

Janzen, Heather

Subject: FW: Email - Communication - Sherry Tarasoff - Councillor R Donauer - Capital Budget Funding Sources - CK 430-72 x 1700-1
Attachments: 2023-09-27 Donauer motion on reserves.pdf

From: Web NoReply <web-noreply@saskatoon.ca>
Sent: Monday, September 25, 2023 7:12 AM
To: City Council <City.Council@saskatoon.ca>
Subject: Email - Communication - Sherry Tarasoff - Councillor R Donauer - Capital Budget Funding Sources - CK 430-72 x 1700-1

--- Replies to this email will go to [REDACTED] ---

Submitted on Monday, September 25, 2023 - 07:11

Submitted by user: [REDACTED]

Submitted values are:

I have read and understand the above statements.: Yes

I do not want my comments placed on a public agenda. They will be shared with members of Council through their online repository.: No

I only want my comments shared with the Mayor or my Ward Councillor.: No

Date: Monday, September 25, 2023

To: His Worship the Mayor and Members of City Council

First Name: Sherry

Last Name: Tarasoff

Email: [REDACTED]

Address: [REDACTED] Peterson Cres

City: Saskatoon

Province: Saskatchewan

Postal Code: [REDACTED]

What do you wish to do ?: Submit Comments

What meeting do you wish to speak/submit comments ? (if known):: REGULAR BUSINESS MEETING OF CITY COUNCIL - September 27, 2023

What agenda item do you wish to comment on ?: 14.1 Councillor R. Donauer - Capital Budget Funding Sources

Comments:

Please find my comments attached. Thank you.

Attachments:

- [2023-09-27 Donauer motion on reserves.pdf](#) 204.66 KB

Will you be submitting a video to be vetted prior to council meeting?: No

I support Councillor Donauer's motion regarding reserves. There is just not enough information available annually from the City of Saskatoon on the reserves that have been established through the City Council-approved [Reserve for Future Expenditures Policy](#) and [Capital Reserve Bylaw](#). How does Saskatoon compare to other municipalities?

IN REGINA

The Executive Director, Financial Strategy & Sustainability, is required to submit an Annual Reserve Report to Council on or before September 30 of each year. The latest Annual Reserve Report for 2022 provides:

- a description of the purpose for each reserve and balance of each reserve as of the end of the previous year
- a list of reserves within and outside their minimum and maximum limits in comparison to their previous year's balance
- a description of additions or reductions to reserves in the previous year, including investments made from reserves with an explanation of the nature of the additions and reductions
- a five-year projection of each reserve
- recommended transfers to and from the reserves that will bring these reserves within the minimum and maximum limits
- where there are reserves that are to remain outside the range, a plan that sets out how these reserves will be replenished or reduced to the minimum and maximum limits
- where the conditions cannot be met, the report shall advise of the rationale for not replenishing or reducing the reserve balance
- any annual changes to the minimum and maximum limit of the Solid Waste Reserve
- a comparison of the City's reserve balance to other jurisdictions and best practices

(<https://reginask.igm2.com/Citizens/FileOpen.aspx?Type=1&ID=4807&Inline=True>, page 261).

Regina has 23 reserve accounts:

- 9 operating reserves (tax-funded)
- 5 capital reserves (tax-funded)
- 9 self-sustaining reserves (external user-fee funded)

IN EDMONTON

"Administration will undertake a detailed review of Reserve requirements and fund levels in the Equity Accounts every three years, and has the authority to annually update the Reserve Register based on Council approved changes." The last triennial review was on [December 6, 2021](#).

A Reserve Register is updated annually. This is a listing of Reserve accounts maintained by Administration that lists all current active reserve accounts and their purpose, descriptions including allowable expenditures, responsible branch, and whether the reserve is interest bearing and has a minimum balance requirement.

As of December 2021, Edmonton had 37 reserves:

- 20 specific purpose reserves
- 12 regulatory/third party requirements reserves
- 5 stabilization reserves

In November 2021, the Office of the City Auditor conducted a [Reserve Funds Governance and Management Review](#).

IN CALGARY

Calgary also has a triennial review process requiring that every active reserve be reviewed at least once every three years. The latest one was completed for [2022](#).

An Annual Reserves Report for is prepared for information purposes and is a supplement to The City of Calgary's Annual Financial Report. The latest report is for [2022](#).

As of December 31, 2022, Calgary has 51 reserves:

- 16 operating reserves
- 16 capital reserves
- 19 sustainment reserves (combined operating and capital reserves)

IN SASKATOON

Is there a detailed annual review of reserves for the City of Saskatoon? The closest thing that I could find is a [Summarized Reserve Analysis](#) that was done in December 2016.

There is a [Capital Reserve Sufficiency](#) schedule in each annual Budget document to reflect the sufficiency of the reserves. Are the balances actually sufficient for each reserve, as there is no indication if they are within or outside any minimum and maximum limits?

Between the [Bylaw](#) and [Policy](#), I count **over 100 reserve accounts for the City of Saskatoon**. The [Schedule of Reserves](#) in the 2022 Annual Report (including boards, commissions and amounts held in suspense) lists:

- 32 maintenance reserves
- 18 capital reserves
- 19 stabilization reserves
- 72 RFE reserves (reserves for future expenditures)
- prepaid services reserves

At the April 2021 SPC-Finance meeting, the [Updated Parking Revenue Distribution Formula report](#) reported "As of January 1, 2021, there is \$322,093.76 remaining in this reserve. Administration will bring forward a report to provide options for use of the funds in this reserve." This related to the elimination of the Downtown Housing Incentive Program. I have followed up twice on this. In April 2022, "Per conversations with our Planning Department, no further report has been done on this yet. Following engagement with external stakeholders the Administration will report back on this." Then again in June 2023, "No additional update at this time. The work is still outstanding and will be prioritized accordingly." When will a \$322K balance in an inactive reserve be prioritized for distribution? Are there other reserves that have outstanding issues that have also not been prioritized?