

## Proposed Amendments to City Council Policy C03-003, Reserves for Future Expenditures

### ISSUE

City Council Policy No. C03-003, Reserves for Future Expenditures (“Policy”) requires updates to reflect administrative changes.

### RECOMMENDATION

That the Standing Policy Committee on Finance recommend to City Council that the City Clerk’s Office be requested to amend City Council Policy No. C03-003, Reserves for Future Expenditures as shown in Appendix 1.

### BACKGROUND

During a general review of the Policy, various amendments, including one additional reserve, were identified as necessary to improve the Policy.

### DISCUSSION/ANALYSIS

The Administration has been undertaking a comprehensive review of the Policy to identify areas where the Policy could be improved. Appendix 1 provides the proposed amendments with the most significant proposed amendments to the Policy described below:

1. Revise the source of funds from \$250,000 annually to an annual amount authorized by City Council through the Operating Budget for the Affordable Housing Reserve. This allows flexibility to City Council to allocate funds as they see fit to this reserve.
2. Include the dangerous animal offences program into the calculation for the source of funds as well as the application of funds for the Animal Services Reserve. This ensures over or under expenditures in the dangerous animal offences are funded from or transferred to the reserve to smooth out the impacts of this program.
3. Rename the Community Services Department Plan Reviews and Inspection Service Stabilization Reserve to the Building Standards Stabilization Reserve and remove the amount of \$100,000 from the maximum balance calculation for the reserve which would leave this maximum at 150% of the annual operating budget of the program. The original intent of the \$100,000 within the maximum amount was to ensure there was some funding for capital transfers, however, Administration believes that removing the \$100,000 will still simplify the reserve maximum balance calculation and leave sufficient funding in the reserve as the annual operating budget gets adjusted as needed to fund transfers to capital.
4. City Council approval for the Development Review Program Stabilization Reserve was established during the [2020/2021 Budget deliberations](#); however it has not been formally set up within the Policy. This Reserve is funded through

- any positive amount arising from the year's operating revenues minus operating expenditures for the Development Review Program.
5. The Digital Data Reserve for development and upgrade of digital datasets was established in 2005 and has been receiving funding; however, it has not been formally set up within the Policy. This Reserve is funded annually for approximately \$44,000 from an authorized provision in the City's operating budget.
  6. Revise the Façade Conservation and Enhancement Grant Reserve to add a provision to carry over a maximum cumulative amount for the Urban Design Streetscape Business Improvement District (BID) allocation at each year end. This allows unspent amounts for the BID allocation to carry forward into future years to ensure sufficient funding in years where additional amounts are required within the BID areas.
  7. Rescind the Fuel Stabilization Reserve. Over-expenditures or under-expenditures will become part of the overall year end variances and be funded from or contribute to the Fiscal Stabilization Reserve. The remaining balance of \$354,410 from this reserve was used in 2022 resulting in a \$0 balance in this reserve.
  8. Revise the maximum balance in the Golf Course Stabilization Reserve from \$200,000 to \$500,000 to allow for more flexibility in covering fluctuations in operations of the municipally owned golf courses.
  9. Revise the source of funding for the Heritage Fund to reflect an annual provision as authorized by City Council and increase the amount of special heritage studies or research and heritage awareness programming that the General Manager (GM), Community Services Division is responsible for approving from \$12,000 to \$50,000. This revision allows for the GM to approve regular events such as the "Doors Open Saskatoon" event.
  10. Revise the Interest Stabilization Reserve source and application of funds to be reflective of the variances in the net revenue in the Interest portion of General Revenues and allow an entry at year end to be authorized by the Director of Finance for those over or under expenditures.
  11. Rescind the Major Natural Event Reserve as this reserve was established in prior years but has not had funds allocated to it. Additionally, the \$250,000 cap for this reserve will most likely not be sufficient for major natural events.
  12. Revise the Parks Grounds Maintenance Stabilization Reserve and the Snow and Ice Management Contingency Reserve to reflect that withdrawals from the reserve will be a City Council decision regardless of the amount. The Snow and Ice Management Contingency Reserve maximum balance is also proposed to be removed to allow sufficient funds to accumulate for major snow events. The maximum balance was previously limited to a value equal to the Snow and Ice Management service line of the annual operating budget.
  13. Rescind the Pest Control Reserve. This reserve is now part of the Urban Forest and Pest Management Capital Reserve.

14. Rescind the Saskatoon Minor Football Field Stabilization Reserve. This reserve was funded through one-time funding which has been fully allocated; therefore, the reserve is no longer required.
15. Remove the Waste Minimization Reserve maximum balance. Removing the maximum balance will allow the possibility for the accumulation of funds for initiatives on the [Solid Waste Reduction and Diversion Plan](#) to advance and for support of the capital requirements for the curbside organics program and variable black cart program without competing for other sources of funding.

#### **OTHER IMPLICATIONS**

There are no financial, privacy, legal, social or environmental implications identified.

#### **NEXT STEPS**

If approved, the City Clerk's Office will amend the Policy as shown in Appendix 1.

#### **APPENDICES**

1. Proposed Amendments to Council Policy No. C03-003, Reserves for Future Expenditures

#### **REPORT APPROVAL**

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