

THE CITY OF VAUGHAN

APPENDIX

APPENDIX TITLE: CONSOLIDATED RESERVE AND RESERVE FUNDS

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APPENDIX

Due to the number of reserves and reserve funds the City has in place, it is necessary to organize the specific reserve policies by Category and Type. For each category and type an overview will be provided and, where possible, similar policy traits will be summarized. Illustrated below are the categories and types that will form the foundation of this policy.

A. RESERVES

Sustainability Reserves

B. RESERVE FUNDS

1. Discretionary Reserve Funds

- 1.1. Infrastructure Renewal
- 1.2. Corporate Reserve
- 1.3. Special Purpose

2. Statutory/Obligatory Reserve Funds

- 2.1. City-wide
- 2.2. Area Specific
- 2.3. Restricted Grant Funding
- 2.4. Other Items

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Where applicable, for each reserve within the above items, the following detail will be illustrated:

- Dates (effective/revision)
- Purpose
- Intended use/Limitations.
- Annual withdrawals/transfers
- Minimum levels, targets, longer term goals
- Funding Source
- If required:
 - Specific reporting
 - Guiding legislation reference

A. RESERVES

Sustainability Reserves

Sustainability reserves are intended to manage cash flows and mitigate wide fluctuations on the Tax Levy created by extraordinary and unforeseen events, one-time expenditures, revenue shortfalls, etc. Reserves within this category are as follows:

Reserves identified above will follow guidance outlined in this policy 12.C.10, unless otherwise outlined below.

Reserve Name	By-law	Purpose	Intended Use/Limitations	Recommended Target	Funding Source
General Working Capital		To assist in periods throughout the year when cash balances are low and there is a requirement to cover payments and expenses, before taxes, grants and	The use of these funds is general in nature and this balance is intended to act as a cash float. Capital projects and transfers do not occur for these funds.	5%-15% of own source revenues.	Year-end city operating surplus.

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		other revenues become available.			
Tax Rate Stabilization		To protect against tax increases or reducing service levels due to temporary shortfalls, economic trends, or unanticipated operating expenditures.	To offset extraordinary one- time pressures or phase-in significant impacts affecting the tax levy and not to be considered a long-term sustainable funding source for general operations. Annual withdrawals – are not to exceed an annual value equivalent to a 2% tax rate increase.	5%-15% of own source revenues.	Year-end city operating surplus.
Engineering		The Development Engineering Department collects fees for subdivision development services and other activities that span multiple years. This activity is also highly sensitive to volatile and declining economic trends. This reserve fund is established to set aside fees collected, which are reallocated to operations when associated work is performed to more accurately match revenues with expenses and help smooth any future fluctuations.	To cover the engineering activity full costs associated with growth development from application to assumption i.e., planning, studies, drawings, installation coordination, inspections, negotiations, process coordination, overhead, etc. The subdivision application process can span multiple years to administer and therefore funding sources, primarily fees, are reserved until required. Withdrawal/Transfers: Based on the operating activity related to the development application process. This includes Development Engineering departmental costs and other recoveries for staff that are	Undetermined; based on forecasted requirements.	Revenues from engineering fees.

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			directly involved in the application review process.		
Winterization	97-2005	To offset significant unfavorable budget variances due to severe winter conditions.	To be used to offset unfavorable year-end Winter Control Division variances due to severe winter conditions, which put the City in an overall unfavorable position. Upon authorization of the Deputy City the Deputy City Manager of Corporate Services/CFO, funds may also be used to phase-in unexpected expense pressures i.e., contract negotiations, etc.	A maximum of 40% of the four-year Winter maintenance annual adjusted average costs.	Net annual surplus funds generated within the Public Works Winter Control Division or City-wide. Contributions will occur as required.
Planning	30-2006	Given the Development Planning Department sensitivity to volatile and declining economic trends the reserve balance is intended to mitigate any future financial risk or smooth impacts.	To be used to offset unfavorable revenue variances due to severe economic conditions, which would otherwise cause the City to be in an overall deficit position. Upon authorization of the Deputy City Manager of Corporate Services/CFO funds may also be used to phase in large budget pressures i.e., corporate studies, fee initiatives, etc.	1.5x the annual three-year planning revenue average.	At the discretion of the Deputy City Manager of Corporate Services/CFO and from annual planning net surpluses, subject to year-end City operating results.

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Year-End Expenditure		To preserve annual operating budget amounts for unexpected delays in budgeted activities, excluding fulltime continuous staffing.	Transferred funds are to be used as stated in the approved department memorandum, authorized by Deputy City Manager of Corporate Services/CFO. Each memo shall state the source, purpose, balance and timing. If transferred funds are not expended in the following year or within the authorized timing, the department will be notified, and funds will be reversed to surplus and/or other reserve at the discretion of the City Treasurer/DCM/CFO.	Not applicable, based on requirements.	Unspent Operating funds requested, subject to the City being in an overall surplus position at year- end.
Debenture Reserve Fund		To smooth the operating impact of new debenture annual payments.	To be used to phase- in the impact of debenture payments. Funds will be drawn upon at the discretion of Deputy City Manager of Corporate Services/CFO.	A minimum amount of 2 times the annual debt servicing costs of actual capital expenditures with debt financing, for which the debt has not been issued. Once the debt is issued, this reserve will be used to phase	In the year of project approval, an operating budget contribution equivalent to ½ of the annual debenture servicing payments (principal and interest) be provided annually until

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				in the payments of debt servicing costs to the operating budget.	the year in which payment commences.
Building Standards Service Continuity (obligatory)	31-2006	Bill 124 imposes specific restrictions on the use of building code revenues. The purpose of the reserve is to accumulate annual building code surpluses, which will be specifically used to provide building code service continuity only.	Municipalities are required to segregate fees generated through building code permits and restrict them for building code related purposes. Uses are limited to: Offset unfavorable revenue variances due to severe economic conditions; Subsidize any negative year-end negative year-end position; and, upon authorization of the Deputy City Manager of Corporate Services/CFO, funds may also be used to fund or phase-in large building code budget items i.e. corporate studies, fee initiatives, capital projects, etc. Special Reporting: As part of Ontario Building Code 124, the City shall prepare an annual financial report by March 31st of each year. This report includes the account balance for any building permit reserve funds that have been established by Council.	A maximum of 1.5x the annual building code process costs, both direct and indirect. If recommended target is exceeded, trends and fees should be reviewed.	From annual building code revenue surplus. Specific Legislation Specific Legislation Reference: Ontario Building Code – Bill 124.

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B. RESERVE FUNDS

1.1. Infrastructure Renewal (Discretionary)

The City’s largest investment is in its infrastructure network, which supports the City’s overall quality of life. These items range from roads and water mains to fire engines, to libraries and community centers.

The City’s infrastructure reserves are very similar in nature and for this reason this section will identify a general infrastructure reserve purpose, recommended target, and funding source section followed by the intended use/limitation for each individual reserve. Where applicable if additional information is required, other sections may be added.

The reserves will follow guidance provided in policy 12.C.10, unless otherwise illustrated below.

Reserve Name	By-law	Purpose	Intended Use/Limitations	Recommended Target	Funding Source
All Infrastructure Renewal Reserves listed below in this section (Discretionary)		Reserves form an important component of the Capital financing plan for infrastructure network items and are used specifically for the purpose of repairing and replacing assets as defined in the capital budget guidelines and the intended use/limitation section of each reserve.		Minimum: A balance equivalent to the next year’s planned spending requirements. Maximum: A balance equivalent to accumulated amortization for the reserve asset class.	The primary source of funding for these reserves, unless otherwise stated, is operating budget contributions determined during the budget process and adopted by Council.

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<p>Building & Facilities Infrastructure</p>		<p>To fund repair and replacement costs associated with City structures and parking areas.</p>	<p>Includes administration facilities, community centers, libraries, memorial sites, park washrooms and facilities, fire stations, public works yard structures, etc. Heritage facilities are excluded and funded through a separate reserve.</p>	<p>Minimum: A balance equivalent to the next year's planned spending requirements for building and facility project costs, excluding land. Maximum: A balance equivalent to accumulated amortization for the reserve asset class.</p>	<p>The primary source of funding is operating budget contributions determined during the budget process and adopted by Council.</p>
<p>Heritage Fund</p>		<p>To fund the acquisition, preservation and ongoing rehabilitation of heritage facilities or items of architectural/cultural significance.</p>	<p>To fund the acquisition, preservation and ongoing rehabilitation of heritage facilities or items of architectural/cultural significance.</p>	<p>An annual contribution for new additions based on Building and Facility Department's estimated replacement requirements over the asset's life.</p>	<p>The primary source of funding is operating budget contributions determined during the budget process and adopted by Council. Where possible, the initiating department will consider sponsorship, donations and fund raising.</p>

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Parks Infrastructure		To fund repair, refurbishment, and replacement costs associated with City Park structures.	Includes paths, lighting, pooled furniture, field infrastructure, play field grading and drainage, splash pads, fencing, etc.	Minimum: A balance equivalent to the next year's planned spending requirements for Parks Infrastructure project costs. Maximum: A balance equivalent to accumulated amortization for the reserve asset class. Annual contributions adjusted annually based on needs.	The primary source of funding is operating budget contributions determined during the budget process and adopted by Council.
Artificial Soccer Turf Reserve	56-2010	Offset future major artificial soccer turf rehabilitation costs.		Contributions based on needs.	The net difference in rental rate revenue between premium soccer fields and artificial soccer turf fields.
Vehicle Replacement		To fund refurbishment, and replacement costs associated with vehicles and equipment maintained by the City's Fleet department.	Excludes fire and rescue apparatus, vehicles and equipment that are maintained by	Annual contributions adjusted annually based on needs.	The primary source of funding is operating budget contributions determined during the budget process and adopted by Council.

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			Vaughan Fire and Rescue Service.		
Fire Equipment Replacement		To fund repair, refurbishment, and replacement costs associated with fire and rescue apparatus, vehicles, and equipment.		Annual contributions adjusted annually based on needs.	The primary source of funding is operating budget contributions determined during the budget process and adopted by Council.
Roads		To fund repair, refurbishment, and replacement costs associated with City roads and bridges and relevant road appurtenances such as streetlights, traffic signals, guardrails, traffic signals, etc.		Annual contributions adjusted annually based on needs.	The primary source of funding is operating budget contributions determined during the budget process and adopted by Council.
Entrance & Streetscape Features		To fund repair, refurbishment, and replacement costs associated with City owned entrance way features and streetscape structures such as lighting, pathways etc.		Annual contributions adjusted annually based on needs.	The primary source of funding is operating budget contributions determined during the budget process and adopted by Council.
Uplands - Capital Improvement		To fund major repair, refurbishment, and replacement costs associated with Uplands Ski and Golf Club and as per the obligations set out in the Uplands Golf and			Funding is based on a license fees - 10 per cent of gross revenues up to \$1.6M and 15 per cent above this amount.

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		Ski Management Agreement, expiring Oct. 31st, 2015.			
City Playhouse	263-96	To support theatre groups and performers.	Includes the acquisition of special equipment, permanent works of art and provide educational opportunities.	Annual contributions adjusted annually based on needs.	The primary source of funding is operating budget contributions determined during the budget process and adopted by Council. Where possible, third party donations, net theatre program proceeds, and a percentage of theatre tickets.
Technology Asset Replacement		To fund repair and replacement costs associated with City information technology infrastructure, including computers (e.g., desktops, laptops, monitors, workgroup printers, etc.), central computing items (e.g., networks, servers, etc.), telephones, and audio/visual infrastructure.	Software upgrades and computing peripheral devices are excluded.	Annual contributions from the operating budget adjusted annually based on needs.	The primary source of funding is operating budget contributions determined during the budget process and adopted by Council.

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Library Material		To fund new acquisitions for Library materials (i.e., Books, DVD, CD's, etc.)	Magazines, digital databases, and digital materials with a useful life of less than one year are excluded.	Based on estimated future values and a lifecycle replacement period of 12 years. Funds are generally transferred to the reserve and spent within the same year.	Funded annually from the Library Services operating budget
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1.2 Corporate Reserves (Discretionary)

Corporate Reserves protect against the consequences of certain risks, liabilities, and corporate programs. Reserves within this category are as follows:

- Election
- Insurance
- Employer Benefits
- WSIB Claims Reserve
- Suggestion Program
- Management By-law
- Innovation Reserve

The above reserves will follow guidance provided in this policy 12.C.10, unless otherwise indicated below.

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Reserve Name	By-law	Purpose	Intended Use/Limitations	Recommended Target	Funding Source
Election	18-97	To fund elections, recounts, and by-elections.	At the discretion of the City Clerk, to be used to fund those expenditures related to elections, recounts, and by-elections (e.g., technology, tabulator leases, voter list services, election personnel labour costs, etc.).	Escalating balance up to the forecasted direct election expenditures in the year of the election.	Dedicated operating budget transfer, plus any election campaign surpluses pursuant to the Municipal Elections Act, 1996.
Insurance	407-86	To hold funds for the payment of qualified claims and to set aside funds for future retroactive rate adjustments to minimize future tax rate impacts.	For the payment of the cost of the repair of equipment and property under claims to which the insurance deductible clause applies; to set aside funds to pay for any retroactive assessments that may be levied by OMEX (Ontario Municipal Insurance Exchange).	Based on actuarial forecast requirements, estimated at 30%-40% of a cumulative five-year premium total.	Year-end city operating surplus. If possible, a dedicated operating budget transfer until the recommended target is reached and/or maintained.
Employer Benefits	313-96	To mitigate and/or phase-in employer benefit cost increases.	To be used to reduce the unfunded liability for accrued future employee benefits and vacation pay. This reserve can also be used to phase in significant future benefit cost increases or unexpected one-time benefit related	Based on actuarial estimates; balance required to meet the unfunded liability requirements.	Related benefit surplus.

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			expenditures (e.g. CPP, EI, benefit plan costs, etc.).		
WSIB Claims	Ref: Sept. 9th, 2004 COW Report 65 Item 2 (Adopted at Council Sept. 22, 2003).	To fund the potential high costs of WSIB claims.	To assist in funding WSIB schedule 2 claims, up to the deductible of the stop loss insurance.	Not applicable, based on requirement.	Funding Source: <ul style="list-style-type: none"> · Fixed \$75,000 annual operating budget transfer (to be adjusted based on analysis of requirements) · WSIB benefit rate surplus · WSIB refunds
Suggestion Program		To have funds set aside for the purposes of an Employee Suggestion Program.	To provide awards to employees as outlined in the Employee Suggestion Program.	Not applicable, based on requirements.	No future continuous funding source determined.
Management By-law	Ref: Management by-law 100-202, section 13	To provide funds for incentive payments to those management/non-union staff who qualify.	Incentive payments would be to a maximum of 5 per cent of the employee's annual salary. The payment would be made upon the authorization of the City Manager to recognize the performance of an employee during a special circumstance.	To be determined.	No future continuous funding source determined.
Innovation		To provide seed funding for innovative value propositions,	Eligible projects will require a business case. Annual withdrawals –	Based on needs, new ideas	Year-end city operating surplus.

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		which require upfront investment.	Determined through the budget process.	proposed and fiscal health.	
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1.3. Special Purpose (Discretionary)

Special Purpose Reserves are intended to manage cash flows that have been set aside to provide for the delivery of specific services. Reserves within this category are as follows:

- Cemetery
- Garnet A. Williams C.C. Reserve
- Industrial Development
- Keele Valley Landfill
- Senior Citizens Bequests
- Sale of Public Land
- Water & Wastewater
- Municipal Accommodation Tax and Tourism

The above reserves will follow guidance provided in this policy 12.C.10, unless otherwise illustrated below.

Reserve Name	By-Law	Purpose	Intended Use/Limitations	Recommended Target	Funding Source
Cemetery	Ref: Cemetery Act section #35 & Cemetery By-law 180-92.	To provide funds for the perpetual care of City-owned cemeteries.	To be used for the upkeep and repair of City-owned cemetery structures, pathways, fencing, lighting, furniture, etc. Items should be limited to expenses outside the scope of activities funded through	Not applicable, based on requirements.	No future continuous funding source determined.

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			cemetery operating or trust funds.		
Garnet A. Williams C.C. Reserve	112-2006	To provide funds for ongoing repair and maintenance associated with Garnet A. Williams Community Centre's daycare area.	To be used for future repairs, renovations, monthly maintenance, or capital improvements to the space in the Garnet A. Williams Community Centre that is rented to an external provider of daycare services. In the instance the agreement is complete; funds are to be used for conversion or retrofitting purposes.	Not applicable, based on requirements.	No future continuous funding source determined.
Industrial Development		To provide funds for the acquisition and development of industrial lands.	To be used to purchase industrial lands and make any necessary changes to the land to make it suitable for industrial development.	Not applicable, based on requirements.	Applicable funds from the sale of public lands used for this specific purpose.

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Keele Valley Landfill	Ref: Council Report December 10, 1984	To hold funds received from operations related to the Keele Valley Landfill.	To be used for beautification projects on the Maple community, as compensation for inconvenience of past and current maple landfill operations. To be used primarily for streetscape development within Maple.	Not applicable, based on requirements.	A 10 % portion of the royalties received by the Metropolitan Corporation from Eastern Power Ltd. from the sale of landfill gas to be used in the generation of electricity to Ontario Hydro. Eastern Power Ltd. has ceased power production at the Keele Valley Landfill site as of December 2015, which has resulted in the termination of royalty revenues. No future funding source identified.
Senior Citizens Bequests		To deposit funds received from citizen bequests until such a time as they can be used.	Use of funds as outlined in the citizen bequest at time of donation. If funds or a portion of the funds remain unused for five years beyond the intended date for use date, funds will be reallocated to other City purposes at the discretion of the	Not applicable, based on requirements.	Citizen bequests.

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			Deputy City Manager of Corporate Services/CFO.		
Sale of Public Land	38-2-04	To hold land sale proceeds until required for general or specific purposes.	As authorized by Council, including applicable recoverable costs associated with the land purchase e.g. land testing, appraisals, studies, transaction costs etc.	Not applicable, based on requirements.	The sale of City owned surplus lands, approved by Council, excluding surplus parkland.
Water Reserve	Council Report December 10, 1984.	To ensure the financial viability and continued operations of the Water Department of the Environmental Services Division.	To provide funding for working capital, capital infrastructure projects (e.g. vehicles, studies, water main repairs, etc.) and smooth operating fluctuations	Minimum: A balance equivalent to the next year's planned spending requirements for water capital project costs and 10% of annual operating costs for the Water Department. Maximum: A balance equivalent to accumulated amortization for the reserve asset class.	Annual Water operations net surplus.

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<p>Wastewater Reserve</p>	<p>Council Report December 10, 1984.</p>	<p>To ensure the financial viability and continued operations of the Wastewater department of the Environmental Services Division.</p>	<p>To provide funding for working capital, capital infrastructure projects (e.g. vehicles, studies, waste main repairs, etc.) and smooth operating fluctuations</p>	<p>Minimum: A balance equivalent to the next year's planned spending requirements for wastewater capital project costs and 10% of annual operating costs for the Wastewater Department. Maximum: A balance equivalent to accumulated amortization for the reserve asset class.</p>	<p>Annual Wastewater operations net surplus.</p>
<p>Stormwater Reserve</p>	<p>Council Report January 16, 2017.</p>	<p>To ensure the financial viability and continued operations of the Stormwater department of the Environmental Services Division.</p>	<p>To provide funding for working capital, capital infrastructure projects (e.g. vehicles, studies, storm main repairs, etc.), and smooth operating fluctuations</p>	<p>Minimum: A balance equivalent to the next year's planned spending requirements for stormwater capital project costs and 10% of annual operating costs for the Stormwater Department. Maximum: A balance equivalent to accumulated amortization for the reserve asset class.</p>	<p>Annual Stormwater operations net surplus.</p>

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State of Good Repair Reserve-Water	Council Report December 10, 2019.	To provide funding for unplanned/emergency repairs for the Water department	To fund unplanned/emergency repairs for the water program.	Annual contributions from the operating budget of unplanned/emergency activities.	Annual Water unplanned/emergency operations net surplus.
State of Good Repair Reserves-Wastewater	Council Report December 10, 2019.	To provide funding for unplanned/emergency repairs for the Wastewater department.	To fund unplanned/emergency repairs for the wastewater program.	Annual contributions from the operating budget of unplanned/emergency activities.	Annual Wastewater unplanned/emergency operations net surplus.
State of Good Repair Reserves-Stormwater	Council Report December 10, 2019.	To provide funding for unplanned/emergency repairs for Stormwater department	To fund unplanned/emergency repairs for the and stormwater program.	Annual contributions from the operating budget of unplanned/emergency activities.	Annual Stormwater unplanned/emergency operations net surplus.
Public Art		To provide funding for public art installations across the City	To be used to fund public art installations with a specific focus on intensification areas	Annual contributions from the operating budget adjusted annually based on needs.	The primary source of funding is operating budget contributions determined during the budget process and adopted by Council.
Municipal Accommodation Tax and Tourism		To fund City initiatives to provide relief to the tax base and		Based on forecasts included in the annual budget. Actual may vary from the budget.	Fifty percent of the 4% Municipal Accommodation Tax collected from accommodation

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		where possible a benefit and linkage to the promotion of tourism.			establishments in the City of Vaughan.
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2.1 City-wide (Obligatory)

For the majority of services that the City provides, a range of capital facilities, land, equipment and infrastructure is available throughout the City, community centers, libraries, roads, etc. All City residents have access to these facilities. As growth occurs, new facilities will need to be added so that overall service level does not decline.

Under the authority of the Development Charges Act, 1997, the City has passed a by-law to impose City-wide development charges (DCs) against all development anywhere in the City to pay for growth capital costs arising from development and redevelopment within the City.

The development charge background study undertaken by the City estimates the anticipated type of development and associated capital costs to maintain historical 10 year average service levels. It should be noted development charge collections are dependent on the economy and therefore future capital plans may require adjustments and will be different from the initial development charge document plans.

The City’s City-wide Development Charge Reserve funds are very similar in nature and for this reason this section will identify a general purpose, recommended target, and funding source section followed by the intended use/limitation for each individual reserve. Where applicable, if additional information is required other sections may be added.

The reserve funds will follow guidance provided in this policy 12.C.10, unless otherwise illustrated below.

The Development Charges Act, 1997, c. 27, s. 33 states that “a municipality that has passed a development charge by-law shall establish a separate reserve fund for each service to which the development charge relates.”

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Reserve Name	By-law	Purpose	Intended Use/Limitations	Recommended Target	Funding Source
Development charges (DC)		Development charges collected are paid into the reserve fund for which the charge relates. Growth related projects are funded from these reserve funds and are typically outlined in the Development Charge Background Study forecast.		Funding targets are based on Development Charge Background Study requirements.	Development charges as outlined in the Development Charge By-Law.
City-Wide – Management Studies (DC)		To provide capital funds to undertake growth-related studies and other general government functions as permitted under legislation (i.e., official plan, secondary plans, development change document etc.) as outlined in the development charges study.		A forecast shall be maintained to ensure that future development funds received are sufficient to cover costs of studies undertaken.	Funded from DC Rate collections
City-Wide – Library (DC)		To provide capital funds to support growth related library services including land, buildings, furnishings and resource materials as outlined in the development charges study.			Funded from DC Rate collections
City-Wide – Fire		To provide capital funds to support growth related Fire and Rescue Services including land, buildings, furnishings, equipment, vehicles, etc. as outlined in the development charges study.			Funded from DC Rate collections

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City-Wide – DC Community Services		To provide capital funds to support growth related indoor recreational services including land, buildings, furnishings, equipment, etc. (e.g., indoor pools, fitness centers, ice resurfacers, etc.) as outlined in the development charges study.			Funded from DC Rate collections
City-Wide – Park Development (DC)		To provide capital funds to support growth related park development and facilities (e.g., park facilities, special facilities, pedestrian and bicycle trail systems, operation building, water parks, lighting, furniture etc.) as outlined in the development charges study.	Land is excluded from the City-Wide Park Development charge as it is covered under the CIL recreation land reserve.		Funded from DC Rate collections
City-Wide – Public Works/Fleet Management (DC)		To provide capital funds to support growth related public works and fleet operations including land, works yards, salt domes, vehicles of City departments, etc., as outlined in the development charges study.	Fire and Rescue Services related fleet is excluded, which maintains a separate reserve for its own rolling stock.		Funded from DC Rate collections
City-wide – Roads (100% DC eligible)		To provide capital funds to support growth related undertake engineering services which include roads, structures, sidewalks, streetlights, intersection improvements, traffic signalization, streetscaping, growth related studies, etc. as outlined in the development charges study.			Funded from DC Rate collections

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2.2 Area Specific (Obligatory)

For some services that the City provides, the need for growth related capital additions to support anticipated development is more localized. For such services where costs and benefits are more localized, an alternative technique – the “area- specific approach” is employed. This approach results in a more accurate distribution of costs among developers than the City-wide approach. The area-specific charges relate to the provision of major water distribution mains, sewage collection trunks and storm water drainage works.

Under the authority of the Development Charges Act, 1997, the City has passed by-laws to impose Area Specific Development Charges against specific development to pay for increased capital costs required because of increased needs for physical and other services arising from development and redevelopment within the City.

The City’s Area Specific Development Charge Reserve funds are similarly structured and for this reason this section will identify a general purpose, recommended target, and funding source section followed by a listing of active reserve funds.

The reserves will follow guidance provided in this policy 12.C.10 unless otherwise illustrated below. The area specific approach may facilitate front-end financing arrangements for designated services.

Reserve Name	Bylaw	Purpose	Intended Use/Limitations	Recommended Target	Funding Source
Area Specific (DC)		Development charges collected are paid into the reserve fund for which the charge relates to specific water, wastewater, and storm drainage capital projects outlined in the Development Charge Background Study.	The area specific approach may facilitate front- end financing arrangements for designated services. Front-ending developers are not reimbursed for works until the associated development charges are received and a capital project for the works has been approved.	A forecast shall be maintained to ensure that future development funds received are sufficient to cover costs of studies undertaken.	Development charges collected from developers as outlined in the by-law associated with the area specific development charge.

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The following are a list of the City’s Area Specific Development Charge Reserve funds for the provision of major water distribution mains, sewage collection trunks and storm water drainage works:

- Rainbow Creek Drainage Works
- Pressure District 5 West Woodbridge Watermain
- Pressure District 7 Watermain West
- Zenway/Huntington Road Sanitary Sub Trunk
- Highway 27 South Servicing Works
- Huntington Road Sanitary Sewer (Trade Valley to Rutherford)
- Edgeley Pond and Black Creek Channel Works
- VMC-Interchange SWM Pond Retrofit Works
- Steeles West Sanitary Sewer Improvement Works
- Steeles West SWM Works
- Woodbridge Avenue Sanitary Sewer Improvements
- VMC West Interchange Sanitary Sewer Improvements
- VMC SE Doughton Sanitary Sewer Improvements

2.3 Restricted Grant Funding (Obligatory)

These reserve funds are supported by legislation (federal, provincial or other Act based). These reserves support the City’s existing capital infrastructure.

The reserves will follow guidance provided in policy 12.C.10, unless otherwise illustrated below.

Reserve Name	By-law	Purpose	Intended Use/Limitations	Recommended Target	Funding Source
Canada Community-Building Fund (CCBF)	29-2006	To fund municipal infrastructure projects as described in the Municipal Funding Agreement for the transfer of CCBF between the Association of Municipalities of	Money shall be spent in accordance with the standing legislation regarding the use of these funds.	Not applicable. Funding allocations are determined by the AMO based on population.	Funding is provided by the Federal Government from Gas Tax Revenues to the AMO which is responsible for the distribution to the

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		Ontario (AMO) and the City of Vaughan.			municipalities within the province.
Municipal Roads & Infrastructure Grant Reserve (Federal)/Investing in Ontario Grant Reserve (Provincial)		To be used at the City's discretion for infrastructure capital projects.	Once the remaining balance of the reserve is used, a report can be brought to Council requesting the closure of this reserve account.	Not applicable.	These reserves resulted from one-time upfront lump sum funding received from the Federal and Provincial governments. These reserves will not receive any future funding.

2.4 Other Items (Obligatory)

Developer agreements may also stipulate the collection of fees from developers for specific purposes. These fees are deposited into a reserve until such a time as the funds are required for capital project completion.

The reserves will follow guidance provided in this policy 12.C.10, unless otherwise illustrated below.

Reserve Name	By-law	Purpose	Intended Use/Limitations	Recommended Target	Funding Source
Cash-In-Lieu of Parkland		To provide funds to acquire active and/or passive parkland and the associated costs of preparing the land for its intended purpose (i.e., surveys, appraisals, soil testing, indirect recoveries, etc.).	In lieu of conveying parkland within the planned development, a developer may opt to provide the City with cash- in-lieu; the City then takes on the responsibility of parkland	Not applicable, based on external development decisions.	As per s.42, s.s.1 of the Planning Act, the developer has the option to convey land to the City or provide an equivalent cash value. The sale of surplus parkland

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			development within the community.		would also be used to fund this reserve.
Community Benefits Charge (CBC)		To provide capital funds for projects that are identified within the CBC Strategy.	In each calendar year, the City is required to spend or allocate at least 60 per cent of the monies that are in the special account at the beginning of the year. Growth related projects are funded from these reserve funds and are typically outlined in the CBC Strategy forecast.	Not applicable, based on external development decisions.	As per s.37 of the Planning Act, the developer is required to pay CBCs at rates as determined by the CBC By-law.
Tree Replacement Fee		To fund the planting of new or replacement of existing trees throughout the City.		Not applicable, based on requirements.	Fees as outlined in developer agreements and through Committee of Adjustment severance applications.
Kleinburg Parking	180-2006	To retain “cash-in-lieu revenue” from future development in the Kleinberg community to fund vehicle parking activities.	For the purpose of land acquisition, construction of parking spaces, landscaping, lighting of parking t and long-term maintenance of parking spaces.	Not applicable, based on requirements.	Fees as outlined in developer agreements and through Committee of Adjustment applications.

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Royal Palm Drive		To extend Royal Palm Drive to Crestwood Drive (#35).		Not applicable, based on requirements.	Fees as outlined in developer agreements.
Developer Agreement		To fund projects to be completed by Public Works and Engineering to ready an area for development.	Per developer agreements.	Not applicable, based on requirement.	Fees as outlined in Schedule "I" of various developer agreements.

The following reserves are for specific purposes and to fund projects to be completed by Public Works and Engineering to ready an area for development:

- Subdivider Agreements.
- Geodetic Benchmark.
- Sewer Camera Inspection.
- Greenways: Woodbridge Expansion Area.
- Open Space: Woodbridge Expansion Area; and
- Entry Feature: 427 (Hwy 27 & Hwy 427).