll

Department: Finance

Report Number: Finance-2023-026

Recommendation:

THAT Council approves the revised Reserves and Reserve Funds Policy.

Background:

The City established its Reserves and Reserve Funds Policy back in November 2018.

The last review and update to the City's Reserves and Reserve Funds Policy was in February 2023, with future reviews targeted every two years.

Good reserve management is key to achieving financial sustainability.

Long-term financial sustainability and planning requires:

- Saving for future capital asset replacement and life cycle costs
- Using reserves to manage debt levels

Benefits of reserves include:

- Reduced need for debt
- Increased liquidity, a positive factor for credit rating agencies
- Smoothing the impact of uneven capital expenditures on the tax levy and rates
- Protection against long-term liabilities and unexpected expenditures

Discussion:

There is one recommended revision to the Reserves and Reserve Funds Policy:

1. New Reserve Fund

- Addition of a Solid Waste Reserve Fund.
- Solid waste management is a long-term endeavor, so having a dedicated reserve fund demonstrates a commitment to ensuring the sustainable and responsible management of waste for the benefit of future generations.
- Our current landfill has an estimated useful life of ~20 years, but it is prudent to start planning for its replacement now.
- Establishing this new reserve and making annual operating allocations will provide funding for the future replacement of the City's landfill and reduce the need to borrow.

Attachments (Reference Material):

- Reserve and Reserve Fund Policy – September 2023