



STAFF REPORT ACTION REQUIRED

Administrative Amendments to Reserve Fund Accounts - 2013

Date:	November 21, 2013
To:	Executive Committee
From:	Deputy City Manager and Chief Financial Officer
Wards:	All
Reference Number:	P:\2013\Internal Services\Cf\Ec13025cf (AFS #17397)

SUMMARY

This report seeks Council's approval to implement a number of housekeeping amendments to the City of Toronto Municipal Code Chapter 227 – Administration of Reserves and Reserve Funds ("Chapter 227"). These amendments include the establishment of new reserve funds, refinement of reserve and reserve fund criteria, and deletion of some accounts which are no longer required.

RECOMMENDATIONS

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

1. A discretionary reserve fund account called the 'Scarborough Transit Reserve Fund' be established in Schedule 7 of Chapter 227, the purpose of which is to accumulate funds including proceeds from a special levy of property taxes to partially fund a replacement for the current rapid transit line in Scarborough, with criteria as set out in Appendix 1 of this report.
2. A discretionary reserve fund account called the 'Culture Funding Reserve Fund' be established in Schedule 7 of Chapter 227, the purpose of which is to use the proceeds of the retroactive payment of the Third Party Sign Tax from 2009 – 2012 to partially mitigate future year tax increases in connection with the arts and culture program with criteria as set out in Appendix 2 of this report.

3. Funds in the amount of \$16.5 million be transferred from the Tax Stabilization Reserve (XQ0703) in Schedule 3 of Chapter 227 to the new Culture Funding Reserve Fund (created by Recommendation 2 above).
4. A discretionary reserve fund account called the 'Transit Infrastructure Reserve Fund' be established in Schedule 7 of Chapter 227, the purpose of which will be to offset TTC debt charges in the future with criteria as set out in Appendix 3 of this report .
5. The balance of the funds in the Ontario Bus Replacement Program Reserve Fund (XR3022) in Schedule 15 of Chapter 227 be transferred to the new Transit Infrastructure Reserve Fund (created in recommendation 4 above), and that the account be closed and deleted from Chapter 227.
6. The name of the Jewish War Memorial Maintenance and Operation Reserve Fund (XR3207) in Schedule 3 of Chapter 227 be changed to the Jewish War and Holocaust Memorial Reserve Fund.
7. The following accounts be closed and deleted from Chapter 227 because they have or will have zero balances:

Zero Balances		
Reserve Accounts	Beneficial Program	Schedule
Hydro Stabilization Reserve (XQ0705)	Deputy City Manager/CFO	3
Building Permit Service Delivery Reserve (XQ1302)	Toronto Building	1
Contingency Appeals Reserve (XQ1500)	Court Services	1
Land Acquisition for Source Water Protection Reserve (XQ1403)	Toronto Water	2
Eastview Neighbourhood Community Centre Reserve Fund (XR1105)	Eastview N.C.C.	7
Parkland Acquisition - Pre 1999 (East York) Reserve Fund (XR2001)	Parks, Forestry & Recreation	10
Parkland Acquisition - City Wide/New Development (York) Reserve Fund (XR2046)	Parks, Forestry & Recreation	10
Parkland Acquisition - City Wide/Land Acquisition (Scarborough) Reserve Fund (XR2047)	Parks, Forestry & Recreation	10
Public Transit Capital Trust Reserve Fund (XR3021)	TTC	15
Transit technology Infrastructure Program Reserve Fund (XR3023)	TTC	15
Ontario Rolling Stock Infrastructure Fund (XR3024)	TTC	15
Police OMERS Type 3 Reserve Fund (XR3701)	Toronto Police Service	15

8. The following actions with respect to the closing of the Energy Conservation Reserve Fund (XR1715) in Schedule 7 of Chapter 227 be taken:

- a. transfer all but \$13.5 million back to the Strategic Infrastructure Reserve Fund (XR1714) in Schedule 7 of the Chapter 227;
 - b. credit all loan payments made under the revolving loan program funded by this Reserve Fund to the Strategic Infrastructure Reserve Fund;
 - c. when all loans have been repaid, direct the Deputy City Manager and Chief Financial Officer to report further on the interest earnings on the fund and the assignment of such earnings to the Emerald Ash Borer Program, if required;
 - d. close the Reserve Fund once all the funds have been expended and delete the Reserve Fund from Chapter 227.
9. The following actions with respect to the closing of the Green Energy Reserve Fund (XR1716) in Schedule 7 of Chapter 227 be taken:
- a. transfer all but \$3.1 million back to the Strategic Infrastructure Reserve Fund (XR1714) in Schedule 7 of Chapter 227;
 - b. credit all loan payments made under the revolving loan program funded by this Reserve Fund to the Strategic Infrastructure Reserve Fund;
 - c. when all loans have been repaid, direct the Deputy City Manager and Chief Financial Officer to report further on the interest earnings on the fund and the assignment of such earnings to the Emerald Ash Borer Program, if required;
 - d. close the Reserve Fund once all the funds have been expended and delete the Reserve Fund from Chapter 227.
10. The authorized total transfer to the Environment Protection Reserve Fund (XR1718) in Schedule 7 of Chapter 227 from the Strategic Infrastructure Reserve Fund (XR1714) in Schedule 7 of Chapter 227 be increased from \$93.3 million to \$149.8 million with Urban Forestry be given access to up to \$104.5 million of that funding for forestry purposes (\$48 million) and the Emerald Ash Borer program (\$56.5 million), the remainder to support other environmental initiatives set out in this report.
11. Funds in the amount of \$22,698.26 be transferred from the Termite Control Reserve (XQ0302) in Schedule 4 of Chapter 227 to Capital Financing Reserve (XQ XQ0011) in Schedule 1 of Chapter 227, and that Termite Control Reserve be closed and deleted from Chapter 227.
12. The balance of the funds in the Vehicle Reserve – Revenue Services (XQ1600) in Schedule 1 of Chapter be transferred to the Vehicle and Equipment Replacement Reserve – Water/wastewater (XQ1012) in Schedule 2 in Chapter 227, and that the Vehicle Reserve – Revenue Services be closed and deleted from Chapter 227.

13. The following actions with respect to the closing of the Utility Conservation/Retrofit Reserve (XQ1711) in Schedule 1 of Chapter 227 be taken:
 - a. amend the funding of the 2013 Facilities Management and Real Estate Capital Budget project - Building Automation System and Component Renewals (CCA207-26) – by replacing \$91,002 of funding from Capital from Current for reserve funding;
 - b. fund this capital account from the Utility Conservation/Retrofit Reserve (XQ1711);
 - c. close the Reserve once all the funds have been expended and delete the Reserve from Chapter 227.
14. Funds in the amount of \$1, 288,665.23 be transferred from the Enwave District Energy Reserve Fund (XR1059) in Schedule 7 of Chapter 227 to the Toronto Water Capital Reserve Fund (XR6003) in Schedule 16 of Chapter 227, and that the Enwave District Energy Reserve Fund be closed and deleted from Chapter 227.
15. Funds in the amount of \$99.89 be transferred from the Road Enhancement Reserve Fund (XR1401) in Schedule 8 of Chapter 227 to the Road and Sidewalk Repair, Maintenance and Reconstruction Reserve Fund (XR1402) in Schedule 8 of Chapter 227, and that Road Enhancement Reserve Fund be closed and deleted from Chapter 227.
16. Funds in the amount of \$10,917.60 be transferred from the Parkland Acquisition- New Development (North York) Reserve Fund (XR2042) in Schedule 10 of Chapter 227 to the Parkland Acquisition - North District Local Development Reserve Fund (XR2207) in Schedule 10 of Chapter 227, and that the Parkland Acquisition- New Development (North York) Reserve Fund be closed and deleted from Chapter 227.
17. Funds in the amount of \$499,559.39 be transferred from the Infrastructure (Toronto) Reserve Fund (XR3014) in Schedule 15 of Chapter 227 to the Capital Financing Reserve (XQ0011) in Schedule 1 of Chapter 227, and that the Infrastructure (Toronto) Reserve Fund be closed and deleted from Chapter 227.
18. Staff be authorized to introduce 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.

DECISION HISTORY

Since the initial reorganization of Municipal Code Chapter 227 - Administration of Reserves and Reserve Funds – (Policy and Finance Committee Report No. 9 Clause 30) - adopted by Council October 26, 27, 28, and 31, 2005), the Deputy City Manager and Chief Financial Officer has been reporting annually on updates to the Code as a result of Council actions, administrative requirements of DABC's and/or financial management considerations. The last such report was Executive Committee Item 24. 19 'Administration Amendments to Reserve Fund Accounts – 2012' which was adopted by Council on November 27, 2012.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2012.EX24.19>

COMMENTS

1. New Reserve Fund Accounts
 - a. Scarborough Transit Reserve Fund

At its meeting held on October 8 - 11, 2013, City Council adopted the report entitled 'Scarborough Rapid Transit Options: Reporting on Council Terms and Conditions' (Toronto City Council item CC39.5) . Among other things Council adopted the recommendation (6a) that City Council commit to funding the City's share of the cost of construction of the McCowan Corridor Subway by:

- (a) implementing a residential property tax rate increase, dedicated to funding the McCowan Corridor Subway, in the following amounts:

Year	Percentage
2014	0.5%
2015	0.5%
2016	0.6%

and implementing a property tax rate increase on the non-residential property tax classes of 1/3 of such a residential rate increase, in accordance with current City policy.

Major construction will start in 2018 but the accumulation of funds through the special levy for the project will start in 2014 as noted above. Therefore, there is a need to create an account to hold these funds. This report recommends that a reserve fund be created as per the criteria in Appendix 1.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2013.CC39.5>

b. Culture Funding Reserve Fund

At its meeting held on January 15, 2013, City Council adopted the report entitled '2013 Capital and Operating Budgets' (Toronto City Council item EX27.1) . Among other things, Council adopted the following recommendations:

171. that City Council earmark up to \$22.5 million of the projected 2012 on-time Third Party Sign Tax retroactive revenue in the Tax Stabilization Reserve to fund a multi-year strategy to phase in an increase to the City of Toronto's per capita cultural funding pending final year-end audit results and a detailed multi-year strategy from the Deputy City Manager and Chief Financial Officer and General Manager of Economic Development and Culture.

186. that City Council direct the City Manager to transfer from non-program to program, through the General Manager of Economic Development and Culture, \$6.0 million from the Third Party Sign Tax revenues drawn from the actual revenues received in excess of budgeted revenue generated from 2009-2012, and for staff to report back to the Economic Development Committee by March, 2013 on a plan for allocating the funds.

Given that there will be a four year phase-in of the plan to provide additional funding for arts and culture using the Third Party Sign Tax retroactive payment to mitigate future year tax increases until the base funding can be ramped up to \$25 per capita, it is more appropriate for these funds to reside in a reserve fund (which is partially inflation proofed through interest earnings) rather than a reserve. Therefore, this report recommends that a reserve fund be created as per the criteria in Appendix 2.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2013.EX27.1>

c. Transit Infrastructure Reserve Fund

Ontario Bus Replacement Program Reserve Fund (XR3022) is an obligatory reserve fund created as a repository for funds received from the Provincial government under the Ontario Bus Replacement Program (OBRP) for conventional and specialized transit. The Ontario Bus Replacement program was terminated by the Province, all bus purchases were completed in prior years, and all obligations of the OBRP funds have been fulfilled. There are funds remaining in the account. These funds will be used to offset TTC debt charges in future years. Therefore, it is more appropriate to create a new account which will be classified as Council Directed.

2. Administrative Amendments to Existing Accounts

a. Energy Conservation Fund (XR1715) and Green Energy Fund (XR1716)

At its meeting held on January 15, 2013, City Council adopted the report entitled '2013 Capital and Operating Budgets' (Toronto City Council report Ex27.1). Among other things Council adopted recommendation (119) that provided for the funding to defray the cost of the Emerald Ash Borer program by discontinuing the Energy Conservation and Green loan programs. Almost a year has gone by and it is clearer now what quantum of funding is required to remain in the two reserve funds which support these two loan programs. In order to fulfil any outstanding obligations this amount is \$3.1 million for the Green Fund and \$13.5 million for the Energy Conservation Fund. There is also a need to clarify the quantum of funds that Urban Forestry can withdraw from the Environment Protection Reserve Fund (XR1718) - namely \$104.5 million (\$48 million in the original authorization for forestry purposes and \$56.5 million from the January 2013 approval for the Emerald Ash Borer program).

The funding of these accounts is quite complex. The initial source of funds for the Environment Protection Reserve Fund (XR1718) was the Strategic Infrastructure Reserve Fund which was in turn funded from the proceeds of the sale of the hydro bonds. \$164.3 million from the Strategic Infrastructure Reserve Fund is allocated to the environment (See table below) of which \$93.3 million was allocated to the Environment Protection Reserve Fund.

Environment Component		
Energy Conservation	XR1715	42,000,000
Green Fund	XR1716	20,000,000
Environment Protection	XR1718	93,300,000
Home Energy Grant	XR1719	9,000,000
Total		164,300,000

Before the January report, the funds within the Environment Protection Reserve Fund were split as per the left column in the table below. Should the recommendations in this report be adopted then the allocation of funds within the reserve fund will be as per the right column - \$56.5 million of the original \$62 million was assigned to the Emerald Ash Borer Program through the January report.

ENVIRONMENT PROTECTION RESERVE FUND (XR1718)		
	BEFORE	AFTER
Facilities Capital	23,900,000	23,900,000
Climate Change Action Plan	4,700,000	4,700,000
TEO Operating	16,700,000	16,700,000
Forestry	48,000,000	104,500,000
Total	93,300,000	149,800,000

The amount authorized to be spent by Urban Forestry needs to increase from \$48 million to \$104.5 million and thereby the authorized funding of the Environment Protection Reserve Fund likewise needs to be increased from \$93.3 million to \$149.8 million.

As well, the January report assumed that there would be interest earnings from the funds held in the reserve fund. Given the uncertainty of investment earnings and the annual balances, it is not appropriate to assign the suggested \$4.8 million to the Ash Borer Program at this time. Therefore, given that the \$56.5 million will take a number of years to be expended, it is recommended that, once the loans are repaid, the Deputy City Manager and Chief Financial Officer report back to Council on increasing the funding for the Emerald Ash Borer Program, if additional funds are still required.

Therefore, this report is recommending a refinement of recommendation 119 to clarify what funds need to remain in the two reserve funds that support the loan programs and the quantum that Urban Forestry can access from the Environment Protection Reserve Fund (XR1718).

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2008.EX27.1>

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2013.EX27.1>

b. Holocaust Memorial Reserve Fund

On July 19-21, and 26, 2005, City Council adopted the report (Policy and Finance Report #7, Clause 47) entitled 'Proposed Construction and Management of a Jewish War Memorial in Earl Bales Park'. A reserve fund was set up at that time to receive funding from the Jewish War Veterans of Canada called the Jewish War Memorial Maintenance and Operation Reserve Fund (XR3207). Subsequently, the veterans have indicated that they are no longer in a position to fund this endeavour.

However, this year another group – The Canadian Society for Yad Vashem has come forward to provide an in-kind donation valued at approximately \$600,000

for the renovations and improvements to the Holocaust memorial in Earl Bales Park. Council at its meeting of October 6, 2013 adopted the report (PE22.3) entitled 'Donation Toward Revitalization of Holocaust Memorial in Earl Bales Park'. This report recommended acceptance of the donation and asked the group to enter into a maintenance agreement with the City. Recommendation 3 of that report recommended that:

Following the successful negotiation of an agreement between The Canadian Society for Yad Vashem and the City, City Council direct the General Manager, Parks, Forestry and Recreation and the Deputy City Manager and Chief Financial Officer to submit a report to City Council to establish a reserve fund called the "Holocaust Memorial Maintenance Reserve Fund" to receive funds for the ongoing maintenance of the memorial, such maintenance funds to be donated to the City by The Canadian Society for Yad Vashem and to total 10 percent of the total project budget.

The previous reserve fund has a similar purpose and other criteria so instead of closing the Jewish War Memorial Maintenance and Operation Reserve Fund and creating a new reserve fund called the Holocaust Memorial Reserve Fund, this report recommends that the name just be changed to the Jewish War and Holocaust Memorial Reserve Fund.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2013.PE22.3>

3. Deletion of Accounts

a. Obsolete Accounts - Zero balances

The following accounts are recommended for closure and deletion from Chapter 227:

Hydro Stabilization Reserve (XQ0705) was created in 2003 to stabilize the City's expenses with respect to the use of electricity. At that time hydro expense was accounted for on a corporate basis. Since then the strategy for charging accounts for electricity use has become decentralized and any price savings are passed on directly to the Programs immediately. The Reserve has had no transactions.

Building Permit Service Delivery Reserve (XQ1302) which was created to provide funding generated by building permit fees collected during 2003 that will be used to finance building permit service delivery improvements in 2004 & 2005. This account has been superseded by the Building Code Act Service Improvement Reserve Fund (XR1305) whose purpose is to provide funding to create and maintain systems and processes which enable service delivery timelines and reporting requirements of the Province's Bill 124, *Building Code*

Statute Law Amendment Act, 2002 legislation to be met. The Reserve has had no transactions since 2005.

Contingency Appeals Reserve (XQ1500) which was created to provide funding to be used for refunds for appeals of court decisions has had no transactions since 2006.

Land Acquisition for Source Water Protection Reserve (XQ1403) which was created to provide funding for the acquisition of land to protect water sources has had no transactions since 2006. Currently, should an opportunity to acquire such lands present itself, a project is created in the capital budget and funded as all Toronto Water capital projects are from the Toronto Water Reserve Funds. So, there is no need for a separate reserve for this purpose.

Eastview Neighbourhood Community Centre Reserve Fund (XR1105) is a legacy account from the former City of Toronto and has not been used since amalgamation. The account was created to provide funding to maintain buildings at the Eastview Neighbourhood Community Centre. There have not been funds in this account since before amalgamation.

Parkland Acquisition- Pre1999 (East York) Reserve Fund (XR 2001) was created prior to 1999. The last transaction from this account was in 2011 which depleted the reserve balance to zero.

Parkland Acquisition-City Wide/New Development (York) Reserve Fund (XR 2046) was created in 1999. The last transaction from this account was in 2012 which depleted the reserve balance to zero. This account has subsequently been superseded by the Parkland Acquisition – City Wide Development Reserve Fund (XR2211) account.

Parkland Acquisition-City Wide/Land Acquisition (Scarborough) Reserve Fund (XR 2047) was created in 1999. The last transaction from this account was in 2012 which depleted the reserve balance to zero. This account has subsequently been superseded by the Parkland Acquisition – City Wide Land Acquisition Reserve Fund (XR2210) account

Public Transit Capital Trust Reserve Fund (XR3021) was created to receive funds through the Provincial government under the Public Transit Capital Trust (PTCT) to support public transit in Toronto. All of the funds have been expended.

Transit technology Infrastructure Program Reserve Fund (XR3023) was created as a repository for funds received from the Provincial government under the Transit Technology Infrastructure Program (TTIP) for the expansion of park and ride facilities, roadway improvements, station and operational improvements to encourage inter-regional transit use. All of the funds have been expended.

Ontario Rolling Stock Infrastructure Fund (XR3024) which was created as a repository for funds received from the Provincial government to fund Toronto's unique rolling stock requirements including transit vehicle replacement and refurbishment for 2006, 2007 and 2008. All of the funds have been expended.

Police OMERS Type 3 Reserve Fund (XR3701) which was created to receive funds from OMERS and to disburse funds (including interest) to the Toronto Police Association from the return of funds from contributions made on behalf of the Toronto Police Service Board and its employees under OMERS Type 3 benefit which are now excess funds to OMERS's requirements.

Starting in 1972 employers could purchase a supplemental benefit for police officers under OMERS Plan (known as a Type 3 benefit) that provided, among other things, for retirement on a full unreduced pension after 30 years of service for officers who were at least 50 years of age. The Toronto Police Services Board agreed in collective bargaining to provide this benefit in 1972. In 1992 OMERS decided to make the Type 3 benefit part of the basic plan and thus rendered the funds that had been allocated to the Type 3 benefit as superfluous. Funds were turned over to the City in 2004 which were placed in this account. The funds have been expended.

b. Obsolete Accounts – Some Balances

Termite Control Reserve (XQ0302) is a legacy account from the former City of York and has not been used since amalgamation. The account was created to provide grants to homeowners to deal with their termite problems. This grant program did not survive the transition to the amalgamated city. There is a balance of \$22,698 in the account and it is being recommended that the funds be transferred to the Capital Financing Reserve (XQ0011) and the account be closed and deleted from Chapter 227.

Vehicle Reserve – Revenue Services (XQ1600) is no longer required because as part of the approval of the 2013 Operating Budget process, it was decided to transfer the water meter reading function from Revenue Services to Toronto Water which entailed the transfer of 31 ftes, and associated resources including vehicles. As part of the transfer of this function, the funds currently held in the Revenue Services vehicle reserve need to be transfer to Toronto Water because Revenue Services no longer has any vehicles. Since Revenue Services has no other vehicles the account can be closed and deleted from Chapter 227.

Utility Conservation/Retrofit Reserve (XQ1711) was created in 2002 to fund short falls in energy budgets corporately. The mechanism that is currently used to fund energy costs corporately no longer requires an account such as this to back stop any difference between actual and budgeted energy expenditures. There is still a

balance of \$91,002.26 in the account. Therefore, it is being recommended that these funds be applied to the 2013 Facilities Management and Real Estate Capital Budget – Building Automation System and Component Renewals (CCA207-26). Once these funds have been expended, the account will be closed and deleted from Chapter 227.

Enwave District Energy Reserve Fund (XR1059) was created in 1999 to fund future capital expenditures and provide collateral for performance bonding requirements. Since the City no longer has an interest in Enwave, there is no need for this account. There is a balance of \$1,288,665.23 in the account and it is being recommended that the funds be transferred to Toronto Water Capital Reserve Fund (XR6003). Once the funds have been transferred, the account should be closed and deleted from Chapter 227.

Road Enhancement Reserve Fund (XR1401) was created in 1994 to fund the maintenance of boulevards and the enhancement of the road allowance. The last transaction from this account was in 2011. There is a balance of \$99.89 and it is being recommended that the funds be transferred to the Road and Sidewalk Repair, Maintenance and Reconstruction Reserve Fund (XR1402), a reserve fund with a very similar purpose. Once the funds have been transferred, the account should be closed and deleted from Chapter 227.

Parkland Acquisition-New Development (North York) Reserve Fund (XR2042) was created in 1999. This account has subsequently been superseded by the Parkland Acquisition - North District Local Development Reserve Fund (XR2207) account. There is a balance of \$10,917.60 in the account and it is being recommended that the funds be transferred to the newer account. Once the funds have been transferred, the account should be closed and deleted from Chapter 227.

Infrastructure (Toronto) Reserve Fund (XR3014) was created in 1994 to fund the former City of Toronto's one third contribution to the Federal/Provincial/Municipal Infrastructure Program. The last transaction from this account was in 2009. All the original projects that were to be funded from this account have been closed. There is a balance of \$499,559.39 and it is being recommended that the funds be transferred to the Capital Financing Reserve (XQ0011). Once the funds have been transferred, the account should be closed and deleted from Chapter 227.

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SIGNATURE

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ATTACHMENTS

Appendix 1 – Scarborough Transit Reserve Fund
Appendix 2 – Culture Funding Reserve Fund
Appendix 3 – Ontario Bus Replacement Program Reserve Fund

Appendix 1

Scarborough Transit Reserve Fund

1. Location within the Consolidated Reserves/Reserve Funds Schedule

Account within Schedule 7 – Corporate Discretionary Reserve Funds

2. Statement of Purpose

The purpose of this reserve fund is to accumulate funds including proceeds from a special levy of property taxes to partially fund a replacement for the current rapid transit line in Scarborough.

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

N/A

5. Contribution Policy

Contributions will be provided initially from a special property tax levy of a minimum tax rate increase in 2014 of 0.5 percent on the residential property class, an additional 0.5 percent in 2015 and a further 0.6 percent in 2016 (or 1.6 percent thereafter) until the construction costs are fully paid for. For non-residential property the increase would be 1/3 of such a residential rate increase, in accordance with current City policy.

Funds from other sources such as other orders of government could also be contributed to this account

6. Withdrawal Policy

When funds are to be withdrawn, this will be identified through the normal capital and/or operating budget processes.

7. Review Cycle

Given the single purpose nature of this account, the account will be closed when the construction costs of the project are fully paid for.

Appendix 2

Culture Funding Reserve Fund

1. Location within the Consolidated Reserves/Reserve Funds Schedule

Account within Schedule 7 – Corporate Discretionary Reserve Funds
2. Statement of Purpose

This reserve fund is to use the proceeds of the retroactive payment of the Third Party Sign Tax from 2009 – 2012 to partially mitigate future year tax increases until the base funding for arts and culture can be ramped up to \$25 per capita.
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 \$16.5 million from the Tax Stabilization Reserve.
5. Contribution Policy

NA
6. Withdrawal Policy

Funds to be withdrawn will be identified as part of the City’s operating budget process consistent with a four year plan adopted by Council to increase financial support for arts and culture to \$25 per capita.
7. Review Cycle

The account will be reviewed in four years when it is presumed that all the funding will have been spent.

Appendix 3

Transit Infrastructure Reserve Fund

1. Location within the Consolidated Reserves/Reserve Funds Schedule
Account within Schedule 7 – Corporate Discretionary Reserve Funds
2. Statement of Purpose
This reserve fund is to be used to offset TTC debt charges in future years.
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 the balance of the funds in the Ontario Bus replacement Program Reserve Fund (XR3022).
5. Contribution Policy
NA
6. Withdrawal Policy
Funds to be withdrawn will be identified as part of the City's operating budget process.
7. Review Cycle
The account will be reviewed in nine years when it is presumed that all the funding will have been spent.