Town of Whitby Policy

Policy Title:	Long Term Finance Reserve
Policy Number:	F 030
Reference:	Council Resolution #313-13 and #262-19
Date Approved:	June 24, 2013
Date Revised:	September 23, 2019
Approval:	Council
Point of Contact:	Financial Services Department

Policy Statement

This is a policy governing the use and administration of the discretionary Long Term Finance Reserve also called the One-Time Reserve.

Purpose

The purpose of the reserve is to provide a funding source for the one-time needs of the Town of Whitby and any strategic initiatives or community enhancements undertaken by the town.

Scope

This policy applies to management of the funds reserved for one-time expenses as identified in the operating and capital budgets and the capital costs associated with any strategic initiatives or community enhancements.

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1. Definitions

1.1. Capital Budget means the plan for expenditures and financing sources to complete capital projects or capital expenditures, approved in either an annual budget, in a report to Council or under the Capital Budget Monitoring and Control policy.

1.2. Capital Budget Monitoring and Control policy means the Capital Budget Monitoring and Control policy for the Town of Whitby.

1.3. Capital Expenditure is determined by the nature of the work that is undertaken; it usually is in excess of $5,000 and does not specifically impact a single fixed asset. It includes (but is not limited to) studies, roads crack sealing program etc. It can occasionally be one-time in nature, but usually the expenditure has a benefit lasting more than one year.

1.4. Capital Forecast means the forecasted plan for expenditures and financing sources to complete capital projects or capital expenditures presented in the annual budget. Typically this forecast is nine years (capital budget and nine years capital forecast).

1.5. Capital Project means any expenditure incurred to acquire or improve land, buildings, engineering structures, and to purchase machinery and equipment. It includes vehicles, office furniture and software applications. Normally, it has a benefit lasting more than one year, and results in the acquisition or extension of the life of a fixed asset or the betterment of an existing asset.

1.6. Council means the Mayor and members of Council for the Town of Whitby.

1.7. Disposition of Operating Surplus Policy means the Disposition of Operating Surplus Policy for the Town of Whitby.

1.8. One-Time Reserve means the Long Term Finance Reserve.

1.9. Treasurer means the employee designated as such by Council for the position. The Treasurer shall exercise all powers and duties of the Treasurer as set out in the Municipal Act.

2. Responsibilities

2.1. The Treasurer or their designate has the authority to utilize the reserve fund as approved under section 3 of this policy.

3. Utilization of Funds

3.1. The reserve fund can be used for the one-time (non-recurring) operating costs.

3.2. The reserve fund can be used to finance the capital project costs / expenditures associated with any strategic initiatives / community enhancements undertaken by the town.

3.3. The reserve fund can be used to finance any long term debt repayments as approved by Council.

3.4. The reserve fund can be used to pre-commit future liability commitments to mitigate uncertainty of future funding streams.

3.5. Usage of the reserve fund must be identified in the Council approved annual budget and capital forecast, in a subsequent report to Council or approved via the Capital Budget Management and Control policy and reported in financial report to Council.

4. Funding Sources

4.1. The current funding for this reserve fund comes from any operating surplus allocated under the Disposition of Operating Surplus Policy (if applicable).

4.2. Council can choose to make a tax based contribution during the annual budget approval process.

4.3. As per the Capital Budget Monitoring and Control policy, any budget remaining form a closed capital project originally funded from the One-Time Reserve would be returned to the One-Time Reserve.

5. Reserve Target Balance

5.1. The minimum uncommitted reserve fund target balance is $500,000.

5.2. The maximum reserve fund target level has not been established.

This Policy is hereby approved by Council Resolution #262-19 on this 23rd day of September, 2019.