

**Administrative Amendments to Reserve Fund Accounts
- 2009**

Date:	December 9, 2009
To:	Executive Committee
From:	Deputy City Manager and Chief Financial Officer
Wards:	All
Reference Number:	P:\2009\Internal Services\Cf\Ec09036cf (AFS #11006)

SUMMARY

This report (a) recommends the establishment of new reserve/reserve fund accounts which have been identified since the last report on the administration of reserve funds was adopted by Council in November 2008, and (b) refines criteria associated with other accounts which results from the operational needs of Divisions/ABC's with respect to the administration of reserves and reserve funds. Where appropriate, the purpose for each account is identified in its respective appendix.

RECOMMENDATIONS

The Deputy City Manager and Chief Financial Officer recommends to Council that:

1. The reserve fund groups and reserve funds accounts that relate to development charges as set out in Appendices A1-A4 be established for the purposes with criteria as set out therein for fiscal 2009.
2. The following two accounts – Police Legal Liabilities Reserve and Police Health Care Spending Reserve Fund - be established as set out in Appendices B1 and B2 to support the Toronto Police Service's legal obligations for the purposes set out therein for fiscal 2009.
3. The Section 16 Reserve Fund be established to hold funds from agreements signed with developers under Section 16 of the City of Toronto Act, 1971, S.O. 1971, c. 130, as amended, as set out in Appendix C1 for fiscal 2009.

4. The Toronto Museum Donation Reserve be established to receive donations and contributions for the purpose of establishing a Museum of Toronto as set out in Appendix C2.
5. The Move Ontario Trust Interest Reserve Fund be established to receive the City's share of the net income distributed by the Move Ontario Trust to be used for the Toronto-York Spadina Subway Extension Project as set out in Appendix C3 for fiscal 2009 and any interest on hand be transferred to this account.
6. The following two accounts – Transportation Cash In Lieu Reserve Fund and the Toronto Water Cash In Lieu Reserve Fund – be established as set out in Appendices D1 and D2 to hold funds provided by property developers for the respective services instead of doing the work themselves under the provisions of Section 41(7) of the *Planning Act* and any cash in lieu funds held by the City be transferred to the respective accounts as of January 1, 2010.
7. The Don Valley Brick Works Donation Reserve Fund be closed and be deleted from Municipal Code Chapter 227 Schedule #5 – Donations Reserves.
8. The name of the North York Performing Arts Stabilization Reserve be changed to “Toronto Centre for the Arts Stabilization Reserve” with the purpose changed to “provides funding to finance the Toronto Center for the Arts' operating deficits or to support fiscal stabilization activity through revenue generating plans and initiatives”.
9. The year-end balance of the Animal Services Vehicle and Equipment Replacement Reserve be transferred to the MLS Vehicle and Equipment Replacement Reserve, the Animal Services Vehicle and Equipment Replacement Reserve be closed and the Animal Services Vehicle and Equipment Replacement Reserve be deleted from Vehicle and Equipment Replacement Reserve Group within Schedule #1, Corporate Reserves of Municipal Code Chapter 227.
10. The Zoo Endangered Species Reserve which currently resides in the Donation Reserve (Schedule #5) be renamed the Zoo Endangered Species Reserve Fund, transferred to the State of Good Repair Obligatory Reserve Funds (Schedule #14) with same purpose and investment earnings be applied as of December 1, 2008.
11. Toronto Municipal Code Chapter 227, Reserves and Reserve Funds, be amended in accordance with Recommendations 1 – 10.
12. The appropriate City officials be authorized and directed to take the necessary action to give effect thereto, and leave be granted for the introduction of any necessary bills in Council.

Financial Impact

There are no direct financial implications on the operating or capital budgets as a result of this report.

When funds are requested from the appropriate reserve or reserve fund account for the respective purpose, the withdrawal will be approved through the budget process.

DECISION HISTORY

At its meeting of October 26, 27, 28, and 31, 2005, Council adopted Clause 30 of Report No. 9 of the Policy and Finance Committee from the Deputy City Manager and Chief Financial Officer entitled 'Administrative Amendments to Reserve Fund Accounts' which (1) realigned the beneficiary programs for reserve/reserve fund accounts based on the City's new organizational structure, (2) refined the criteria and delegation of authority for the establishment of reserve and reserve fund accounts, and (3) properly established a number of reserve funds which had been identified since the Consolidation of Reserve Funds report had been adopted by Council in May 2004.

Additional administrative amendments to Municipal Code No. 227 – Administration of Reserves and Reserve Funds - were most recently approved by Council through Policy and Finance Committee Report No. 7 Clause 75 on September 25, 26, 27, 2006, Executive Committee Report No. 12 Clause No. 5 'Administration Amendments to Reserve Fund Accounts No. 2' on October 1, 2007, Executive Committee Report No. 17 Clause No. 2 'Investment Earnings Policy and the Administration of Reserve Accounts' on February 6, 2008, and Budget Committee Report No. 40 Clause No. 1e 'Administration Amendments to Reserve Fund Accounts - 2008' on November 17, 2008.

<http://www.toronto.ca/legdocs/2005/agendas/council/cc051026/pof9rpt/cl030.pdf>

<http://www.toronto.ca/legdocs/2006/agendas/council/cc060925/pof7rpt/cl075.pdf>

<http://www.toronto.ca/legdocs/mmis/2007/ex/bgrd/backgroundfile-6995.pdf>

<http://www.toronto.ca/legdocs/mmis/2008/ex/bgrd/backgroundfile-10354.pdf>

<http://www.toronto.ca/legdocs/mmis/2008/bu/bgrd/backgroundfile-17474.pdf>

COMMENTS

1. New Reserve Fund Accounts
 - a. Development Charges (DC)

The *Development Charges Act, 1997*, S.O. 1997 permits municipalities to pass by-laws to impose DCs against land to pay for growth-related capital costs of eligible City services. Development charges are used by the City of Toronto and were used by some of its predecessor organizations to assist in the funding of capital costs arising from growth. This capital financing tool has been, and is integral, to the City's long-term fiscal stability.

The City's previous Development Charge By-law (No. 547-2004) was adopted by Council in June 2004 and imposed a charge on residential and "retail" development to the benefit of a set of services provided by the City. That DC by-law would have expired on July 27, 2009; however, Council at its meeting of February 23, 24 and 25, 2009 adopted a new DC by-law (275-2009) that replaced the previous by-law as of May 1, 2009. The effect of the new by-law is to the benefit of a slightly different set of services. Consequently, a new set of development charge reserve funds needs to be created and, for reporting purposes, it would be useful if previous sets of development charge reserve funds could be grouped and reported as a block.

Therefore, it is being recommended that three reserve fund groups be created within the Development Charges Obligatory Reserve Funds – Schedule No. 11: 1) Development Charges Pre 1999 Reserve Fund Group which would include the following reserve funds: Development Charges Etobicoke, North York, Scarborough, and York and SPUC Water; 2) Development Charges 2004 Reserve Fund Group which would include the renamed Development Charges 2004 Fire, Roads, Transit, Sanitary Sewage, Water Works, Parks and Recreation, Libraries, Related Studies, Child Care, Shelters/Housing, Urban Development Services, Emergency Medical Services, Storm Water Management and Police; and 3) Development Charges 2009 Reserve Fund Group which would include the new reserve fund accounts as per By-Law 275-2009, namely Spadina Subway Extension, Transit (Balance), Roads and Related, Water, Sanitary Sewers, Storm Water Management, Parks and Recreation, Library, Subsidized Housing, Police, Fire, EMS, Development-related Studies, Civic Improvements, Child Care, Health, and Pedestrian Infrastructure. (See Appendices A1-A4)

http://www.toronto.ca/finance/dev_charges_bckgrdrpts.htm

<http://www.toronto.ca/legdocs/mmis/2009/ex/bgrd/backgroundfile-18579.pdf>

b. Toronto Police Service

Legal Liability Reserve

A component of the Uniform Collective Agreement (Article 23) allows for the indemnification of necessary and reasonable legal costs incurred by active and former officers where they have been investigated and charged, but not found guilty, because of their actions in the attempted performance, in good faith, of their duties as police officers. The collective agreement also allows for indemnification in criminal or statutory offences, civil actions or inquiries under the Coroners Act. As well, under Article 15 – Grievance Procedure – the Service may incur settlement expenses and legal costs related to any grieved matter.

Currently, in all these situations – legal defence, arbitration, inquests, civil suit indemnification - where expenses are incurred for settlement costs and/or legal

expenses they are charged to the Toronto Police Service Operating Budget. The Service makes an annual estimate of the potential costs in any given year, but given the high degree of variability in the actual costs, there is a very wide variation of over and under budget conditions every year.

The situation of variable annual costs and the opportunity to make a fixed contribution is the ideal circumstance for the use of a reserve. Therefore, it is being recommended that Council create a reserve – Police Legal Liabilities Reserve - as set out in Appendix B1 for the purpose of smoothing out the funding of this type of expense on an annual basis and facilitating adherence by the Police Services Board to the collective agreements.

Health Care Spending Reserve Fund

Members of the Service retiring on an unreduced pension on or after January 1, 2009 are not eligible for medical and dental benefits after they turn sixty-five. In 2008, the Toronto Police Services Board negotiated a new collective agreement for the Senior Officers Organization and the Board’s excluded staff. In addition, the Toronto Police Association was provided an arbitrated award of essentially the same benefit, namely the Board is to put a non-cumulative health care spending account in place for these members, which runs for ten years, commencing on the date the member turns sixty-five.

Such an account would be available to each retiring member regardless of family status. The specifications of the account are that the spending limits on eligible health and dental care expenditures are \$2,500 for 2009 and \$3,000 for 2010. Should the member die prior to reaching the age of seventy-five, and should there be a surviving spouse, then the spouse shall be able to access the account until the member would have reached seventy-five, or the spouse remarries or the spouse dies. No other dependent expenses are eligible.

The following table is an estimate of the maximum draw from such an account:

Year	Maximum # Eligible	Maximum Draw
2009	52	\$ 37,500
2010	22	222,000
2011	36	330,000
2012	51	483,000
2013	61	666,000
2014	72	882,000
2015	72	1,098,000

Since this is an employee benefit, since the outflow is unpredictable both in terms of when a member may retire and what a member may draw in any given year and since medical and health care costs have been increasing significantly in the past few years, it makes financial sense to support this benefit with a reserve fund.

Therefore it is being recommended that a reserve fund called the Police Health Care Spending Reserve Fund be established as per the criteria in Appendix B2 – Health Care Spending Reserve Fund.

The 2009 Toronto Police Service Operating Budget includes a provision for an initial contribution for such a reserve fund in the amount of \$700,000.

c. City Planning

Under Section 16 of the *City of Toronto Act*, 1971, S.O. 1971, c. 130, as amended by Section 11(2) of the *City of Toronto Act*, 1973, S.O. 1973, c. 213, the City of Toronto could enter into agreements with developers in the area nominally known as the railway lands which could result in the City receiving funds comparable to funds received under Section #37 of the *Planning Act*. The City is now in receipt of such funds and it is necessary for Council to create a reserve fund called ‘Section 16 Reserve Fund’ as set out in Appendix C1.

d. Culture

At its meeting of June 23, and 24, 2008 Council adopted Executive Committee Report EX21.1 ‘Toronto Museum Project’ which among other things approved, in principle, the development of a Toronto Museum. Notwithstanding that the site of such a facility has not been finalized, there is still a desire to solicit donations and as such there is a requirement to set up a donations reserve. Therefore, it is being recommended that such a reserve as set out in Appendix C2 – Toronto Museum Donation Reserve - be established.

<http://www.toronto.ca/legdocs/mmis/2008/ex/agendas/2008-06-03-ex21-ar.pdf>

e. Move Ontario Trust

As part of the Ontario Budget, on March 23, 2006, the Province announced the creation of “Move Ontario”, for the purpose of investing in public transit, municipal roads and bridges, including allocation of \$670 million to extend the Toronto York Spadina Subway Extension (TYSSE) from Downsview Station in Toronto to the Vaughan Corporate Centre at Highway 7 in York Region. As a consequence of this, the Province created the Move Ontario Trust (Trust) to hold these funds until such time as they are required to cover their share of expenses related to the TYSSE project. The initial contribution plus an additional contribution of \$200 million increased the Provincial contribution, held by the Trust, to \$870 million. This total capital contribution plus accumulated investment income is dedicated to the TYSSE project.

On an annual basis, as stipulated in the Declaration of Trust, the Trust distributes the investment income in excess of the Trust’s expenses to the two Municipal partners in the proportion of 59.96% for Toronto and 40.04% for the Region of York being their respective share of the Trust’s assets. Under a contribution

agreement with the federal government, this distribution of the Trust's net income to the City must be used to fund the TYSSE project. In order to hold these funds, it is being recommended that a reserve fund be established as set out in Appendix C3 – Move Ontario Trust Interest Reserve Fund.

<http://www.toronto.ca/legdocs/2006/agendas/council/cc060925/pof7rpt/cl035.pdf>

f. Transportation and Toronto Water

Both Transportation Services and Toronto Water often receive payments from property developers who are obliged under the Section 41(7) of the *Planning Act* to construct municipal infrastructure to support their development but would rather provide funds to the City to do the required 'work' rather than do it themselves or have negotiated as part of a development agreement to provide funds for such work at the behest of the City. Examples would be such elements as sidewalks, stormwater management facilities, and retaining walls. The requirement to provide such funds is usually part of the site plan agreement and as such is a condition of the development application approval process. Often the City puts these funds to use several years after first receiving the them. Currently, these funds are not receiving inflation protection since interest earnings are not allocated to deferred revenue accounts and thus the programs' operating and capital budgets often have to make up the difference between what was received from the development and what is currently needed to pay for the required work. Hence, it is being recommended that two reserve funds – one for each program – be established under the Planning Act Obligatory Reserve Funds – Schedule #12 – as set out in Appendices D1- Transportation Cash in Lieu Reserve Fund - and D2 – Toronto Water Cash in Lieu Reserve Fund. As well, all the funds currently on hand should be transferred to the respective accounts.

2. Reserve Fund Account to be Deleted

Don Valley Brick Works Donation Reserve Fund

At its meeting of December 4-6, 2001 Council adopted Motion J(30) – Private Donation for the Don Valley Brick Works which created a donation reserve fund as a repository of funds to be donated in support of the renovation of the Don Valley Brick Works. By the time that the donation was received, the City had started the renovation of the site and a capital account already existed in the City's books. In keeping with City policy the funds were ascribed to the capital account directly and thus there was no need to hold the funds in a reserve fund until such time as they were needed. Therefore it is being recommended that the Don Valley Brick Works Donation Reserve Fund be deleted from the Municipal Code. (This change does not affect the allocation of funds to the project.)

<http://www.toronto.ca/legdocs/2001/agendas/council/cc011204/cofa.pdf>

3. Change in Name/Purpose

The following change in name/purpose for a theatre reserve account is recommended to improve the application of funds held:

Toronto Centre for the Arts

At its meeting of February 29, March 1 and March 2, 2000, Council adopted Economic Development and Parks Report 2 Clause 10 'North York Performing Arts Centre Corporation Business Plan' which changed the name of the Centre to the Toronto Centre for the Arts. The Centre's Stabilization Reserve needs to have its name updated to reflect the Centre's official name.

<http://www.toronto.ca/legdocs/2000/minutes/committees/ed/ed000214.pdf>

4. Consolidation of Accounts

Animal Services Vehicle and Equipment Replacement Reserve

At its meeting of May 26 and 27, 2008, it was reported to Council for information through Executive Committee Report Ex10.6 'Program Review Status Update', that the program review process had recommended to the City Manager that Animal Services be moved to Municipal Licensing Services (MLS), where the Division's common enforcement and public safety mandates would allow for synergies in training efforts, public relations, prosecutions, administration, and technology. Both MLS and Animal Services have vehicle and equipment replacement reserves. Since Animal Services is a part of MLS, it is being recommended that the two reserves be merged and that the account be called the MLS Vehicle and Equipment Replacement Reserve.

<http://www.toronto.ca/legdocs/mmis/2008/ex/bgrd/backgroundfile-12543.pdf>

5. Change in Classification

Zoo Endangered Species Reserve

In the previous reserve/reserve fund administration report, all of the accounts that were funded from donations were reclassified as reserves from their previous classification as reserve funds. Included in this transfer was the Zoo Endangered Species account which had been considered a donation account based on its purpose, namely "Provides funding for conservation, education and research projects for the preservation of endangered species by the Toronto Zoo in local, national and international initiatives. (The Fund consists of money received from the wishing wells at the Toronto Zoo and from bequests and donations to the Toronto Zoo which identify conservation, education or research as their

objectives.)” Upon re-examination of the source of funds and the nature of the expenditures and upon a request from the Zoo Board, it is being recommended that the account be reclassified as a reserve fund, be transferred from the Donations Reserve to the State of Good Repair Obligatory Reserve Funds, and that it receive its proportionate share of the investment earnings from December 1, 2008. (The allocation of investment earnings is based on the year starting December 1st to November 30th.)

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SIGNATURE

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ATTACHMENTS

Appendix ‘A1-A4’ - Development Charges Obligatory Reserve Funds
Appendix ‘B1-B2’ - Police Accounts
Appendix ‘C1’ - Section 16 Reserve Fund
Appendix ‘C2’ - Toronto Museum Donation Reserve
Appendix ‘C3’ - Move Ontario Trust Interest Reserve Fund
Appendix ‘D1’ - Transportation Cash In Lieu Reserve Fund
Appendix ‘D2’ - Toronto Water Cash In Lieu Reserve Fund

Appendix A1

Development Charges Pre1999 Reserve Fund Group

1. Location within the Consolidated Reserves/Reserve Funds Schedule

Schedule No. 11 – Development Charges Obligatory Reserve Funds
2. Statement of Purpose

The group will be used to hold funds which remain from development charge by-laws from the former municipalities which had such by-laws that were amalgamated into the City of Toronto on January 1, 1998.
3. Service Area or Beneficiary Program

The Deputy City Manager and Chief Financial Officer shall have primary responsibility for the group.
4. Initial Contribution

The members of the Group shall be the current reserve funds:
Development Charges Etobicoke Reserve Fund
Development Charges North York Reserve Fund
Development Charges Scarborough Reserve Fund
Development Charges York Reserve Fund
Development Charges SPUC Water Reserve Fund
5. Contribution Policy

Contributions were determined by the respective pre-amalgamation development charge by-laws for each reserve fund within the Group
6. Withdrawal Policy

Funds to be withdrawn will be identified as part of the City's capital and operating budget process, as approved by Council from time to time.
7. Review Cycle

The group will be closed when the funds in all the reserve funds within it are exhausted.

Appendix A2

Development Charges 2004 Reserve Fund Group

1. Location within the Consolidated Reserves/Reserve Funds Schedule

Schedule No. 11 – Development Charges Obligatory Reserve Funds

2. Statement of Purpose

The group will be used to hold funds which remain from development charges By-law 547-2004.

3. Service Area or Beneficiary Program

The Deputy City Manager and Chief Financial Officer shall have primary responsibility for the group.

4. Initial Contribution

The members of the Group shall be the current reserve funds as renamed as follows:

Development Charges 2004 Fire Facilities Reserve Fund

Development Charges 2004 Roads Reserve Fund

Development Charges 2004 Transit Reserve Fund

Development Charges 2004 Sanitary Sewers Reserve Fund

Development Charges 2004 Water Reserve Fund

Development Charges 2004 Parks and Recreation Reserve Fund

Development Charges 2004 Library Reserve Fund

Development Charges 2004 Development Related Studies Reserve Fund

Development Charges 2004 Child Care Reserve Fund

Development Charges 2004 Shelters/Housing Reserve Fund

Development Charges 2004 Urban Development Services Reserve Fund

Development Charges 2004 Emergency Medical Services Reserve Fund

Development Charges 2004 Storm Water Management Reserve Fund

Development Charges 2004 Police Reserve Fund

5. Contribution Policy

Contributions for each reserve fund in this Group are determined by the By-law.

6. Withdrawal Policy

Funds to be withdrawn will be identified as part of the City's capital and operating budget process, as approved by Council from time to time.

7. Review Cycle

The group will be closed when the funds in all the reserve funds within it are exhausted.

Appendix A3

Development Charges 2009 Reserve Fund Group

1. Location within the Consolidated Reserves/Reserve Funds Schedule

Schedule No. 11 – Development Charges Obligatory Reserve Funds

2. Statement of Purpose

The group will be used to hold funds which remain from development charges By-law 275-2009.

3. Service Area or Beneficiary Program

The Deputy City Manager and Chief Financial Officer shall have primary responsibility for the group.

4. Initial Contribution

The members of the Group shall be the current reserve funds:
Development Charges 2009 Spadina Subway Extension Reserve Fund
Development Charges 2009 Transit (Balance) Reserve Fund
Development Charges 2009 Road and Related Reserve Fund
Development Charges 2009 Water Reserve Fund
Development Charges 2009 Sanitary Sewer Reserve Fund
Development Charges 2009 Storm Water Management Reserve Fund
Development Charges 2009 Parks and Recreation Reserve Fund
Development Charges 2009 Library Reserve Fund
Development Charges 2009 Subsidized Housing Reserve Fund
Development Charges 2009 Police Reserve Fund
Development Charges 2009 Fire Reserve Fund
Development Charges 2009 EMS Reserve Fund
Development Charges 2009 Development-related Studies Reserve Fund
Development Charges 2009 Civic Improvements Reserve Fund
Development Charges 2009 Child Care Reserve Fund
Development Charges 2009 Health Reserve Fund
Development Charges 2009 Pedestrian Infrastructure Reserve Fund

5. Contribution Policy

Contributions to each reserve fund within the Group are determined by By-law 275-2009.

6. Withdrawal Policy

Funds to be withdrawn will be identified as part of the City's capital and operating budget process, as approved by Council from time to time.

7. Review Cycle

The group will be closed when the funds in all the reserve funds within it are exhausted.

Appendix A4

Development Charges 2009 [Service] Reserve Fund

Each member of the Development Charges 2009 Reserve Fund Group (as noted in Appendix A3 – criteria #4) will have similar criteria except that the Beneficial Program will be consistent with the name. For example, the Development Charges 2009 Water Reserve Fund will have all of the following criteria except that the General Manager of Toronto Water will be the Beneficial Owner.

1. Location within the Consolidated Reserves/Reserve Funds Schedule

Schedule No. 11 – Development Charges Obligatory Reserve Funds –
Development Charges 2009 Reserve Fund Group

2. Statement of Purpose

Each account provides funding for the designated purpose as per the title of the reserve fund for capital projects as determined by the Development Charges By-law 275-2009.

3. Service Area or Beneficiary Program

The General Manager of the appropriate division shall have primary responsibility for the respective reserve fund.

4. Initial Contribution

NA

5. Contribution Policy

Contributions are determined by the conditions of the by-law for that reserve fund given by its title.

6. Withdrawal Policy

Funds to be withdrawn will be identified as part of the City's capital and operating budget process, as approved by Council from time to time.

7. Review Cycle

Each reserve fund will be closed when the funds within that account are exhausted and there is no more expectation of receiving additional funds.

Appendix B1

Police Legal Liabilities Reserve

1. Location within the Consolidated Reserves/Reserve Funds Schedule

Schedule No. 1 – Corporate Reserves

2. Statement of Purpose

This account will be used to provide a source of funding for (i) the indemnification of necessary and reasonable legal costs incurred by active and former officers where they have been investigated and charged, but not found guilty, (ii) for the indemnification in criminal or statutory offences, civil actions or inquiries under the Coroners Act; and (iii) funding settlement expenses and legal costs related to any grieved matter experienced by the Service.

3. Service Area or Beneficiary Program

The Chief of Police shall have primary responsibility for the account.

4. Initial Contribution:

The audited balance as at December 31, 2009 in cost element 250041 – Legal Liabilities – will be transferred from the Police Service accounts to the City's Reserves.

5. Contribution Policy

Beginning in 2010, a contribution to the reserve will be determined as part of the annual Toronto Police Service Operating Budget.

6. Withdrawal Policy

Funds will be withdrawn as required to meet legal obligations and reported to Council on a quarterly basis as required under the Toronto Police Services Board agreements.

7. Review Cycle

The account will be reviewed in three years to determine its effectiveness.

Appendix B2

Police Health Care Spending Reserve Fund

1. Location within the Consolidated Reserves/Reserve Funds Schedule

Schedule No. 6 – Employee Benefits Reserve Funds

2. Statement of Purpose

This account will be used to provide a source of funding for a non-cumulative health care spending account for members of the Toronto Police Service retiring on an unreduced pension until age seventy-five for both the member and their spouse.

3. Service Area or Beneficiary Program

The Chief of Police shall have primary responsibility for the account.

4. Initial Contribution:

In 2009 the initial contribution will be \$700,000.

5. Contribution Policy

Beginning in 2010, a contribution to the reserve will be determined as part of the annual Toronto Police Service Operating Budget.

6. Withdrawal Policy

Funds will be withdrawn as required to meet legal obligations and reported to Council on a quarterly basis as required under the Toronto Police Services Board agreements.

7. Review Cycle

The account will be reviewed in three years to determine its effectiveness.

Appendix C1

Section #16 Reserve Fund

1. Location within the Consolidated Reserve Fund Schedule

Schedule No. 15 – Third Party Agreements Obligatory Reserve Funds.
2. Statement of Purpose

To hold funds from agreements under Section #16 of the *City of Toronto Act*, 1971, S.O. 1971, c. 130, as amended by Section 11(2) of the *City of Toronto Act*, 1973, S.O. 1973, c. 213. Each community benefit of each agreement will be tracked by a separate account.
3. Service Area or Beneficiary Program

City Planning shall have primary responsibility for the reserve fund.
4. Initial Contribution

Any amounts as set out in a development agreement with the owner under Section #16 of the *City of Toronto Act, 1971* which are currently held in City accounts.
5. Contribution Policy

Not applicable
6. Withdrawal Policy

Funds will be withdrawn either as part of the normal capital or operating budget process or through a specific report to Council authorizing the purpose and amount of the withdrawal.
7. Review Cycle

The need for this account will be reviewed every five years or closed when the account is depleted.

Appendix C2

Toronto Museum Donation Reserve

1. Location within the Consolidated Reserves/Reserve Funds Schedule

Schedule No. 5 – Donations Reserves

2. Statement of Purpose

The purpose is to receive donations and contributions toward the establishment of a Toronto Museum and to provide a source of funds for the preparation, development, site acquisition, exhibits creation including the acquisition of materials and artefacts, maintenance, operations and possible endowment fund for the establishment of same.

3. Service Area or Beneficiary Program

The General Manager of Economic Development, Culture & Tourism shall have primary responsibility for the account.

4. Initial Contribution

NA

5. Contribution Policy

Funds will be provided from donors and contributors from time to time .

6. Withdrawal Policy

Funds to be withdrawn will be identified as part of the City's capital and operating budget process, as approved by Council from time to time

7. Review Cycle

The account will be reviewed if Council makes a final decision to not proceed with the project or after the first year of operation of the museum.

Appendix C3

Move Ontario Trust Interest Reserve Fund

1. Location within the Consolidated Reserves/Reserve Funds Schedule

Schedule No. 15 – Third Party Agreements Obligatory Reserve Funds within the Public Transit Reserve Funds Group
2. Statement of Purpose

The purpose is to receive interest from the Move Ontario Trust, to be used as funding for the Toronto-York Spadina Subway Extension Project.
3. Service Area or Beneficiary Program

The Deputy City Manager and Chief Financial Officer shall have primary responsibility for the reserve fund.
4. Initial Contribution

Transfer of any funds held prior to the creation of this account.
5. Contribution Policy

Funds will be provided from the City's share of the Move Ontario Trust interest earnings.
6. Withdrawal Policy

Funds to be withdrawn will be identified as part of the Move Ontario Trust capital contribution to the City, for the Toronto-York Spadina Subway Extension Project.
7. Review Cycle

The account will be closed once the subway extension is complete.

Appendix D1

Transportation Cash in Lieu Reserve Fund

1. Location within the Consolidated Reserves/Reserve Funds Schedule

Schedule No. 12 – Planning Act Obligatory Reserve Funds.
2. Statement of Purpose

The reserve fund will hold cash in lieu funds received from property developers to meet their obligations under Section 41(7) of the *Planning Act* for transportation infrastructure.
3. Service Area or Beneficiary Program

The General Manager of Transportation Services shall have primary responsibility for the reserve fund.
4. Initial Contribution

Current funds on hand in a variety of accounts will be transferred to this reserve fund as of January 1, 2010.
5. Contribution Policy

Funds will be provided as prescribed in development agreements.
6. Withdrawal Policy

Funds to be withdrawn as part of the Transportation Services operating and/or capital budgets as approved by Council from time to time.
7. Review Cycle

The reserve fund will remain open until further review by Council.

Appendix D2

Toronto Water Cash in Lieu Reserve Fund

1. Location within the Consolidated Reserves/Reserve Funds Schedule

Schedule No. 12 – Planning Act Obligatory Reserve Funds.
2. Statement of Purpose

The reserve fund will hold cash in lieu funds received from property developers to meet their obligations under Section 41(7) of the *Planning Act* for water/wastewater infrastructure.
3. Service Area or Beneficiary Program

The General Manager of Toronto Water shall have primary responsibility for the reserve fund.
4. Initial Contribution

Current funds on hand in a variety of accounts will be transferred to this reserve fund as of January 1, 2010.
5. Contribution Policy

Funds will be provided as prescribed in development agreements.
6. Withdrawal Policy

Funds to be withdrawn as part of the Toronto Water operating and/or capital budgets as approved by Council from time to time.
7. Review Cycle

The reserve fund will remain open until further review by Council.