



Town of Whitby Policy

Policy Title:	Winter Control Reserve
Policy Number:	F 060
Reference:	Council Resolution #377-13
Date Originated:	September 16, 2013
Date Revised:	Not applicable
Review Date:	Not applicable
Approval:	Council
Point of Contact:	Financial Services Department

Policy Statement

The Town shall strive to establish and maintain a Winter Control Reserve so as to provide a source of funding to offset greater than budgeted winter control costs.

Purpose

The purpose of this policy is to describe the nature, use, funding sources and target balance for the Winter Control Reserve.

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1 Definitions

- 1.1 Fixed Cost** means costs that do not increase or decrease in the short term irrespective of changes in activity levels of the operation. In the case of winter control this includes wage and benefit related costs (not including overtime) and the base contractual requirements for the provision of Winter Control equipment.
- 1.2 Variable Costs** means costs that increase or decrease according to changes in activity levels of the operation. In the case of winter control this includes costs for operating supplies (such as salt and sand), overtime costs, and any variable cost component over the base contractual requirements for the provision of Winter Control equipment.
- 1.3 Winter Control Surplus** means at a fiscal year end, the excess that exists when the variable costs are less than budget.
- 1.4 Winter Events** means consist of snowstorms, ice storms, freezing rain, etc. and can vary in severity from season to season.

2 Responsibilities

- 2.1** Council to:
- Approve the use of the Winter Control Reserve.
- 2.2** Treasurer to:
- Evaluate the adequacy of the Winter Control Reserve subject to its target balance and the overall adequacy of the total contingency reserves category and report to Council during annual budget deliberations.
 - Ensure the planned use of the Winter Control Reserve is included in the quarterly forecast reports to Council.

3 Protocol

3.1 Winter Control Budget

The Town's objective is to ensure the annual winter control budget includes:

- fixed costs based on the most current or estimated contractual agreements;
- variable costs based on a rolling five-year average of actual costs for the most recent completed fiscal years.

3.2 Utilization of Funds

The monies held in the reserve shall be used for the purpose of funding unbudgeted winter control expenditures that may arise as a result of unanticipated winter events when an overall Town operating surplus cannot cover such additional expenses.

3.3 Funding Sources

The funding source for this reserve is dependent upon Winter Control surpluses. Once the reserve has reached the target balance, any Winter Control surplus would be disposed of according to the Disposition of Operating Surplus policy.

3.4 Target Balance

The target balance for the reserve is set at 50% of the annual Winter Control budget.

This Policy is hereby approved by Council Resolution #377-13 on this 16th day of September, 2013.