

Appendix 2

Reserves and Reserve Funds with Targets – Balance Compared to Target (\$000s)

<u>Reserves and Reserve Funds</u>		<u>Target</u>	<u>YE 2024 Target</u>	<u>YE 2024 Balance</u>	<u>% to Target</u>	<u>Comments</u>
30120	Reserve for Winter Maintenance	33% of last 5-year average winter maintenance expenditures.	8,839	9,528	108%	Balance over target being maintained in preparation of funding future pressures (e.g., bus stop clearing).
30161	Reserve for Building Revenue Stabilization	100% of the average of actual building permit revenue and development fee revenue for the highest two years in the last five years.	15,576	12,485	80%	Reserve is used for fluctuations in economic activity.
30125	Fiscal Stability Reserve	10% of own-source revenue, less target for other stabilization / contingency funds (currently, Winter Maintenance and Building Permit Revenue Stabilization).	80,336	59,798	74%	Reserve balance available for unforeseen or emergency circumstances.
Combined Insurance Reserve Funds		Year-end value of case reserves plus 50% of the actuarial present value for Incurred but Not Reported (IBNR) claims (both from the Actuarial Insurance Report).	29,610	37,056	125%	Reserve adequate for future needs.
37122	Employee Benefits Reserve Fund	Total of 2x 5 years average expenditure for (1) vacation payouts; (2) sick leave payouts; (3) group life insurance; plus (4) 10 year forward looking average of expenses for WSIB.	48,619	22,421	46%	In 2024 a new methodology to calculate the target was approved which is to take the sum of one year's worth of sick leave payouts, and 30 per cent of the actuarial liability estimate for WSIB. This target will be used in 2025 onwards. Potential future year budget adjustment may be required to achieve a target balance.
33121	Tax Capital Reserve Fund	Maintain cash balance equivalent to one year's worth of the 10-year forward-looking average of the tax-supported capital expenditure requirements (excluding debt).	115,000	158,031	137%	Reserve is managed to target; balance can vary significantly from year to year. This reserve is used to fund the City's capital program.
35992	Stormwater Capital Reserve Fund	Maintain cash balance equivalent to 10-year average.	23,100	30,565	132%	Reserve is managed to target; balance can vary significantly from year to year. This reserve is used to fund the City's Stormwater capital program.