Administrative Amendments to Reserve Fund Accounts - 2014

Date: August 6, 2014
To: Executive Committee
From: Deputy City Manager and Chief Financial Officer
Wards: All
Reference Number: P2014\Internal Services\Cf\Ec14020Cf (AFS #18977)

SUMMARY

This report seeks Council approval to implement a number of housekeeping amendments to the City of Toronto Municipal Code Chapter 227, Reserves and Reserve Funds. These amendments include establishing new reserve funds, refining criteria of existing accounts, transferring accounts between schedules, and deleting some accounts which are no longer required.

RECOMMENDATIONS

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

1. Amend Schedule #7 of Chapter 227, Reserves and Reserve Funds, of the City of Toronto Municipal Code (‘Chapter 227’) by the establishment and addition of the following discretionary reserve fund accounts:

   a. ‘Long Term Liabilities Reserve Fund’ - the purpose of which will be to ensure funding for the Toronto Transit Commission’s (TTC) long-term liability for unsettled accident claims, with criteria as set out in Appendix #1.

   b. 'Hoarding Sign Occupancy Fee Reserve Fund' - the purpose of which will be to hold funds from the hoarding sign fee to be used to create new elements and features and improve existing elements and features of the public right of way through the creation of temporary and permanent art, with a particular focus on community arts programs involving
disadvantaged youth and newcomers in the creation of art, with criteria as set out in Appendix #2.

c. 'Development Application Review Reserve Fund' – the purpose of which will be to provide funding to minimize the impact of development application fee revenue fluctuations on City Planning Division’s Operating Budget and/or to create and maintain systems, resources and processes to facilitate service delivery and improvements with criteria as set out in Appendix #7.

2. Amend the Vehicle and Equipment Replacement Reserve Group in Schedule #1 of Chapter 227 by:

   a. Creating and adding thereto a new reserve account named the ‘Vehicle Reserve – OEM’ the purpose of which is to fund replacement of vehicles and associated equipment with criteria as set out in Appendix #3 with an initial balance as a result of transferring $14,744 from Vehicle Reserve – PPF&A (XQ1401); and

   b. Creating a new reserve account named the 'Vehicle Reserve – Ex Non-motorized Equipment' the purpose of which is to fund replacement of non-motorized equipment with criteria as set out in Appendix #4.

3. Establish a discretionary reserve fund account named the 'Parkway Forest Child Care Reserve Fund' in Schedule #9 of Chapter 227, the purpose of which will be used to fund the purchase of new or replacement larger equipment items like appliances such as refrigerators, stoves, dishwashers, clothes dryers and washers; change tables; and counters, etc. with criteria as set out in Appendix #5 with an initial balance as a result of transferring $188,911 from the Child Care Capital Reserve Fund (XR1103) to the Parkway Forest Child Care Reserve Fund.

4. Establish a discretionary reserve fund account named the 'Toronto Transit Expansion Reserve Fund' in Schedule #7 of Chapter 227, the purpose of which will be to serve as a funding source to support transit expansion where the Provincial and/or the Federal Governments have committed to matching any City contribution to said Fund with criteria as set out in Appendix #6.

5. Amend the name of the 'Development Application Review Fee Reserve Fund' in Schedule #8 of Chapter 227 to 'CP Development Technology Reserve Fund' with no other change to the criteria to reduce confusion about the funding and/or use of this account vis-à-vis the account created in Recommendation #1c above.

6. Establish a discretionary reserve fund account named the 'Winter Maintenance Contribution Reserve Fund' in Schedule #8 of Chapter 227, to provide funding to minimize the impact of winter maintenance contract renewals with criteria as set out in Appendix #8.
7. Change authority over the ‘Bike Share Program Reserve’ in Schedule #1 of Chapter 227 from the Deputy City Manager and Chief Financial Officer to the General Manager, Transportation Services and that the criteria for the operation of the account be refined to reflect the criteria set out in Appendix #9.

8. Transfer the following accounts from the former schedule to the new schedule without any other change in the operational criteria:

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<tr>
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<td>Third Party Agreements (Schedule #15)</td>
<td>Corporate Discretionary (Schedule #7)</td>
</tr>
<tr>
<td>St. Lawrence Centre For the Arts Improvement (XR1046)</td>
<td>State of Good Repair Obligatory (Schedule #14)</td>
<td>State of Good Repair Discretionary (Schedule #8)</td>
</tr>
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<td>Better Building Partnership (BBP) Loan Repayment (XR1052)</td>
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<td>Subdividers Deposits (XR2014)</td>
<td>Third Party Agreements (Schedule #15)</td>
<td>Corporate Discretionary (Schedule #7)</td>
</tr>
<tr>
<td>Ontario Works (XR2101)</td>
<td>Community Services Obligatory (Schedule #13)</td>
<td>Corporate Discretionary (Schedule #7)</td>
</tr>
<tr>
<td>Pavement Degradation Fee (XR2405)</td>
<td>State of Good Repair Obligatory (Schedule #14)</td>
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</tr>
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<td>Toronto Centre for the Arts Improvement (XR3007)</td>
<td>State of Good Repair Obligatory (Schedule #14)</td>
<td>State of Good Repair Discretionary (Schedule #8)</td>
</tr>
<tr>
<td>Exhibition Place Conference Centre (XR3019)</td>
<td>Third Party Agreements (Schedule #15)</td>
<td>State of Good Repair Discretionary (Schedule #8)</td>
</tr>
<tr>
<td>Sony Centre Facility Fee (XR3030)</td>
<td>State of Good Repair Obligatory (Schedule #14)</td>
<td>State of Good Repair Discretionary (Schedule #8)</td>
</tr>
<tr>
<td>Bloor Street Transformation Maintenance Reserve Fund (XR3401)</td>
<td>State of Good Repair Obligatory (Schedule #14)</td>
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</tbody>
</table>

9. Close and delete the following accounts from Chapter 227, as necessary, because they have zero balances:

<table>
<thead>
<tr>
<th>Reserve Accounts</th>
<th>Beneficial Program</th>
<th>Schedule</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yonge Street Service Road Reserve Road (XR1020)</td>
<td>Transportation</td>
<td>12</td>
</tr>
<tr>
<td>Ridley Road Maintenance Reserve Fund (XR1032)</td>
<td>Transportation</td>
<td>14</td>
</tr>
<tr>
<td>Davisville/June Rowland s Park Reserve Fund (XR3301)</td>
<td>Parks, Forestry &amp; Recreation</td>
<td>12</td>
</tr>
</tbody>
</table>

10. Transfer funds in the amount of $681.42 from the Ashbridges Bay Treatment Plant Skateboard Donation Reserve (XQ4222 to the Parks, Forestry and Recreation Operating Budget Account - South General Parks Technical Services – Trade (P12017) and thereafter close and delete the Ashbridges Bay Treatment Plant Skateboard Donation Reserve from Municipal Code Chapter 227.
11. Amend Chapter 227 in accordance with Recommendations 1 – 10.

12. Direct the City Solicitor to introduce 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 36. 14 ‘Administration Amendments to Reserve Fund Accounts – 2013’ which was adopted by Council on December 16, 17 and 18, 2013.


**COMMENTS**

1. New Reserve Fund Accounts

   a. Long Term Liabilities Reserve Fund

   Toronto Transit Commission carries a long-term liability for unsettled accident claims to be funded by the City. The outstanding liability as at December 31, 2013 was $156.4 million. Up to and including 2008, the City funded the accident claims liability each year; however, in 2009 the City changed this practice by deferring payment to the Commission in the form of a long term receivable. The unfunded portion of the Commission’s long term liability for unsettled accident claims (2009-2013) totals $44.6 million. It is recommended that a reserve fund be created as per the criteria in Appendix #1, to ensure funding for the unsettled accident claims. $10.812 million of the Toronto Transit Commission's 2013 operating surplus will be transferred to the newly created Long Term Liabilities Reserve Fund as an initial contribution. [http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2014.EX43.28](http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2014.EX43.28)

   b. Hoarding Sign Occupancy Fee Reserve Fund

   On July 10, 2014, Council adopted the Planning and Growth Management Committee report (PG34.6) entitled 'Hoarding Sign Occupancy Fee and Public
Realm Enhancements' which recommended the introduction of an additional street occupancy fee for hoarding which displays a Construction Hoarding Sign, to be charged in addition to the street occupancy fee for hoarding, and the permit fees for the hoarding and the construction hoarding sign. The fee will be used to create new elements and features and improve existing elements and features of the public right of way through the creation of temporary and permanent art, with a particular focus on community arts programs involving disadvantaged youth and newcomers in the creation of art. The report recommended that the funds from the new hoarding fee be held in a reserve fund in order to even out the expenditure flow and ensure that expenditures for this purpose match the revenues garnered from the new fee. It is recommended that a reserve fund be created as per the criteria in Appendix #2.

http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2014.PG34.6

c. Vehicle and Equipment Replacement Reserve Group

Staff is recommending that two new accounts within the Group be created to reflect certain administrative changes.

- Vehicle Reserve - OEM

In 2013 the Emergency Management Unit moved from Shelter, Support and Housing Administration to Cluster B to become part of the Office of Emergency Management. A separate vehicle replacement account was not created at that time and the funds for the unit's vehicles got co-mingled with the funds for the vehicles assigned to Policy, Planning, Finance and Administration (PPF&A). It is recommended that a reserve within the Vehicle and Equipment Replacement Reserve Group be created as per the criteria in Appendix #3 and that $14,744 be transferred from the PPF&A account (Vehicle Reserve – PPF&A – XQ1401).

- Vehicle Reserve - Ex Non-motorized Equipment

In order to comply with City's capital budget rules regarding the definition and funding of capital items, Exhibition Place has had to change the elements of its capital budget and change how non-motorized equipment replacements are financed. Staff has determined that the best approach to garnering funds for this replacement is to make annual contributions to an equipment replacement reserve and to fund such replacements from said reserve. Therefore, it is recommended that a reserve within the Vehicle and Equipment Replacement Reserve Group be created as per the criteria in Appendix #4

d. Parkway Forest Child Care Reserve Fund
In 2008, the City entered into a Section #37 agreement with 2041098 Ontario Limited which, among other things, provided funds toward the replacement of equipment to be determined by the child care operator in consultation with Children's Services. On April 1, 2014, Council adopted MM50.17 (Authorization to Release Section 37 Funding for Moving and Capital Equipment Costs for the New Young Men's Christian Association (YMCA) Parkway Forest Child Care Centre which transferred the $188,911 held by the City from the Section 37 Reserve Fund (XR3026-3700568) to the Child Care Capital Reserve Fund (XR1103). Funds in the Child Care Reserve Fund are not segregated. Since these funds are to be used to replace appliances and other major service infrastructure, it is likely that the City will hold these funds for many years and will be spending the funds in relatively small amounts. Therefore, it will be necessary to track the remaining balance of funds at any point when there is a withdrawal request from the YMCA. To better track these funds, it is recommended that a new reserve fund be established called the 'Parkway Forest Child Care Reserve Fund' with criteria as set out in Appendix #5.

e. Development Application Review Reserve Fund

At its meeting of January 29, 2014, City Council adopted the Executive Committee report (Item 37.1) entitled ‘2014 Capital and Operating Budgets’. Among other things, it recommended (Rec. #222) that funding be provided to a discretionary reserve fund account called the 'Development Application Review Reserve Fund' and that such an account be established the purpose of which is to ensure that funds received in the current year but not applied would be available in future years to fund work required to deliver the development review services.

Development application reviews typically take between 9 and 18 months to process and can continue to use staff time for years after the initial application date. The application fee is provided on day one. If the funds are treated as revenue in the program's accounts, then there can be a mismatch between revenues and expenses in any given year with revenues in year one of the review being overstated in terms of the concomitant expenditures and in subsequent budget years there could be significant expenditures but no revenues. It is a common practise for municipalities to deal with this mismatch problem by using a reserve fund to smooth the revenues to match the expenditure stream.

Funding the application process is not just a matter of the timing of staff resources, there is also the need to maintain and upgrade work processes and apply non-staff resources to the review of applications. Hence, it is recommended that such a reserve fund be established as per the criteria in Appendix #7 with the purpose of providing funds to minimize the impact of development application fee revenue fluctuations on City Planning Division’s Operating Budget and/or to create and maintain systems, resources and processes to facilitate service delivery and improvements.

http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2014.EX37.1
f. Winter Maintenance Contribution Reserve Fund

At its meeting of January 29, 2014, City Council adopted the Executive Committee report (Item 37. 1) entitled ‘2014 Capital and Operating Budgets’. Among other things, it recommended (Rec. #249) that funding be provided to a discretionary reserve fund called the 'Winter Maintenance Contribution Reserve Fund' and that such an account be established the purpose of which is to mitigate significant incremental increases for winter maintenance costs in the future (funded with contributions from the Transportation Services annual Operating Budget) that would be accessed when costs escalate, thereby reducing the pressure on the Operating Budget.

Winter maintenance contracts are generally for five to seven years and when they renew there is often a significant increase in the cost from the end of the old contract to the beginning of the new contract. This change in cost can cause a significant budgetary impact in the year of the new contract. To mitigate the pressure on the budget for the year of the renewal and to allow for a stepped increase in the budget over several years, it was recommended, as part of the 2014 Operating Budget, that annual contributions be made to a reserve fund which would be used to offset the increase. Therefore, it is recommended that such an account be established with the purpose of providing funding to minimize the impact of winter maintenance contract renewals with criteria as set out in Appendix #8.

http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2014.EX37.1

2. Administrative Amendments to Existing Accounts

a. Toronto Transit Expansion Reserve Fund

At the meeting of December 16, 17, and 18, 2013, City Council adopted the report Executive Committee (Item 36. 14) entitled ‘Administration Amendments to Reserve Fund Accounts – 2013’. Among other things, it recommended (Rec. #18) that a discretionary reserve fund account called the 'Toronto Transit Expansion Reserve Fund' be established in Schedule #7 of Chapter 227, the purpose of which will be to serve as a funding source to support transit expansion where the Provincial and/or the Federal Governments have committed to matching any City contribution to said Fund. The criteria for the account were not provided at that time. Appendix #6 describes the criteria for this account.


b. Development System Reserve Fund

At is meeting of November 27, 28, and 29, 2012, Council adopted the Executive Committee report (EX24.19) entitled ‘Administrative Amendments to Reserve Fund Accounts – 2012’ which established the Development Application Review
Fee Reserve Fund to provide funding for capital projects that support development activity. The name of this account and the account being created as per the above section is going to cause confusion. So, it is being recommended that the name of this account be changed to ’CP Development Technology Reserve Fund’ with no other change in criteria.


c. Bike Share Program Reserve

At its meeting of November 13, 14, 15 and 18, 2013, City Council adopted the Executive Committee report (Item 35. 8) entitled ‘Strategy for Continuing Toronto's Bike Share Program’. Imbedded in the Confidential Attachment to that report was a recommendation to create a reserve - Bike Share Program Reserve. At the time it seemed prudent to have the Deputy City Manager and Chief Financial Officer control the account; however, Transportation Services is overseeing the Bike Share Program and therefore, it is recommended that responsibility over the account be transferred to the General Manager of Transportation Services. Refined criteria for the fund can be found in Appendix #9.

http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2013.EX35.8

3. Transfer of Schedule in the Municipal Code

Council has the authority to establish reserves and reserve funds through the City of Toronto Act and Chapter 227 of the Municipal Code. Council can set aside funds in these types of accounts for planned future expenditures; to protect the City against an unbudgeted or unforeseen event; to smooth out future program expenditures which may fluctuate from one year to the next; to accumulate funds for future capital expenditures or irregular or occasional expenses; or to satisfy a legal requirement to set aside funds either under specific provincial legislation (such as the Development Charges Act) or through agreements with third parties.

The City's classification of reserve accounts has three categories – reserves, discretionary reserve funds and obligatory reserve funds.

The difference between reserve and reserve funds is that reserve funds are allocated investment income on their average balances and reserves are not allocated investment income.

There are two types of reserve funds: obligatory and discretionary:

- Discretionary Reserve Funds are created by Council for specific purposes through by-law, and Council may change the purpose for which the funds were created and may use the funds for other purposes.
- Obligatory Reserve Funds are funds received and set aside for specific purposes by legislation or contractual agreements. These funds can only be
used for the purposes prescribed. For financial statement presentation these funds are treated as deferred revenue.

The current reserve fund classification treats reserve funds held in the name of City agencies as obligatory on the basis that the funds can only be used in support of those entities. Due to the required implementation of Public Sector Accounting Board (PSAB) standard PS3410 – Government transfers for 2013, the City's Accounting staff in consultation with Corporate Finance and Legal staff conducted an extensive review of all obligatory reserve funds which are treated as deferred revenue in the City's financial statements. As a result of this review, staff determined that the obligatory reserve funds listed in the table below no longer met the standard for classification as deferred revenue. Therefore, these obligatory reserve funds need to be reclassified as discretionary reserve funds and transferred from one reserve fund schedule to another within Municipal Code Chapter 227 (there is no other change in the operational criteria including the purpose).

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4. Deletion of Accounts

a. Obsolete Accounts - Zero balances

_Yonge Street Service Road Reserve Fund_ (XR1020) was created by North York Council before amalgamation to provide funding for the construction of a ring road to alleviate congestion on Yonge Street, north of Highway 401. The fund consists of money collected under development charges policies in effect prior to the adoption of a Development Charges By-Law. Given that the balance is zero, it is recommended that this account be closed and deleted from the Chapter 227.
Ridley Road Maintenance Reserve Fund (XR1032) was created before amalgamation to provide funding from a developer's deposit to be used to offset annual boulevard maintenance costs. Given that the balance is zero, it is recommended that this account be closed and deleted from the Chapter 227.

Davisville/June Rowlands Park Reserve Fund (XR3301) was created to provide funding for the design and construction of a new splashpad or a retrofit conversion of the existing wading pool in Davisville/June Rowlands Park. The work was completed in 2010. Given that the balance is zero, it is being recommended that this account be closed and deleted from the Chapter 227.

b. Obsolete Accounts – Some Balances

Ashbridges Bay Treatment Plant Skateboard Park Donation Reserve (XQ4222) was created to provide funding for the planning, design and development of additional Phases of the Skateboard Park. Phase I was completed in 2009 and Phase II was completed in 2012. There is a balance of $681.42 in this account. Since the skate park is complete, it is recommended that the funds be used for maintenance (graffiti removal) and accordingly are being transferred to the Parks, Forestry and Recreation Operating Budget Account -South General Parks Technical Services.

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SIGNATURE

_______________________________
Roberto Rossini
Deputy City Manager and Chief Financial Officer

ATTACHMENTS

Appendix 1 – Long Term Liabilities Reserve Fund
Appendix 2 – Hoarding Sign Occupancy Fee Reserve Fund
Appendix 3 - Vehicle Reserve - OEM
Appendix 4 - Vehicle Reserve – Ex Portable Equipment
Appendix 5 – Parkway Forest Child Care Reserve Fund
Appendix 6 – Toronto Transit Expansion Reserve Fund
Appendix 7 – Development Application Review Reserve Fund
Appendix 8 – Winter Maintenance Contribution Reserve Fund
Appendix 9 – Bike Share Program Reserve
Appendix 1

Long Term Liabilities Reserve Fund

1. Location within the Consolidated Reserves/Reserve Funds Schedule

Account within Schedule #7 – Corporate Discretionary Reserve Funds

2. Statement of Purpose

This account will be used to ensure funding for the Toronto Transit Commission's (TTC) long-term liability for unsettled accident claims.

3. Service Area or Beneficiary Program

The General Manager of the Toronto Transit Commission shall have primary responsibility for the Reserve Fund.

4. Initial Contribution

$10.812 million of the Toronto Transit Commission's 2013 operating surplus

5. Contribution Policy

A portion of TTC's annual operating surplus as determined by the Deputy City Manager and Chief Financial Officer may be contributed with due consideration to the overall outstanding liability and the City's ability to afford to make the contribution.

6. Withdrawal Policy

Funds may be withdrawn at the request of the TTC either, as part of the normal budget process, or as part of the corporate year-end process, subject to the availability of funds, the review by the Deputy City Manager/Chief Financial Officer and Council approval.

7. Review Cycle

The account should be reviewed at least every five years, sooner if the level of funds is deemed to be inadequate, or if conditions change.
Appendix 2

Hoarding Sign Occupancy Fee 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 account will be to hold funds to be used to create new elements and features and improve existing elements and features of the public right of way through the creation of temporary and permanent art, with a particular focus on community arts programs involving disadvantaged youth and newcomers in the creation of art.

3. Service Area or Beneficiary Program

The General Manager of the Economic Development and Culture shall have primary responsibility for the Reserve Fund.

4. Initial Contribution

N/A

5. Contribution Policy

Funding will be provided from a monthly fee for the use of space within the public right of way for the display of a construction hoarding sign on construction hoarding at a rate per month per square metre of construction hoarding sign that will be determined annually as part of the Operating Budget process.

6. Withdrawal Policy

When funds are to be withdrawn, this will be identified through the normal Operating Budget processes.

7. Review Cycle

The account should be reviewed at least every five years.
Appendix 3

Vehicle Reserve - OEM

1. Location within the Consolidated Reserves/Reserve Funds Schedule

Account within Schedule #1 – Corporate Reserves - the Vehicle and Equipment Replacement Reserve Group

2. Statement of Purpose

This account will be used to fund the replacement of vehicles and any associated equipment.

3. Service Area or Beneficiary Program

The Director of the Office of Emergency Management shall have primary responsibility for the Reserve.

4. Initial Contribution

$14,744 from a transfer from Vehicle Reserve – PPF&A (XQ1401)

5. Contribution Policy

Funds will be provided annually as part of the Operating Budget.

6. Withdrawal Policy

Funds will be withdrawn as part of the Capital Budget process.

7. Review Cycle

The account should be reviewed every five years.
Appendix 4

Vehicle Reserve – Ex Non-motorized Equipment

1. Location within the Consolidated Reserves/Reserve Funds Schedule

Account within Schedule #1 – Corporate Reserves - the Vehicle and Equipment Replacement Reserve Group

2. Statement of Purpose

This account will be used to fund the replacement of non-motorized equipment.

3. Service Area or Beneficiary Program

The Chief Executive Officer of Exhibition Place shall have primary responsibility for the Reserve.

4. Initial Contribution

NA

5. Contribution Policy

Funds will be provided annually as part of the Operating Budget.

6. Withdrawal Policy

Funds will be withdrawn as part of the Budget process.

7. Review Cycle

The account should be reviewed every five years.
Appendix 5

Parkway Forest Child Care Reserve Fund

1. Location within the Consolidated Reserves/Reserve Funds Schedule

Account within Schedule #9 – Community Initiatives Discretionary Reserve Funds

2. Statement of Purpose

This account will be used to fund the purchase of new or replacement of larger equipment items like appliances such as refrigerators, stoves, dishwashers, clothes dryers and washers; change tables; and counters, etc.

3. Service Area or Beneficiary Program

The General Manager of Children's Services shall have primary responsibility for the Reserve Fund.

4. Initial Contribution

Transfer of $188,911 from the Child Care Capital Reserve Fund (XR1103)

5. Contribution Policy

It is unlikely that there will be any further contribution other than the normal application of investment earnings.

6. Withdrawal Policy

Funds will be withdrawn as part of the Operating Budget process.

7. Review Cycle

The account should be reviewed every five years.
Appendix 6

Toronto Transit Expansion 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 serve as a funding source to support transit expansion where the Provincial and/or the Federal Governments have committed to matching any City contribution to said Fund.

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
   Funds may be provided through the 2015 Operating Budget.
   Funds from other orders of government may also be contributed to this account where there is no legal requirement to hold funds in a separate account.

6. Withdrawal Policy
   When funds are to be withdrawn, this will be identified through the normal Capital Budget process.

7. Review Cycle
   Should funds not be provided in 2015, then consideration should be given to closing the account.
Appendix 7

Development Application Review Reserve Fund

1. Location within the Consolidated Reserve Fund Schedule
   Account within Schedule #7 – Corporate Discretionary Reserve Funds

2. Statement of Purpose
   This account will be used to provide funding to minimize the impact of development application fee revenue fluctuations on City Planning Division’s Operating Budget and/or to create and maintain systems, resources and processes to facilitate service delivery and improvements.

3. Service Area or Beneficiary Program
   The Chief Planner shall have primary responsibility for the account.

4. Initial Contribution:
   $2.9 million contributed from the 2013 Operating Budget

5. Contribution Policy:
   Funds to be obtained through development review surplus. Year end surplus is defined as the annual operating budget surplus for Community Planning and Committee of Adjustment development applications in the development review service (function area code 2910000000) such amount to be determined in consultation with the Deputy City Manager and Chief Financial.

6. Withdrawal Policy:
   Funds will be withdrawn either as part of the normal Operating or Capital Budget process, or through a specific report to Council authorizing the purpose, and amount of the withdrawal.

7. Review Cycle
   The need for the account shall be reviewed once every three years.
Appendix 8

Winter Maintenance Contribution Reserve Fund

1. Location within the Consolidated Reserve Fund Schedule

Account within Schedule #8 – State of Good Repair Discretionary Reserve Funds

2. Statement of Purpose

This account will be used to provide funding to minimize the impact of winter maintenance contract renegotiations.

3. Service Area or Beneficiary Program

The General Manager of Transportation Services shall have primary responsibility for the account.

4. Initial Contribution:

NA

5. Contribution Policy:

Funds will be contributed as part of the Operating Budget process.

6. Withdrawal Policy:

Funds will be withdrawn either as part of the normal Operating Budget process, or through a specific report to Council authorizing the purpose, and amount of the withdrawal.

7. Review Cycle

The need for the account shall be reviewed once every five years.
Appendix 9

Bike Share Program Reserve

1. Location within the Consolidated Reserves/Reserve Funds Schedule

Account within Schedule #1 – Corporate Reserves

2. Statement of Purpose

This account will be used for the purpose of providing a source of funding for the debt, transition costs, interim operating payments, capital expansion and replacement costs, and ongoing operating contributions to the Toronto Parking Authority for any system operating losses.

3. Service Area or Beneficiary Program

The General Manager of Transportation Services shall have primary responsibility for the Reserve Fund.

4. Initial Contribution

The initial contribution will be funded from the "cash-out" of automated public toilets currently required to be supplied by Astral Media under the City-Astral Media Street furniture Contract.

5. Contribution Policy

Any operating surplus from the Bike Share Program will be contributed to the Reserve. As well, any other funds from external sources and/or one-time funding opportunities in support of the bike share system including from ABCD's, may be contributed, unless they are currently held or required to be held by the City in any other reserve funds.

6. Withdrawal Policy

Funds will be withdrawn as part of the City’s Budget process to pay for the debt, transition costs, interim operating payments, capital expansion, replacement costs, and/or any operating deficit experienced by the Toronto Parking Authority as a contribution to its Capital and/or Operating Budget.

7. Review Cycle

The account will be reviewed in five years or if the funds become exhausted beforehand.