

**Appendix “A” to By-law No. 2023-0067  
Being a By-law to Adopt a Reserve Funds Policy**

**Town of Greater Napanee  
Reserves and Reserve Funds Policy**



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**1 Introduction**

A Policy governing the management and administration of reserves and reserve funds.

**2 Purpose**

The purpose of this policy is to establish consistent principles, standards and guidelines for the maintenance, management, administrative and accounting responsibilities of reserves and reserve funds managed by the Town of Greater Napanee.

**3 Scope**

The Reserves and Reserve Funds Policy applies to all reserves and reserve funds established by the Town of Greater Napanee.

**4 Policy**

**4.1 Primary Objectives**

4.1.1 Reserve Funds shall be established to:

- Support the budget and financial plan
- To ensure the Town has sufficient cash flow to meet its financial obligations
- Ensure stable and predictable levies
- Finance new capital assets
- Safeguard and maximize existing assets by supporting the replacement and rehabilitation of assets
- Provide for unanticipated expenditures, or loss of revenues beyond the control of the Town
- To be able to take advantage of community opportunities that may arise

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**5 Definitions**

- 5.1 Budget:** An estimated financial plan of revenue and expenditure for a set period of time
- 5.2 Town:** The Corporation of the Town of Greater Napanee
- 5.3 Treasurer:** The individual appointed by the municipality as treasurer.
- 5.4 Contingencies/Stabilization & Risk Management:** A category of reserves and reserve funds designed to fund future obligations which are based on calculated estimates and to mitigate unforeseen events or one-time unanticipated revenue losses and expenses.
- 5.5 Debt:** Any obligation for the payment of money. For Ontario municipalities, debt would normally consist of debentures as well as either notes or cash from financial institutions, but could also include loans from discretionary reserves and reserve funds.
- 5.6 Reserve:** An appropriation from net revenue and/or cost savings at the discretion of Council, after the provision for all known expenditures. It has no reference to any specific asset and does not require the physical segregation of money or assets as in the case of a reserve fund. Municipal Councils may set up reserves for any purpose for which they have the authority to spend money.
- 5.7 Reserve Fund:** Funds that have been set aside either by a by-law of the municipality or by a requirement of senior government statute or agreement to meet a future event. As a result, reserve funds are either “discretionary” being those set up by Council, or “obligatory” being those set up by virtue of a requirement of senior government statute or agreement. Municipal councils may set up reserve funds for any purpose for which they have the authority to spend money.
- 5.8 Discretionary Reserves and Reserve Funds:** A reserve or reserve fund created by Council to set aside revenue to finance a future expenditure for which Council has the authority to spend money. Revenues set aside for acquisition of fixed assets is an example of discretionary reserve funds.
- 5.9 Obligatory Reserve Funds:** A reserve fund created when senior government statute or agreement requires that revenue received for special purposes be segregated from the general revenues of the municipality. Obligatory reserve funds are to be used solely for the purpose prescribed for them by statute or

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agreement. Development Charges and Cash-Lieu-of Parkland are examples of obligatory reserve funds.

**5.10 Working Funds:** Funds set aside to ensure a municipality can meet cash flow requirements and reduce the need for short term borrowing. Working funds also provide contingencies for unforeseen costs to a municipality.

**5.11 Deferred Revenue:** Revenue that is considered a liability on the Municipality’s financial statements until, over time, it becomes relevant to current operations, such as prepayment received for something that has not yet been provided. Deferred revenue is set aside in an obligatory reserve fund for a specific purpose by legislation, regulation, or agreement. Development charges and federal gasoline tax are examples of deferred revenue.

## **6 Reserve and Reserve Fund Management**

### **6.1 Establishment and Modification**

6.1.1 Prior to establishing a new reserve or reserve fund, a financial plan will be prepared which identifies the need, target funding level, contribution sources and projected disbursements to meet the planned obligations.

6.1.2 Reserves and Reserve Funds can be established through the annual budgeting process which is approved by council, or through resolution of council.

6.1.3 Modification of the intended use of an existing discretionary reserve or reserve fund shall be approved through resolution of council. At that time new framework for the reserve or reserve fund shall be established.

### **6.2 Investment of Funds**

6.2.1 Reserves and reserve funds may be invested for a term that will not exceed its expected date of need. The related investment income shall be credited to the reserves or reserve funds at a frequency of at least annually. Interest for reserve funds must be recognized as revenue in each specific reserve fund.

6.2.2 Investments shall be further governed by the Town’s Investment Policy.

### **6.3 Contributions to/from Reserves and Reserve Funds**

6.3.1 Contributions to/from Reserves and Reserve Funds shall be made in accordance with applicable resolution, by-law and this Policy.

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6.3.2 Contributions to/from Reserves and Reserve Funds shall be approved by council as party of the annual budget process or specifically by resolution with the following exceptions:

- Direct Contribution to reserve or reserve fund such as Development Charge contributions or settlement in account of prior year events
- Transfer of funds between reserves based upon reserve adequacy analysis or other related information, at the discretion of the Treasurer. Transfer shall be documented for audit and historical purposes.

#### **6.4 Lending/Temporary Borrowing**

6.4.1 Intra-fund lending between reserves and reserve funds shall be permitted to temporarily finance capital and/or operating cash flow deficiencies to avoid external borrowing costs provided that all loans/transfers bear the Town’s internal rate of return which should be set at prime rate and principal and interest are credited to the appropriate reserve or reserve fund source.

6.4.2 External loans are generally discouraged due to the administrative effort associated with managing those loans. However, should Council elect to approve a loan to an external party, the loan should be in accordance with Section 107 of the Municipal Act, 2001, as amended. Prior to approving such loans, the following principles should be considered:

- External loans shall only be made to public agencies/groups and shall benefit the public unless part of a council approved community improvement plan program;
- The term of external loans should not exceed five years;
- Appropriate security shall be provided to protect the interests of the Town;
- The financial profile of the borrower shall be reviewed;
- Adequate reserves and reserve funds should be available for the term of the external loan; and
- An appropriate interest rate shall be applied, noting that principal and interest shall be credited to the appropriate reserve or reserve fund source.

6.4.3 All lending/temporary borrowing shall be provided from discretionary reserve and reserve fund balances as the loaning of obligatory reserve funds is prohibited under the Development Charges Act, 1997, as amended.

6.4.4 Under the Development Charges Act, 1997, as amended, debt may be included as a capital cost to leverage development charge (DC) revenue while waiting for DC collections to catch up to growth-related spending. Intra-fund borrowing between DC reserve funds is also permitted. In both cases, amounts borrowed must be repaid at the Towns’s internal rate of return and principal and interest

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are credited to the appropriate reserve or reserve fund source.

## **7 Termination of Reserves and Reserve Funds**

- 7.1** A discretionary reserve or reserve fund shall be terminated (wound down and closed) when the program or project it supports meets any of the following criteria:
- No longer in the scope of the Town’s strategic plans;
  - Program commitments have been completed and no future commitments are expected; and
  - The Treasurer is confident that balances in other areas can mitigate the need to hold any remaining reserve or reserve fund balance.
- 7.2** Reserves or reserve funds identified for termination shall be reported to Council for review and approval. Reports to Council shall include recommendations regarding the timing of wind down, closure and the allocation of fund balances.

## **8 Standard of Care/Responsibilities**

### **8.1 Municipal Council**

- 8.1.1 In accordance with the Municipal Act 2001, Section 224 develop and evaluate policies, ensure that administrative policies, practices and procedures and controllership policies, practices and procedures are in place and maintain the financial integrity of the municipality.
- 8.1.2 Approve transactions to and from reserves and reserve funds through the budget process or by specific resolution and/or by-laws.

### **8.2 Chief Administrative Officer (CAO)**

- 8.2.1 Support the treasurer in ensuring the principles and mandatory requirement contained in this policy are applied consistently across all Municipality departments.

### **8.3 Treasurer**

- 8.3.1 Develop and update this policy as necessary and present changes to Council;
- 8.3.2 The Treasurer will retain the overall authority for establishing and managing reserve and reserve funds and may delegate this authority in writing when applicable.
- 8.3.3 Ensure that the principles and requirements contained in this policy are applied consistently across all departments;

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- 8.3.4 Perform the transfers to and from reserves and reserve funds as authorized by Council;
- 8.3.5 Recommend strategies for the adequacy of reserve levels;
- 8.3.6 Report to Council the reserve balances and forecast as part of the annual budget approval processes.
- 8.3.7 Develop long range fiscal planning strategy to effectively meet the Corporation’s capital financing and capital asset replacement requirements.
- 8.3.8 Monitors and reconciles all receipts to and disbursements from reserve and reserve fund accounts to ensure compliance with provincial legislation, PSAB and this Policy;
- 8.3.9 Determines need for reserves and reserve funds for operating and capital operation;
- 8.3.10 Ensures a review and report to Council of the adequacy and continuing need for reserves and reserve funds is undertaken when deemed necessary;
- 8.3.11 Adherence to the Development Charges Act, Federal Gas Tax Agreement and the Ontario Community Infrastructure Fund Agreement;
- 8.3.12 Arranges for the preparation and presentations of required reports and/or bylaws for the creation or termination of any new or obsolete reserve funds; and
- 8.3.13 Develops appropriate strategies, procedures and processes for the investment of reserves and reserve funds;

**8.4 Department Heads**

- 8.4.1 Provide the treasurer with the most current capital asset information to be used in the assessment of the adequacy of capital lifecycle reserves;
- 8.4.2 Inform the Treasurer when reserve or reserve funds transfers are required; and
- 8.4.3 Consult with the Treasurer when reserve funds are required for unbudgeted transactions.

**9 Reporting**

- 9.1 The Treasurer or designate, shall prepare the following reports regarding reserves and reserve funds managed by the Town
  - 9.1.1 Annual Audited Financial Statements - the annual audited financial statements

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shall be prepared in accordance with Public Sector Accounting Standards.

- 9.1.2 Reserve and Reserve Fund Reports – quarterly reports illustrating the financial health of the Town’s reserves and reserve funds, including but not limited to, forecasting reserve and reserve fund balances, comparisons to target balances, and may also include the establishment of new and/or modification and termination of existing reserves and reserve funds.
- 9.1.3 Budget Reports - reserve and reserve fund balances, projected contributions, and planned drawdowns for each Budget period. Annual changes to reserve and reserve fund balances shall be presented with each Annual Budget Update, or specifically by resolution if required.
- 9.1.4 DC Reserve Funds Report - an annual report detailing pertinent information regarding DC reserve funds shall be presented to Council as required by the Development Charges Act, 1997, as amended.
- 9.1.5 Other reports in line with this Policy shall be brought forward to Council as needed.

**10 Delegation of Authority**

- 10.1 Once Council approves reserves by resolution and reserve funds by by-law, the Treasurer shall have overall authority for the reserves and reserve funds managed by the Town.
- 10.2 The Treasurer, has the responsibility for setting reserve and reserve fund targets, it being noted targets will be periodically reported to Council through reserve and reserve fund reports.
- 10.3 The Treasurer shall have overall responsibility for this Policy, and the authority to implement a program for reserves and reserve funds and establish procedures consistent with the content of this Policy.

**11 Appendix A- Listing of Reserves and Reserve Funds**

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**Appendix A – Listing of Reserves and Reserve Funds**

**DEVELOPMENT CHARGES RESERVE FUNDS (DC)  
(Obligatory)  
Summary of Combined Funds**

**POLICY:**

The Development Charges (DC) Reserve Funds provide financing for growth related projects undertaken by the Town as detailed in the DC Background Study and By-law. The DC Reserve Funds; Services Related to a Highway, Public Works (facilities and fleet), Fire Protection Services, Parks and Recreation Services, Growth Studies, POA Including By-Law Enforcement, Water and Wastewater Services.

**Revenues**

DC legislation took effect in 1991. A charge is imposed and collected prior to the issuance of a building permit on new development and redevelopment that will result in the demand for hard and soft services.

**Expenditures**

Projects being funded from DC are restricted to those that were included in calculating the rate and are listed in the approved DC Background Study and By-law (comparable substitutions permitted for the same value).

An eligible project can be defined as a project that would benefit new development during the term of the by-law. Projects that arise during the term of the approved DC Background Study and By-law, that were not originally included, may still be eligible for DC funding. Such projects must be for growth and a Management Review is required. Council must then approve that the projects are for growth and direct that any recoveries be incorporated into the next DC Background Study and Bylaw.

**Council Approved Target Level**

The Reserve Funds balances should cover projected expenditures and debt charges in the current approved DC Background Study and By-law.

**Current Balances**

<b>Reserve</b>	<b>Balance</b>
Greater Napanee (Unallocated)	436,436
Administration	13,146
Protection of Persons & Property	112,167
Fire & Emergency	325,295
Public Works & Roads	3,605,747
Services Related to Highway	48,471
Public Works (Fleet & Facilities)	28,351
Parks, Recreation & Library	869,694
Growth Studies	10,060



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**BUILDING PERMIT RESERVE FUND  
(Obligatory)**

**POLICY:**

The Building Standards division must report their surpluses and deficits to the industry as a separate entity as the Building Code Act states that the fees collected are to be used to administer the Act; surpluses cannot be used to fund general Town expenditures, and deficits should be funded from a Reserve Fund and not from the Town funds. For this reason, the Building Permit Reserve Fund was established to provide for capital expenditures and revenue stabilization, as building permit activity is highly cyclical.

**Revenues:**

Revenues to the Building Permit Reserve Fund are from Building Permit surplus as it occurs. Contributions and balances associated with building permits should be reviewed every 5 years.

**Expenditures:**

Expenditures from the Building Permit Reserve Fund are to stabilize the building permit revenue line in the Operating Budget and to fund Building Standards division capital expenditures.

**Council Approved Target Level**

The Building Reserve Fund balance is to maintain a minimum target equal to 12 months of projected operating expenses, to mitigate the sharp cyclical drops experienced, or when the economy faces a recessionary period, and to protect against building activity down turns.

**Current Balance: 184,969**

**Recommended Annual Contribution**

There is no annual contribution recommendation, as it is funded through direct surpluses in the building department. Peak years should fund this reserve, similar to 2020 and 2021, whereas down years will reduce the balance.

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**ARENA CAPITAL RESERVE FUND  
(Discretionary)**

**POLICY:**

This reserve fund consolidated the previous Arena and Arena Surcharge Reserves. The intent of this reserve fund is to maintain a reserve fund to support the capital replacement and maintenance of the arena facility.

**Revenues:**

Funded through a surcharge on ice rental costs. Contributions from operations should be considered equivalent to annual depreciation of the facility.

**Expenditures:**

Expenditures from the Arena Capital Reserve Fund should be used for the rehabilitation or replacement of the facility.

**Council Approved Target Level:**

The target for this reserve fund is 5-10% of estimated replacement costs. At this time the target for this reserve should be approximately \$8 Million.

**Current Balance: 997,687**

**Recommended Annual Contribution: 200,000**

**ICE RESURFACER RESERVE FUND  
(Discretionary)**

**POLICY:**

The intent of this reserve fund is to maintain a reserve fund to support the capital replacement of the ice resurfacer's.

**Revenues:**

Funded through a surcharge on ice rental costs. Contributions from operations should be considered equivalent to annual depreciation of the equipment.

**Expenditures:**

Expenditures from the Ice Resurfacer Reserve Fund should be used for the replacement of the equipment.

**Council Approved Target Level:**

The target for this reserve fund the replacement of two Ice Resurfacer's every 10 years. At the current cost of replacement, annual contribution should be \$25,000 approximately 10% of the total value of both machines.

**Current Balance: 54,181**

**Recommended Annual Contribution: 25,000**

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**PUC Sale Reserve Fund  
(Discretionary)**

**POLICY:**

To be invested and interest used for SPC debenture payments. Upon SPC debt being settled Council will need to direct the funds.

**Revenues:**

Sale of PUC. Interest earned is applied to expenditures.

**Expenditures:**

Expenditures from the PUC Fund should be used the repayment of debt from the SPC.

**Council Approved Target Level:**

The target for this reserve fund \$3,680,000.

**Current Balance: 3,680,000**

**Recommended Annual Contribution: N/A**

**Utilities Capital Reserve Fund  
(Discretionary)**

**POLICY:**

To be used for Water & Wastewater Capital projects per Council approved Budget.

**Revenues:**

Funding is a result of surcharges on the water and wastewater rates.

**Expenditures:**

Expenditures from the Utilities Capital Reserve Fund should be used toward capital replacement of the water and wastewater infrastructure.

**Council Approved Target Level:**

The target for this reserve fund \$10,000,000. 5 to 10% of the replacement costs of the assets as per the Asset Management Plan.

**Current Balance: 1,653,482**

**Recommended Annual Contribution: 1,000,000**

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**Utilities Maintenance Reserve Fund  
(Discretionary)**

**POLICY:**

To be used for Water & Wastewater Operating Expenses per Council approved Budget.

**Revenues:**

Funding is a result of surcharges on the water and wastewater rates.

**Expenditures:**

Expenditures from the Utilities Maintenance Reserve Fund should be used toward operational maintenance of the water and wastewater infrastructure.

**Council Approved Target Level:**

The target for this reserve fund \$10,000,000. 5 to 10% of the replacement costs of the assets as per the Asset Management Plan.

**Current Balance: 5,916,663**

**Recommended Annual Contribution: 1,000,000**

**Utilities Emergency Reserve Fund  
(Discretionary)**

**POLICY:**

To be used for Water & Wastewater Emergency Expenses per Council approved Budget.

**Revenues:**

Funding is a result of surpluses from operations.

**Expenditures:**

Expenditures from the Utilities Emergency Reserve Fund should be used toward emergency repairs and maintenance of operational or capital water and wastewater infrastructure.

**Council Approved Target Level:**

The target for this reserve fund \$1,000,000. 0.5 to 1% of the replacement costs of the assets as per the Asset Management Plan.

**Current Balance: 1,641,823**

**Recommended Annual Contribution: 100,000**

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**Assessment Appeal Reserve Fund  
(Discretionary)**

**POLICY:**

Stabilization account for property taxation assessment appeals resulting in supplementary billing and write-offs.

**Revenues:**

Funding is a result of a portion surpluses from supplementary property tax billing.

**Expenditures:**

Expenditures from the Assessment Appeal Fund should be used toward write-off costs from a result of appeals.

**Council Approved Target Level:**

The target for this reserve fund \$500,000.

**Current Balance: 179,861**

**Recommended Annual Contribution: 50,000**

**Conservation Authority Reserve Fund  
(Discretionary)**

**POLICY:**

Reserve fund established in 2018, resolution 134/18 to setup a reserve for conservation capital projects.

**Revenues:**

Budgeted Contributions

**Expenditures:**

Expenditures from the Conservation Authority Fund should be used toward the municipality’s cost share of expenses.

**Council Approved Target Level:**

The target for this reserve fund \$35,000.

**Current Balance: 33,842**

**Recommended Annual Contribution:**

There is no recommended annual contribution for this reserve, if the conservation authority was to reduce levies below the budgeted value in the future, the surplus should be placed in this reserve to protect against any unexpected levy increases.

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**Election Reserve Fund  
(Discretionary)**

**POLICY:**

To fund the cost of a municipal election every four years.

**Revenues:**

Established annual operating budget contribution calculated as a quarter of the cost of running an election, adjusted for inflation.

**Expenditures:**

Expenditures from the Election Fund should be used toward the municipality’s expenses related to an election.

**Council Approved Target Level:**

The target for this reserve fund \$80,000.

**Current Balance: 27,193**

**Recommended Annual Contribution: 20,000**

**Accessibility Reserve Fund  
(Discretionary)**

**POLICY:**

To be used for accessibility capital/operating project as directed by the County led Accessibility Committee

**Revenues:**

Established annual operating budget contribution.

**Expenditures:**

Expenditures from the Accessibility Fund should be used toward the municipality’s share of expenses related to the County’s Accessibility Committee costs.

**Council Approved Target Level:**

The target for this reserve fund \$75,000.

**Current Balance: 66,000**

**Recommended Annual Contribution: 5,000**

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**Physician Recruitment Reserve Fund  
(Discretionary)**

**POLICY:**

To fund the cost of recruiting new physicians into the Napanee Area.

**Revenues:**

Annual operating budget contributions and grant contributions.

**Expenditures:**

Expenditures from the Physician Recruitment Fund should be used toward forgivable loans offered to physicians who setup their practice in the area.

**Council Approved Target Level:**

The target for this reserve fund \$100,000. Adequate to fund a single physician every 5 years.

**Current Balance: 56,104**

**Recommended Annual Contribution: 20,000**

**Municipal Capital Reserve Fund  
(Discretionary)**

**POLICY:**

To fund the cost of replacing and rehabilitating municipal assets including, administration, fire, parks, recreation, transportation infrastructure and information technology. This is a consolidation of multiple reserves.

**Revenues:**

Annual operating budget contributions and surpluses from capital budgets.

**Expenditures:**

Expenditures from the Municipal Capital Reserve Fund should be used to fund capital projects Town wide.

**Council Approved Target Level:**

The target for this reserve fund \$5,000,000.

**Current Balance: 476,000**

**Recommended Annual Contribution: 500,000**

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**Fleet and Equipment Capital Reserve Fund  
(Discretionary)**

**POLICY:**

To fund the cost of corporate fleet.

**Revenues:**

Annual operating budget contributions through a portion of hourly usage rate allocations from all departments including Utilities. Proceeds of fleet disposal should be contributed.

**Expenditures:**

Expenditures from the Fleet and Equipment Reserve Fund should be used to fund capital projects Town wide.

**Council Approved Target Level:**

The target for this reserve fund \$1,000,000. Based on the Asset Management Plan, 10% of the total replacement cost.

**Current Balance: 95,200**

**Recommended Annual Contribution: 100,000**

**Strategic Plan Reserve Fund  
(Discretionary)**

**POLICY:**

To be used for an updated Strategic Plan estimated to be updated every 10 years.

**Revenues:**

Annual operating budget contribution

**Expenditures:**

Expenditures from the Strategic Plan Reserve Fund should be used to fund Town wide Strategic Plan updates.

**Council Approved Target Level:**

The target for this reserve fund \$100,000.

**Current Balance: 0**

**Recommended Annual Contribution: 5,000**



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**Industrial Lands Reserve Fund  
(Discretionary)**

**POLICY:**

To be used for the purchase and servicing of industrial lands owned by the Town which are held for resale.

**Revenues:**

Proceeds from sale of land

**Expenditures:**

Expenditures from the Industrial Land Reserve Fund should be used to fund infrastructure servicing, or purchase of new land.

**Council Approved Target Level:**

The target for this reserve fund \$1,000,000.

**Current Balance: 0**

**Recommended Annual Contribution:**

This reserve fund does not have an annual contribution recommendation as funding is based on sales of specific lands.

**Market Square Properties Reserve Fund  
(Discretionary)**

**POLICY:**

To be used for the rehabilitation of properties located in Market Square, specifically Town Hall owned by the Town.

**Revenues:**

Proceeds from sale of properties in Market Square, other than Town Hall

**Expenditures:**

Expenditures from the Market Square Properties Reserve Fund should be used to rehabilitate Town Hall.

**Council Approved Target Level:**

The target for this reserve fund \$1,000,000.

**Current Balance: 0**

**Recommended Annual Contribution:**

This reserve fund does not have an annual contribution recommendation as funding is based on sales of specific lands.

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**Other Land Reserve Fund  
(Discretionary)**

**POLICY:**

To be used for the repayment of Administrative Offices at 99 Advance Ave

**Revenues:**

Proceeds from sale of properties in other than Market Square and Industrial Lands.

**Expenditures:**

Expenditures from the Other Land Reserve Fund should be used repay debt from the Administrative Office.

**Council Approved Target Level:**

The target for this reserve fund \$1,000,000.

**Current Balance: 321,667**

**Recommended Annual Contribution:**

This reserve fund does not have an annual contribution recommendation as funding is based on sales of specific lands.

**Building and Maintenance Reserve Fund  
(Discretionary)**

**POLICY:**

To be used for the rehabilitation and maintenance of facilities.

**Revenues:**

Established annual operating budget contribution.  
Allocation of yearend surpluses.

**Expenditures:**

Expenditures from the Building and Maintenance Reserve Fund should be used for rehabilitation of facilities.

**Council Approved Target Level:**

The target for this reserve fund \$5,000,000.

**Current Balance: 476,000**

**Recommended Annual Contribution: 500,000**

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**Waterfront / River Bouy Reserve Fund  
(Discretionary)**

**POLICY:**

To be used for the maintenance and replacement of River Bouys.

**Revenues:**

Established annual operating budget contribution.

**Expenditures:**

Expenditures from the River Bouy Reserve Fund should be used for replacement of the River Bouys.

**Council Approved Target Level:**

The target for this reserve fund \$50,000.

**Current Balance: \$33,656**

**Recommended Annual Contribution: 5,000**

**Information Technology (IT) Reserve Fund  
(Discretionary)**

**POLICY:**

To be used to respond to unexpected IT systems upgrades or recovery needs. To be used to invest in modernization opportunities and workplace efficiencies.

**Revenues:**

Established annual operating budget contribution.

As per Council resolution #341/01, the fund was originally established though the proceeds from surplus goods sales.

As per Council resolution #88/20, the revenue generated during the initial 10-year term of the telecommunications tower lease with Xplornet be allocated to this fund.

**Expenditures:**

Expenditures from this reserve may be used to fund operating or capital expenses.

**Council Approved Target Level:**

The Target for this reserve fund is \$100,000

**Current Balance: 0**

**Recommended Annual Contribution: 10,000**

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**Winter Control Stabilization Reserve  
(Discretionary- Working Capital)**

**POLICY:**

To be used to stabilize the tax levy for costs of winter control.

**Revenues:**

Allocation of yearend surpluses from the winter control budget.

**Expenditures:**

Expenditures from the Winter Control Reserve should be used to cover any deficit due to increased winter events.

**Council Approved Target Level:**

The target for this reserve should be a minimum of 10% (25,000) and a maximum of 50% (120,000) of the total winter control budget.

**Current Balance: 0**

**Recommended Annual Contribution:**

There is no recommended annual contribution as it is the result of the level of weather in the winter months. In years that we have lighter winters, we should be contributing that surplus to this reserve.

**General Stabilization Reserve  
(Discretionary- Working Capital)**

**POLICY:**

To be used to stabilize the tax levy for miscellaneous costs.

**Revenues:**

Allocation of yearend surpluses and annual contribution.

**Expenditures:**

Expenditures from the General Stabilization Reserve should be used to stabilize the tax levy in regard to unbudgeted expenses with council approval.

**Council Approved Target Level:**

The target for this reserve should be equivalent to one month of Taxation Revenues, approximately \$1,500,000.

**Current Balance: 142,800**

**Recommended Annual Contribution: 150,000**

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**Aquatics Reserve  
(Discretionary)**

**POLICY:**

To be used for the creation of an Aquatics Facility in the Town of Greater Napanee.

**Revenues:**

Allocation of yearend surpluses and annual contribution.

**Expenditures:**

Expenditures from the Aquatics Reserve should be used for one time cost of renderings and five years of engineered drawings.

**Council Approved Target Level: 3,200,000**

The target for this reserve is equivalent to the total projected costs of renderings and five years of engineered drawings.

**Current Balance: 0**

**Recommended Annual Contribution: 625,000**

The recommended annual contribution is based on Resolution of Council 225/21 dated April 27, 2021.