



STAFF REPORT ACTION REQUIRED

Administrative Amendments to Reserve Fund Accounts – 2010

Date:	August 3, 2010
To:	Executive Committee
From:	Deputy City Manager and Chief Financial Officer
Wards:	All
Reference Number:	P:\2010\Internal Services\Cf\Ec10042cf (AFS #11749)

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 January 2010, 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 North York Arena Reserve Fund be established as set out in Appendix #1 for the purpose of providing a source of funding for the construction of a new twin-pad arena within the vicinity of the Don Mills Centre.
2. The Edithvale Land Acquisition Reserve Fund be established as set out in Appendix #2 for the purpose of providing a source of funding for expanding Edithvale Park by the acquisition of additional land.
3. The Animal Services Efficiency Reserve Fund be established as set out in Appendix #3 for the purpose of funding debt charges arising from the South Regional Animal Centre and staff be authorized to apportion the current funds in

the Public Health Efficiency Reserve Fund and this account based on the proportional contributions to date.

4. The purpose of the Public Health Efficiency Reserve Fund be changed to 'this account will be used to fund debt charges arising from the Toronto Community Health Information System'.
5. The following accounts be closed and be deleted from Municipal Code 227 because they have zero balances:

ZERO BALANCES		
Account Name	Beneficial Program	Schedule
All Borough Mortgage Loan	DCM/CFO	#1
TCHC State of Good Repair	TCHC	#8
Community Heritage	City Planning	#9
Development Charges (2004)	Library	#11
Client ID & Benefits	Employment & Social Services	#13
Sony Centre Improvement	Sony	#14

6. Funds be transferred as noted below, and once so transferred the Legal Vehicle account should be closed and deleted from Municipal Code Chapter 227:

Account to be closed			Funds Transferred to		
Account Name	Beneficial Program	Schedule	Account Name	Beneficial Program	Schedule
Vehicle (XQ1506)	Legal	#1	Vehicle & Equipment (XQ0003)	Fleet	#1

7. Toronto Municipal Code Chapter 227, Reserves and Reserve Funds, be amended in accordance with Recommendations 1 – 6.
8. 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; Budget Committee Report No. 40 Clause No. 1e 'Administration Amendments to Reserve Fund Accounts - 2008' on November 17, 2008; and Executive Committee Report No. 39 Clause 17 'Administration Amendments to Reserve Fund Accounts - 2009' on January 4, 2010.

<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>

<http://www.toronto.ca/legdocs/mmis/2010/ex/bgrd/backgroundfile-26088.pdf>

COMMENTS

1. New Reserve Fund Accounts
 - a. North York Arena Reserve Fund

At its meeting of February 22, and 23, 2010, Council adopted the report CC46.2 '939 Lawrence Avenue East, 1090 Don Mills Road, 49 and 75 The Donway West - Ontario Municipal Board Hearing' which among other things recommended that the Deputy City Manager and Chief Financial Officer report to the Executive Committee to establish a reserve fund called the North York Arena Reserve Fund, for the purpose of the construction of a new twin-pad arena within the vicinity of the Don Mills Centre to be funded by the cash in lieu of parkland generated from the Don Mills Centre, Phase II development.

<http://www.toronto.ca/legdocs/mmis/2010/cc/decisions/2010-02-22-cc46-dd.htm>

Therefore, it is being recommended that such a reserve fund account be established in Schedule No. 10 – Parkland Acquisitions/New Development Obligatory Reserve Funds with the criteria as set out in Appendix #1.

b. Edithvale Land Acquisition Reserve Fund

At its meeting of March 4-8, 2002, Council adopted the report – North York Community Council Report #2, Clause #2 – "Proposed Location for Off-Site Parkland Dedication for Development of 5000 Yonge Street" – which among other things recommended that funds received from the parkland dedication associated with the development at 5000 Yonge St. be applied to expansion of Edithvale Park. At that time, there was an existing capital account which could both receive the funds and execute the appropriate capital expenditure of the acquisition of additional land. Today, there is neither a capital account to which the funds could be applied nor is it expected that the funds from this development alone would be adequate to fully fund the desired quantum of land.

Therefore, it is being recommended that such a reserve fund account be established in Schedule No. 10 – Parkland Acquisitions/New Development Obligatory Reserve Funds with the criteria as set out in Appendix #2.

c. Animal Service Efficiency Reserve Fund

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 from Toronto Public Health (TPH) 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. The Public Health Efficiency Reserve Fund has been funded from both TPH and Animal Services. Since Animal Services is now a part of MLS, this report is recommending that a new account be set up for Animal Services with the purpose that 'this account – Animal Services Efficiency Reserve Fund - be used to fund debt charges arising from the South Regional Animal Centre'.

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

Therefore, it is being recommended that such a reserve fund account be established in Schedule No. 7 – Corporate Discretionary Reserve Funds with the criteria as set out in Appendix #3 and that staff be authorized to make the appropriate transfer of funds from the Public Health Efficiency Reserve Fund based on the proportion of contribution from Animal Services when this unit was part of Toronto Public Health.

2. Reserve Fund Account to be Deleted

a. Zero balances

The following accounts have zero balances, should be closed and deleted from Municipal Code 227 as they are no longer needed:

ZERO BALANCES		
Account Name	Beneficial Program	Schedule
All Borough Mortgage Loan	DCM/CFO	#1
TCHC State of Good Repair	TCHC	#8
Community Heritage	City Planning	#9
Development Charges (2004)	Library	#11
Client ID & Benefits	Employment & Social Services	#13
Sony Centre Improvement	Sony	#14

b. Balances to be transferred

The following account has a balance of \$4,938 as at December 31, 2009. This account is no longer required so the remaining funds need to be transferred to another account, and then the account should be closed and deleted from Municipal Code 227:

Account to be closed			Funds Transferred to		
Account Name	Beneficial Program	Schedule	Account Name	Beneficial Program	Schedule
Vehicle	Legal	#1	Vehicle & Equipment	Fleet	#1

3. Change of Purpose

a. Public Health Efficiency Reserve Fund

As noted in Section 1.c above this account is being split between Public Health and Animal Services, since Animal Services is now a part of MLS. This report is recommending that a new account be set up for Animal Services and thus the purpose of the TPH account needs to be modified. Therefore it is being recommended that purpose of the Public Health Efficiency Reserve fund be modified from 'this account will be used to fund debt charges arising from the Toronto Community Health Information System (formerly known as Community Nursing Customer Management System) and the South Regional Animal Centre' to 'this account will be used to fund debt charges arising from the Toronto Community Health Information System'.

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

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SIGNATURE

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ATTACHMENTS

Appendix 1 - North York Arena Reserve Fund

Appendix 2 - Edithvale Land Acquisition Reserve Fund

Appendix 3 - Animal Services Efficiency Reserve Fund

Appendix 1

North York Arena Reserve Fund

1. Location within the Consolidated Reserves/Reserve Funds Schedule

Schedule No. 10 - Parkland Acquisitions/New Development Obligatory Reserve Funds
2. Statement of Purpose

This account will be used to provide a source of funding for the construction of a new twin-pad arena within the vicinity of the Don Mills Centre
3. Service Area or Beneficiary Program

The General Manager of Parks, Forestry and Recreation shall have primary responsibility for the account.
4. Initial Contribution:

The account will be funded by the cash in lieu of parkland generated from the Don Mills Centre, Phase II development.
5. Contribution Policy

N/A
6. Withdrawal Policy:

Funds will be withdrawn as part of the Parks, Forestry and Recreation capital budget.
7. Review Cycle

The account will be closed when the funds are exhausted.

Appendix 2

Edithvale Land Acquisition Reserve Fund

1. Location within the Consolidated Reserves/Reserve Funds Schedule

Schedule No. 10 - Parkland Acquisitions/New Development Obligatory Reserve Funds
2. Statement of Purpose

This account will be used to provide a source of funding for expanding Edithvale Park by the acquisition of additional land.
3. Service Area or Beneficiary Program

The General Manager of Parks, Forestry and Recreation shall have primary responsibility for the account.
4. Initial Contribution:

The account will be funded by the cash in lieu of parkland generated from the development at 5000 Yonge St in the amount of \$1,000,000.
5. Contribution Policy

N/A
6. Withdrawal Policy:

Funds will be withdrawn as part of the Parks, Forestry and Recreation capital budget.
7. Review Cycle

The account will be closed when the funds are exhausted.

Appendix 3

Animal Services Efficiency Reserve Fund

1. Location within the Consolidated Reserve Fund Schedule

Account within Schedule #7 – Corporate Discretionary Reserve Fund

2. Statement of Purpose

This account will be used to fund debt charges arising from the South Regional Animal Centre.

3. Service Area or Beneficiary Program

The Executive Director of Municipal Licensing and Standards shall have primary responsibility for the account.

4. Initial Contribution

Funds will be provided from the split of the Public Health Efficiency Reserve Fund and this account based on the proportion of contribution by the respective units.

5. Contribution Policy

Contributions shall be the Animal Services share of \$0.819 million paid annually until the debt charges on the original capital investment are completely offset based on the proportionate share of the split between the Toronto Community Health Information System and the South Regional Animal Centre.

6. Withdrawal Policy

Once the debt charges on the original capital are completely offset, the use of any additional funds to be withdrawn will be as either part of the normal operating and capital 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 after funds have been accumulated to offset the debt charges on the original capital investment and every five years thereafter.