

Draft Amendments to Council Policy C03-003 Reserve for Future Expenditures

Requested amendments to Sections 13 and 49 of City Council Policy C03-003 Reserve for Future Expenditures are noted below. Sections that have been struck-through are requested to be removed from the Policy, and items highlighted in yellow are requested additions.

13. CIVIC UTILITIES STABILIZATION RESERVE

13.1 Purpose

To offset unanticipated utility operating deficits by establishing and maintaining a Utility Stabilization Reserve, with a separate account for each utility. For the purpose of this Policy, a Civic Utility shall include water, wastewater, electrical distribution, curbside recycling, multi-unit residential recycling, curbside organics (2023 onward), curbside garbage (2024 onward), and storm water management utilities.

13.2 Source of Funds

- a) Any year-end surpluses realized in excess of budget shall be transferred to the applicable water and wastewater, electrical, ~~curbside recycling~~ waste, or storm water management utility reserve account(s).
- b) Water and wastewater utilities may provide for a budgetary contribution to and from the stabilization reserves.

13.3 Reserve Balance Limitation

- a) The balance of the Water and Wastewater Utilities Stabilization Reserve shall be capped at 5% of the current year's budgeted metered revenue (including the infrastructure levy). b) The balance of the Electrical Utility Stabilization Reserve shall be capped at 1.5% of the current year's budgeted metered revenue.
- c) The balance of the ~~Curbside Recycling Stabilization Reserve~~ Waste Utilities Stabilization Reserve shall be capped at 5% 10% of the current year's budgeted total revenue.
- d) The balance of the Storm Water Management Utility Stabilization Reserve shall be capped at an equivalent value of the Storm Sewer Maintenance and Drainage expense components of the current year's operating budget.
- e) Funds in excess of these amounts shall be disbursed as provided for in Section 13.4 of this Policy.

13.4 Application of Funds

- a) To the extent that a balance exists in the respective account, the Utility Stabilization Reserve shall be used to finance any year-end deficits incurred by a civic utility.
- b) Subject to City Council approval, available funds in the respective accounts of the Utility Stabilization Reserve may be:
 - i) Transferred to the applicable utility capital reserves.
 - ii) Used to repay any existing debt incurred by the utility.
- c) The amount by which the Water and Wastewater Utilities Stabilization Reserve exceeds the balance as calculated in section 13.3 shall be transferred to either the Waterworks Capital Projects Reserve or the Wastewater Treatment Capital Reserve as jointly decided by the General Manager, Transportation and Utilities Department and the Director of Finance.
- d) Notwithstanding (c) above, City Council may direct that some or all of the amount by which the Water and Wastewater Utilities Stabilization Reserve exceeds the balance as calculated in section 13.3 shall be transferred to the Infrastructure Replacement Reserve.
- e) The amount by which the Electrical Utility Stabilization Reserve exceeds the balance as calculated in section 13.3 shall be transferred to the Electrical Distribution Extension Reserve.
- f) The amount by which the Storm Water Management Utility Stabilization Reserve exceeds the balance as calculated in Section 13.3 shall be transferred to the Storm Water Management Capital Reserve.
- g) The amount by which the ~~Curbside Recycling Stabilization Reserve~~ Waste Utilities Stabilization Reserve exceeds the balance as calculated in Section 13.3 shall be transferred to an ~~appropriate recycling reserve as recommended by the Administration and approved by City Council~~ the Waste Minimization Reserve.

13.5 Responsibilities

The Standing Policy Committee on Environment, Utilities and Corporate Services shall monitor this Reserve and make recommendations to City Council with respect to the application of discretionary funds and to the further policy development of this Reserve.

49. WASTE MINIMIZATION RESERVE

49.1 Purpose

To accumulate funds for the purpose of funding pilot projects or to supplement existing programs related to waste minimization initiatives by the Environmental Health Business Line.

49.2 Source of Funds

Funding received for the purposes of waste reduction and diversion that are not applied to operating programs will be transferred to the Reserve. This includes funding received through stewardship programs. Amounts in the Waste Utilities Stabilization Reserve that exceed the allowable balance in Section 13.3 will also be transferred to the Reserve. Proceeds from the sale of recyclable materials will be the source of funds, with the transfer to the Reserve being equal to the revenues realized. This includes any proceeds received by the City of Saskatoon from the sale of waste newspapers under the agreement with Cosmopolitan Industries Ltd. Also included are any proceeds received from the sale of metal, wood chips, cans, plastic and bottles.

49.3 Reserve Balance Limitation

The balance in the Waste Minimization Reserve shall not exceed \$100,000 \$2,000,000. Funds in excess of this amount shall be disbursed as provided for in Section 49.4 of this Policy.

49.4 Application of Funds

- a) The Reserve shall be used to fund waste minimization pilot projects and community-based initiatives that fall within the purview of the City's Solid Waste Management Master Plan Reduction and Diversion Plan, to supplement such initiatives funded in the approved operating budget, or as a source of related capital budget funding. The projects may include a test run of a particular waste minimization initiative or research related to program development feasibility work, research, studies, and commissioning costs. Any ongoing programs or program enhancements resulting from the pilot projects will be included in the appropriate operating budget. The Reserve may also be used to fund capital projects related to waste minimization such as construction of a waste recycling/storage facility.
- b) The amount by which the year-end balance in with Reserve exceeds \$100,000 \$2,000,000 shall be transferred to the Landfill Replacement Reserve an appropriate reserve as recommended by Administration and approved by City Council.

49.5 Responsibilities

The Standing Policy Committee on Environment, Utilities and Corporate Services shall monitor this Reserve and make recommendations to City Council concerning any further policy development of this Reserve.

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