

Appendix H – Debt Servicing Stabilization Reserve

Location within the Consolidated Reserves/ Reserve Funds Schedule

Schedule No. 3 – Stabilization Reserves

Statement of Purpose

This reserve fund will be used to reduce the volatility of the City's annual debt servicing costs.

Beneficiary Program

The Office of the Chief Financial Officer and Treasurer

Initial Contribution

\$1.2 Million to be transferred from the Capital Financing Reserve which has been contributed from Corporate Real Estate Management as a result of the approved 2021 Q2 variance report. The contribution represents operating savings from the lease collapsing initiative of the City, which can be used to offset the debt servicing costs associated with the capital investments of this initiative.

Contribution Policy

Budgeted Non-Program contributions, consisting of savings from lower rental expenditures achieved through leases being collapsed as part of the City's initiative. Also, contributions may be made at the discretion of the Chief Financial Officer and Treasurer pursuant to the City's Surplus Management Policy.

Withdrawal Policy

Funds will be withdrawn as part of the annual Operating Budget process or through the quarterly variance reporting process.

Review Cycle

The account will be reviewed a minimum of once every five years.