

DATE OF MEETING    APRIL 17, 2024  
AUTHORED BY        WENDY FULLA, DIRECTOR, FINANCE  
**SUBJECT            UPDATE OF RESERVE POLICY**

## **OVERVIEW**

### **Purpose of Report**

To update the Reserve Policy to reflect the new Online Accommodation Platform Reserve Fund and changes to the Housing Legacy Reserve Fund. |

### **Recommendation**

That the Finance and Audit recommend that Council amend Reserve Policy COU-231 to include the new Online Accommodation Platform Reserve Fund and reflect the changes to the Housing Legacy Reserve Fund.

## **BACKGROUND**

At the 2019-JUL-22 Council meeting, Council endorsed Reserves Policy COU-204 as well as a number of recommendations including the establishment of, or revision to, a number of statutory reserves to ensure a systematic approach for the setting aside of funds to maintain, replace and renew City infrastructure. At the 2019-NOV-18 Council meeting, the Reserve Fund bylaws required to support the new policy were adopted. Since endorsement a number of changes have been approved including:

1. Approval at the 2020-NOV-18 Finance and Audit Committee Meeting, to change the minimum reserve balance and set a maximum reserve balance for the three (3) financial stability reserves;
2. Repealing Reserve Policy COU-204 and replacing it with Reserve Policy COU-231 effective 2022-DEC-19, to reflect reserves that had been created, repealed or revised since adoption as well as revisions to the interest calculation method for Reserve Funds and other minor updates for clarity and consistency;
3. Approval at the 2023-JUL-19 Finance and Audit Committee to revise the minimum reserve balances for the General Financial Stability Reserve and the Sewer Financial Stability Reserve effective January 1, 2024, and amendment of Reserve Policy COU-231 to include the Growing Communities Reserve Fund; and
4. Approval at the 2023-NOV-15 Finance and Audit Committee to amend Reserve Policy COU-231 to include the Harewood Centennial Turf Field Reserve Fund.

## **DISCUSSION**

On 2024-APR-08 Council adopted the amended *Housing Legacy Reserve Fund Bylaw No. 7299.01* and the new *Online Accommodation Platform Reserve Fund Bylaw No. 7374*.

In 2018, affordable housing was added as a permissible use of the Online Accommodation Platform (OAP) revenues collected under the Municipal and Regional Tax program. Online Accommodation Platform revenue was previously placed in the Housing Legacy Reserve Fund until allocated to an approved project.

As allocation of OAP funds must comply with the provincial guidelines which may vary from the permitted uses of the Housing Legacy Reserve Fund a separate reserve fund was created to ensure there is no conflict between the bylaw governing the Housing Legacy Reserve Fund and the allocation of OAP funds

The Housing Legacy Reserve Fund bylaw was updated to provide a broader range of uses to help support the City's strategy to address the need to fund the support of affordable housing in the community.

The updated Reserve Policy reflects the new Online Accommodation Platform Reserve Fund and the changes to the Housing Legacy Reserve Fund. |

## **OPTIONS**

1. That the Finance and Audit Committee recommend that Council amend Reserve Policy COU-231 to include the new Online Accommodation Platform Reserve Fund and reflect the changes to the Housing Legacy Reserve Fund.

- The advantages of this option: Ensures the Reserve Policy reflects current reserves and Reserve Funds.

2. That the Finance and Audit Committee provide alternative direction.

### **SUMMARY POINTS**

- Council adopted a Reserve Policy in 2019 to ensure a systematic approach for the setting aside of funds to maintain, replace and renew City infrastructure.
- Reserve Policy COU-231 has been amended to include the Online Accommodation Platform Reserve Fund and changes to the Housing Legacy Reserve Fund.

## **ATTACHMENTS:**

Attachment A: Reserve Policy COU-231 Amended |

**Submitted by:**

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**Concurrence by:**

Laura Mercer  
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