

BYLAW NO. 9985

The Capital Reserve Amendment Bylaw, 2024

The Council of the City of Saskatoon enacts:

Short Title

1. This Bylaw may be cited as *The Capital Reserve Amendment Bylaw, 2024*.

Purpose

2. The purpose of this Bylaw is to amend *The Capital Reserve Bylaw* to make various amendments, including to:
 - (a) amend the definition of “capital expenditure”;
 - (b) amend the source of funding of various reserves;
 - (c) add an Enterprise Resource Planning System Reserve and a Transit Additional Vehicles Reserve;
 - (d) change the name of the PotashCorp Playland Asset Replacement and Maintenance Reserve to the Nutrien Playland Asset Replacement and Maintenance Reserve;
 - (e) make various amendments to the Property Realized Reserve; and
 - (f) make minor housekeeping amendments.

Bylaw No. 6774 Amended

3. *The Capital Reserve Bylaw* is amended in the manner set forth in this Bylaw.

Bylaw Amended

4. The Bylaw is amended by striking out “equal to” wherever it appears and substituting “targeted to be”.

Section 1 Amended

5. Section 1 is repealed and the following substituted:

“Short Title

1. This Bylaw may be cited as *The Capital Reserve Bylaw, 1993*.

Purpose

1.1. The purpose of this Bylaw is to establish Reserves and identify the purposes, funding sources and permitted expenditures of each Reserve.”.

Section 2 Amended

6. (1) Clause 2(b) is repealed and the following substituted:

“(b) “**capital expenditure**” means an expenditure of at least \$50,000.00, or a lesser amount if otherwise permitted by this Bylaw or approved by the Chief Financial Officer, for:

- (i) the acquisition, alteration or repair of or addition to a physical asset that has a useful life of more than one year;
- (ii) a non-physical long-term asset such as feasibility studies, environmental assessments, master plans, architectural or other design works or technical studies, the benefit of which extends beyond one year, other than an annually recurring expenditure for a non-physical long-term asset; or
- (iii) contributions to community groups for pilot projects or grant related funding;”.

(2) Clause 2(e) is repealed.

Section 10 Amended

7. Subsection 10(1) is repealed and the following substituted:

“(1) No loans may be made from a Reserve, except from the Property Realized Reserve as set out in section 48.”.

Section 15 Amended

8. Clause 15(2)(a) is repealed.

Section 16 Amended

9. (1) Subsection 16(2) is repealed and the following substituted:
 “(2) This Reserve shall be funded by an annual provision in an amount authorized in the City’s Operating Budget.”
(2) Subsection 16(3) is repealed.

Section 19 Amended

10. Clause 19(2)(a) is repealed.

Section 22 Amended

11. Clause 22(2)(a) is repealed.

Section 26 Amended

12. Clause 26(2)(a) is repealed.

Section 28 Amended

13. Clause 28(2)(a) is repealed.

New Section 30.1

14. The following section is added after section 30:

“Enterprise Resource Planning System Reserve

30.1 Purpose

- (1) The purpose of the Enterprise Resource Planning System Reserve is to finance the cost related to system changes, upgrades or additional software to support the corporate Enterprise Resource Planning (ERP) system.

Funding

- (2) The source of funds for this Reserve shall be:
 - (a) any funds remaining within Capital Project P.01829 Service Saskatoon-Systems after that project is completed and closed; and
 - (b) an annual provision in an amount authorized in the City’s Operating Budget.

Expenditures

- (3) Funds in this Reserve shall only be used for capital expenditures for system changes, upgrades or additional software to support the corporate ERP system.”.

Section 33 Amended

15. Subsection 33(2) is amended by striking out “The provision shall be equal to the average annual funding requirements of this Reserve over the last five-year period. Calculation of the value of each asset shall be based on the asset’s current replacement value adjusted for inflation, less the salvage value of each asset, divided by its estimated useful life.”.

Section 34 Amended

16. Subsection 34(4) is amended by striking out “are authorized by the City Manager” and substituting “may be authorized by the Chief Financial Officer”.

Section 36 Amended

17. Clause 36(2)(a) is repealed.

Section 38 Amended

18. (1) Clause 38(2)(a) is repealed.
- (2) Subsection 38(4) is repealed and the following substituted:
 - “(4) Notwithstanding any other provision of this Bylaw, expenditures from this Reserve for the purposes mentioned in subsection (3) may be less than \$50,000.00.”.

Section 39 Amended

19. Clause 39(2)(b) is amended by striking out “Utility” and substituting “and Wastewater Utilities”.

Section 41 Amended

20. Subsection 41(2) is amended by striking out “The provision shall be equal to the estimated average annual cash flow requirements of this Reserve projected over the next 15-year period.”.

New Section 41.2

21. The following section is added after section 41.1:

“Nutrien Playland Asset Replacement and Maintenance Reserve

41.2. Purpose

- (1) The purpose of the Nutrien Playland Asset Replacement and Maintenance Reserve is to finance the cost of enhancing features or replacing or performing major overhauls of Nutrien Playland assets, which are under the control of the Community Services Division.

Funding

- (2) This Reserve shall be funded:
 - (a) annually through an estimated provision in the City’s Operating Budget that is adjusted each year based on cost estimates to replace Nutrien Playland assets; and

- (b) through the salvaged value of the rides during their replacement.

Expenditures

- (3) The funds in this Reserve shall only be used for the purpose of enhancing features and replacing or performing major overhauls of Nutrien Playland assets.
- (4) Notwithstanding any other provision of this Bylaw, expenditures from this Reserve may be used for the replacement or repair of equipment with a unit value of less than \$50,000.00.”.

Section 43 Amended

- 22. Subsection 43(1) is amended by striking out “Parks Department Grounds” and substituting “Parks Grounds”.

Section 45 Amended

- 23. Subsection 45(2) is repealed and the following substituted:

“(2) This Reserve shall be funded by an annual provision in an amount authorized by the City’s Operating Budget.”.

Section 46 Repealed

- 24. Section 46 is repealed.

Section 48 Amended

- 25. Section 48 is repealed and the following substituted:

“Property Realized Reserve

48. Purpose

- (1) The purpose of the Property Realized Reserve is to finance the purchase of real property for resale by the City.

Funding

- (2) This Reserve shall be funded from:
- (a) the sale of all City-owned properties that were acquired for and held for resale by the City, after deducting:
 - (i) proceeds from the sale of land that the City acquired through tax enforcement proceedings;
 - (ii) proceeds received as prepaid service charges; and
 - (iii) land administration fees; and
 - (b) net lease revenues as approved by Council. Net lease revenue will be credited to the general revenue account unless otherwise approved by Council.

Expenditures

- (3) This Reserve shall only be used for:
- (a) the purchase of land for resale, including costs associated with due diligence investigations required for the acquisition of land;
 - (b) expenditures made to prepare land for resale, excluding expenditures financed by prepaid service charges;
 - (c) loans for purchases of property required by the City for future capital expansions. Interest shall not be charged on loans used for this purpose. These projects will be charged the greater of historical or fair market value and will be reported to Council for formal approval; and
 - (d) any other loan that is specifically authorized by Council.

- (4) The transfer of funds from this Reserve may be approved by Council as recommended by Administration, provided that the balance within the Reserve is sufficient to meet the anticipated land requirements for the next projected five-year period.
- (5) Notwithstanding any other provision of this Bylaw, expenditures from this Reserve may be less than \$50,000.00.
- (6) The total outstanding loans from this Reserve cannot, in any year, reduce the projected unallocated year-end balance within the Reserve below the amount which is required for the next projected five-year period.
- (7) In the case of specific land development projects where the Standing Policy Committee on Finance has adopted a pro forma financial statement, the Administration shall submit annual pro forma updates in subsequent years, at which time Council may transfer net proceeds from the land development projects to fund various capital projects, or loan funds to finance other capital works, provided that:
 - (a) for residential land development projects, a minimum of 10% of such declared net proceeds are re-assigned to this Reserve for land acquisition funds; and
 - (b) for industrial or employment land development projects, 100% of net proceeds are to be assigned to this Reserve.”.

Section 50 Amended

26. Subsection 50(3) is repealed and the following substituted:

- “(3) This Reserve shall be funded by an annual authorized provision from the River Landing Operating Budget that is determined in accordance with the following formula:

TAC = AVDA x .25% + AVNDA x 5%, where:

TAC is the Total Annual Contribution;

AVDA is the Appraised Value Durable Assets;

AVNDA is the Appraised Value Non-Durable Assets.

The appraised value of the durable assets and non-durable assets shall be adjusted annually by applying the previous year's CPI for the City.”.

Section 55 Amended

27. Subsection 55(2) is repealed and the following substituted:

“(2) This Reserve shall be funded annually from an authorized provision in the City's Operating Budget.”.

Section 56 Amended

28. Subsection 56(2.1) is amended by adding “, less \$63,500.00” after “Districts”.

New Section 58.1

29. The following section is added after section 58:

“Transit Additional Vehicles Reserve

58.1 Purpose

(1) The purpose of the Transit Additional Vehicles Reserve is to finance the cost of purchasing additional transit buses, including associated equipment and technology.

Funding

(2) This Reserve shall be funded annually from an authorized provision in the City's Operating Budget.

Expenditures

- (3) Funds in this Reserve shall only be used for the purchase of additional transit buses, including the associated equipment and technology for the new buses.”.

Section 59 Amended

30. Clause 59(1)(b) is repealed.

Section 60 Amended

31. Subsection 60(4) is repealed and the following substituted:

- “(4) Funds in this Reserve shall only be used for the replacement and refurbishment of transit buses and the replacement of bus radios and associated equipment.”.

Section 63 Amended

32. Clause 63(2)(a) is repealed.

Section 64.1 Amended

33. Clause 64.1(2)(a) is repealed.

Section 65 Amended

34. Subsection 65(2) is amended by adding “targeted to be” before “calculated”.

Section 66 Amended

35. (1) Clause 66(2)(a) is amended by adding “targeted” before “charge”.
- (2) Clause 66(2)(d) is amended by striking out “Sewer” and substituting “Wastewater”.

Section 69 Amended

- 36. Clause 69(2)(d) is amended by striking out “& Wastewater Stabilization Reserve” and substituting “and Wastewater Utilities Stabilization Reserve”.

Schedule “A” Amended

- 37. Schedule “A” is repealed and the schedule attached to this Bylaw as Schedule “A” is substituted.

Coming into Force

- 38. This Bylaw comes into force on the day of its final passing.

Read a first time this _____ day of _____, 2024.

Read a second time this _____ day of _____, 2024.

Read a third time and passed this _____ day of _____, 2024.

Mayor

City Clerk

Schedule “A” to Bylaw No. 9985

Schedule “A”

Reserves

Access Transit Capital Reserve

Active Transportation Reserve

Albert Community Centre Major Repair Reserve

Bridge Major Repair Reserve

Canada Community-Building Fund Reserve

Cemetery Development Reserve

Civic Buildings Comprehensive Maintenance Reserve

Civic Radio Replacement and Expansion Reserve

Civic Vehicles and Equipment Replacement Reserve

Civic Vehicles and Equipment Stabilization Reserve

Commercial Truck Enforcement and Education Reserve

Computer Equipment Replacement Reserve

Corporate Capital Reserve

Dedicated Lands Account

Dedicated Roadway Reserve

Electrical Distribution Extension Reserve

Electrical Distribution Replacement Reserve

Enterprise Resource Planning System Reserve

Facility Site Replacement Reserve

Fire Apparatus Reserve

Fire Department Small Equipment Replacement Reserve

Forestry Farm Park and Zoo Capital Reserve

Golf Course Capital Reserve

Grounds Maintenance Equipment Replacement Reserve

Holiday Park Golf Course Redevelopment Reserve

Infrastructure Replacement Reserve – Water and Wastewater

Landfill Replacement Reserve

Leisure Services Equipment Replacement Reserve

Major Civic Facilities Reserve

Nutrien Playland Asset Replacement and Maintenance Reserve

Parking Capital Reserve

Parks Grounds Maintenance Equipment Acquisition Reserve

Parks Infrastructure Reserve

Paved Roadways Infrastructure Reserve

Printing and Mail Equipment Replacement Reserve

Property Realized Reserve

Reserve for Capital Expenditures

River Landing Capital Reserve

Roadways & Operations' Buildings Major Repair Reserve

Snow and Ice Management Equipment Acquisition Reserve

Storm Water Management Capital Reserve

Street Cleaning/Sweeping Equipment Acquisition Reserve

Streetscape Reserve – City-Wide

Streetscape Reserve – Core BID

Traffic Noise Attenuation Reserve

Traffic Safety Reserve

Transit Additional Vehicles Reserve

Transit Capital Projects Reserve

Transit Vehicles Replacement Reserve

Transportation (Sign Shop) Equipment Acquisition Reserve

Transportation Infrastructure Expansion Reserve

Transportation Infrastructure Reserve

Trunked Radio System Infrastructure Replacement Reserve

Urban Forestry and Pest Management Capital Reserve

Waste Container Replacement Reserve

Wastewater Collection and Treatment Replacement Reserve

Wastewater Treatment Capital Reserve

Water & Waste Stream Weigh Scales Replacement Reserve

Water Supply Replacement Reserve

Waterworks Capital Projects Reserve