

Appendix C – Recommended Amended Criteria Sheet for the Debt Servicing Reserve Fund

Location within the Consolidated Reserves and Reserve Funds Schedule:

Schedule No. 7 – Corporate Discretionary Reserve Funds

Statement of Purpose:

This reserve fund will be used to mitigate the effects of the rising costs of capital financing, reducing the volatility of the City's annual debt service costs and to provide a source of funding for any potential shortfalls or defaults in interest and/or principal payments by an organization under which the City has provided a loan guarantee or a loan

Beneficiary Program:

The Office of the Chief Financial Officer and Treasurer

Initial Contribution:

Balance of \$195,421,501 to be transferred from the Debt Servicing Stabilization Reserve (XQ0709).

Contribution Policy:

Repayments of recoverable debt funded capital projects including contributions from Non-Program for lower rental expenditures achieved through leases being collapsed for ModernTO. Contributions may also 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Funds will be withdrawn either as part of the normal Budget process or through a specific report to Council authorizing the purpose and amount of the withdrawal. Future withdrawals to be made to cover any potential shortfalls or defaults in interest and/or principal payments by an organization under which the City has provided a loan guarantee or loan must be approved by City Council.

Review Cycle:

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