# Town of Whitby Policy

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| **Policy Title:** | Growth Reserve Fund |
| **Policy Number:** | F 050 |
| **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 Growth Reserve Fund.

## Purpose

The purpose of the reserve fund is to provide a funding source for the Growth Related Projects of the Town of Whitby to maintain existing service levels as the Town's population increases.

## Scope

This policy applies to the Growth Reserve Fund contributions included in the annual operating budget and the expenditures for Growth Related Projects included in the Capital Budget and Forecast.

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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 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.

1.3. **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).

1.4. **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.

1.5. **Council** means the Mayor and members of Council for the Town of Whitby.

1.6. **Growth Plan** means all growth related studies undertaken by the municipality including but not limited to the Development Charge Background Study as identified in the Development Charges Act and the Community Benefits Strategy as identified in the Planning Act.

1.7. **Growth Related Project** means a Capital Project or Capital Expenditure required to plan for future growth in the Town of Whitby and / or maintain existing service levels as the Town's population grows.

1.8. **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 Town's share of Capital Project costs and Capital Expenditures associated with the Growth Plan capital program(s) or other approved Growth Related Capital Project/Expenditure for the Town of Whitby as specified in the purpose of this policy.

3.2. The reserve fund can be used for the Town's share of annual long term debt repayments associated with the Growth Plan capital program(s) or other approved Growth Related Project for the Town of Whitby as specified in the purpose of this policy.

3.3. Usage of the reserve fund must be identified in the Council approved annual budget and 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 funding for this reserve fund comes from a taxed based contribution as identified in the annual operating budget.

4.1.1. During the annual budget process the Treasurer shall bring forward a recommendation based on the principle of long term financial sustainability to adjust the annual contribution based on the requirements identified in the Growth Plan, the requirements identified in the current Capital Budget and Forecast, Long Range Financial Plan and the current economic conditions.

4.1.2. At a minimum, the annual contribution must equal the Town's growth related total annual long term debt repayment amount, including tax based debt, development charge based debt and community benefits charge based debt.

4.2. As per the Capital Budget Monitoring and Control policy, any budget remaining for a closed Capital Project /Capital Expenditure originally funded from the Growth Reserve Fund would be returned to the Growth Reserve Fund.

4.3. The annual interest allocated by Treasury to this reserve fund.

## 5. Reserve Fund Target Balance

5.1. The minimum uncommitted reserve fund target balance cannot go below $0.

5.2. At maximum, the reserve fund target level equal to the Town of Whitby's total share of growth as identified in the Growth Plan.

## 6. Related Documents

6.1. Capital Budget Monitoring and Control Policy F 170

6.2. Reserve and Reserve Fund Policy

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