

2024 Review of Reserves and Reserve Funds

Administrative Reserve Amendments

Purpose

To present the proposed updates to Appendix A of the Consolidated Reserve and Reserve Fund Policy that are within the CFO authorization.

1. Amendments Requested by Departments

These are specific changes requested by departments to either add a new dimension to the scope of uses, include missing information, or refine the wording regarding the purpose and funding source of a reserve without fundamentally altering its original intent.

Reserve	Background	Proposed Changes
Insurance	<ul style="list-style-type: none"> • The full breath of expenses that can be funded from the reserve is not reflected in the current definitions. • The recommended target level for the reserve used in practice is different from that documented on the Appendix. 	<p>Purpose: Expand the purpose to account for the inclusion of claim-related expenses and insurance premiums within the breadth of funded expenses.</p> <p>Intended Use/Limitations: Broaden the definition to include claim-related expenses, premiums, and retroactive assessment costs covered by the reserve.</p> <p>Recommended Target: Align the target level of the reserve with actuarial forecast requirements, which is the city's current practice, rather than the "30%-40%" of the cumulative five-year premium total currently documented in the policy.</p>
Management By-law	<p>The Management By-Law Reserve funds incentive payments for eligible management and non-union staff. The Suggestion Program Reserve, which funded a now-defunct employee suggestion program, is recommended for closure, with its remaining balance transferred to the</p>	<p>Update the reserve details as follows.</p> <p>Purpose: To provide funds for the Attraction and Retention Program.</p> <p>Intended Use/Limitations: Funds to be used for the program include but is not limited to:</p> <ul style="list-style-type: none"> -Incentive payments (e.g. Signing

Attachment 1 – Administrative Reserve Amendments

Reserve	Background	Proposed Changes
	<p>Management By-Law Reserve. The proposed change aims to reflect a broader purpose that includes both the attraction and retention of workers, encompassing the core objectives of both reserves.</p>	<p>Bonuses) - Marketing and communications for brand promotions - Learning and Development Opportunities - Employee Engagement (i.e. feedback/suggestion program) - AWA Subsidies Recommended Target: Annual contributions based on needs. Funding Source: Operating budget contributions determined during the budget process and adopted by Council.</p>
Election	<p>The current Appendix wording allows the City Clerk to exercise discretion in using funds from the reserve. The proposed change clarifies that this discretion is exercised in accordance with the Municipal Elections Act, 1996.</p>	<p>Add the following wording to the 'Intended Use' description: 'In accordance with the Municipal Elections Act, 1996'.</p>
Entry Feature: 427 (Highway 27 and Highway 427)	<p>Expand the details related to the purpose of the reserve by specifying where the funds are intended to be used.</p>	<p>Add the following wording to the 'Purpose' description: "Gateway feature in the Highway 7 and Highway 427 interchange area."</p>
Uplands - Capital Improvement	<p>The current wording in the Appendix refers to details of an agreement for the management of Uplands Golf and Ski that expired in 2015. The proposed change will update these details with the terms of the new agreement.</p>	<p>Update details as follows. Purpose: To fund major repair, refurbishment, and replacement costs associated with Uplands Ski and Golf Club as per the obligations set out in the Golf North Agreement, expiring Oct. 31st, 2037 (with potential renewal until Oct. 31st, 2042). Recommended Target: Based on rent/lease as outlined in the Golf North Agreement, 90% to be deposited directly into the reserve fund, and the remaining 10% retained for contract-administrative costs.</p>
City-Wide – Library Buildings (DC)	<p>The City-Wide Library (DC) Reserve provides capital funds to support growth-related library services, including both</p>	<p>Rename in JDE "City-Wide – Library Buildings (DC) Reserve" to "City-Wide Library (DC) Reserves."</p>

Reserve	Background	Proposed Changes
	resource materials and buildings. However, the JDE name does not reflect that it also covers material resources. The proposed change seeks to rectify this discrepancy.	
Recreation Land	The title of the reserve on JDE should be renamed to align with the name used in the Appendix, which is also the name most commonly used in practice. The associated By-Law should also be added to the details.	<ul style="list-style-type: none"> ● Rename Recreation Land Reserve on JDE to Cash-In-Lieu of Parkland ● Add the associated By-Law 168-2022 to the Appendix
City-Wide – Community Services (DC)	The City-Wide Community Services (DC) Reserve now incorporates the functions of the former City-Wide Park Development (DC) reserve. The description of the ‘Purpose’ and ‘Intended Use’ should be expanded to reflect the functions of both reserves.	<p>Purpose: To provide capital funds to support growth-related indoor recreational services and park development facilities as outlined in the development charges study.</p> <p>Intended Use/Limitations: Funds may be used for land, buildings, furnishings, equipment, and facilities, such as indoor pools, fitness centers, ice resurfacers, park facilities, special facilities, pedestrian and bicycle trail systems, operation buildings, water parks, lighting, and furniture.</p>

2. Correction of By-Law References

Over time, some by-law references have changed or were originally recorded incorrectly. The proposed changes aim to correct these discrepancies.

Reserve	Background	Proposed Changes
Cemetery	The current reference to the Cemetery Reserve cites a repealed By-Law (180-92). The proposed change will update the Appendix with the correct By-Law reference.	Remove the old By-Law reference and replace it with the correct By-Law, 144-2022.
Sale of Public Land	The By-Law section of Appendix A incorrectly references By-Law 50440, which does not exist.	Delete the reference to By-Law 50440 from the Appendix.

Reserve	Background	Proposed Changes
Community Benefits Charge (CBC)	The By-Law associated with the reserve is not currently referenced in Appendix A.	Add the associated By-Law, 201-2022, to Appendix A.

3. Area Specific Development Charges Reserves

Area-specific reserves are described in broad terms in the Appendix. The proposed changes aim to enhance the information about each reserve by detailing the unique projects earmarked for each locale. The following details will be added for each reserve.

Reserve	Proposed Changes
D28.1-Black Creek Immediately Affected Landowners	Purpose: To construct improvements to the Black Creek Channel to mitigate flooding for lands adjacent to the channel.
D28.3-Black Creek Undeveloped Lands, BC Drainage Shed	Purpose: To construct improvements to the Edgeley Pond and Black Creek Channel to mitigate flooding for the larger drainage area.
D28.2-BC-VMC Areas Draining	Purpose: To construct improvements to the Edgeley Pond to benefit lands that naturally drain to this pond, to address flooding concerns.
VMC-Interchange SWM Pond Retrofit Works	Purpose: To construct improvements to the stormwater management pond in the southwest quadrant of the VMC to facilitate growth.
Woodbridge Avenue Sanitary Sewer Improvements	Purpose: Improvements to the Woodbridge Ave Sanitary sewer to accommodate new growth.
D34-VMC West-Interch.Sewer	Purpose: To construct a new sanitary sewer to facilitate growth in the southwest quadrant of the VMC.
VMC SE Doughton Sanitary Sewer Improvements	Purpose: Improvements to the Doughton Rd Sanitary sewer to accommodate new growth.
Rainbow Creek Drainage Works	Purpose: To construct a new sanitary sewer to facilitate growth in Block 59 of the city.
D8-Rainbow Creek Drainage	Purpose: To construct improvements in the Rainbow Creek drainage shed to address erosion control and flood mitigation.
D15-PD#5 W. Woodbridge Watermain	Purpose: To construct a watermain to facilitate growth in the West Woodbridge area.
Zenway/Huntington Road Sanitary Sub Trunk	Purpose: To construct a new sanitary sewer to facilitate growth along Huntington Rd and Hwy 50 area.
Huntington Road Sanitary Sewer (Trade Valley to Rutherford)	Purpose: To construct a new sanitary sewer to facilitate growth along Huntington Rd and Hwy 50 area.

Attachment 1 – Administrative Reserve Amendments

Reserve	Proposed Changes
Highway 27 South Servicing Works	Purpose: To recover costs for a watermain and sanitary sewer to service lands at Hwy 27 and Hwy 407 interchange.
Steeles West Sanitary Sewer Improvement Works	Purpose: To construct a new sanitary sewer to facilitate growth along Steeles Ave West, east of Jane St.
Steeles West SWM Works	Purpose: To construct a new stormwater management pond at Jane and Steeles to facilitate growth along Steeles Ave West, east of Jane St.
D37-Jane St Sanitary	Purpose: To construct a new sanitary sewer to facilitate growth in Jane Street.

4. Inclusion of New Details

The following are new details for reserves previously not included on Appendix A.

Reserve Name	Reserve Type	Purpose	Intended Use/Limitations	Recommended Target	Funding Source
VMC Edgeley Park Mews Reserve	Other Items	Funds for future repair and maintenance of City-owned pedestrian mews above condo parking garages.	For the future repair and maintenance of City-owned pedestrian mews located on the surface above the future condo underground parking garages.	Not applicable.	Determined through a site-specific agreement with adjacent landowners.
D13-Woodlot Acquisition	Other Items	Funds for the acquisition of significant woodlots identified through OPA400 and OPA600, collected via a woodlot acquisition charge from developers adjacent to the acquired lands.	For the acquisition of significant tableland woodlots identified through OPA400 and OPA600 across the City, administered through the Comdel Front-Ending Agreement.	A forecast shall be maintained to ensure that all acquired woodlots are fully reimbursed to front-ending landowners.	Acquisition charges collected from developers in identified areas across the City.
CWDC - Non Residential	City-Wide Development Charges	To fund 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	A forecast shall be maintained to ensure that future development funds received are sufficient to cover costs of studies undertaken.	Funded from Development Charges collected from developers as outlined in the by-law associated with the area specific development charge.

Attachment 1 – Administrative Reserve Amendments

Reserve Name	Reserve Type	Purpose	Intended Use/Limitations	Recommended Target	Funding Source
			works has been approved.		
CWDC - Engineering	City-Wide Development Charges	To fund engineering capital projects that support growth, including roads, structures, sidewalks, streetlights, intersection improvements, traffic signalization, streetscaping, and growth-related studies, as outlined in the Development Charge Background Study.	City built growth related capital projects. 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.	Funded from DC Rate collections
Capital From Taxation	Corporate Reserves	To fund capital projects or parts of a capital project not covered by Development Charges, Restricted Grants, or other Infrastructure Reserves, or to supplement funding for capital projects financed by other reserves.	To fund capital expenditures; not to be used for operational needs.	Annual contributions based on the requirements or forecast for capital expenditure of the current year.	A dedicated operating budget transfer of a portion of taxation revenue, as determined during the budget process.
City Hall Reserve	Infrastructure Renewal	To fund repair and replacement costs associated with the City Hall.	To fund ongoing upkeep costs of the City Hall structure	An annual contribution for based on Building and Facility Department's estimated replacement	The primary source of funding is operating budget contributions determined during the budget process

Attachment 1 – Administrative Reserve Amendments

Reserve Name	Reserve Type	Purpose	Intended Use/Limitations	Recommended Target	Funding Source
				requirements over the building's useful life.	and adopted by Council.
Debenture Payments	Infrastructure Renewal	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 payments of debt servicing costs to the operating budget.	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 the year in which payment commences.
Vaughan Hospital Reserve	Special Purpose	To fund the City's portion of future capital expenditures associated with Vaughan Hospital.	Capital expenditures related to the City of Vaughan Hospital.	n/a	The reserve funds were collected from the Hospital Levy during construction. No further contributions are expected.
Section 37 Reserve	Other Items	To collect funds for height and density bonusing under the Planning Act when site plan applications propose densities	To construct community benefits in areas adjacent to developments that provided those benefits, in	Not applicable, based on external development decisions.	The amount is negotiated and determined based on the land uplift value, (previous collections made through

Attachment 1 – Administrative Reserve Amendments

Reserve Name	Reserve Type	Purpose	Intended Use/Limitations	Recommended Target	Funding Source
		exceeding those permitted by the Official Plan.	accordance with an executed agreement.		executed agreements remain valid.).
VMC Parking Reserve	Special Purpose	To fund the implementation of on-street paid parking, as well as other transportation-related initiatives in the Vaughan Metropolitan Centre (VMC).	To fund on-street paid parking and other transportation-related initiatives in the VMC.	Based on contributions from excess revenue over expenditure from on-street paid parking the VMC.	Net revenues over expenditures from on-street paid parking in the VMC.
Non-Conventional Stormwater Reserve	Special Purpose	To hold and manage offset fees from landowners for funding the inspection, monitoring and maintenance of Non-Conventional Stormwater Management Facilities.	Inspection, monitoring and maintenance of Non-Conventional SWMF	Not applicable, based on fees collected.	One-time Offset Fees calculated based on the differential between the inspection, monitoring and maintenance costs for Conventional vs. Non-Conventional SWMF
Automated Speed Enforcement Reserve	Special Purpose	To hold and manage funds collected from Automated Speed Enforcement (ASE)	To support the City's ASE program and other traffic safety initiatives	Based on contributions from excess ASE revenues over expenditures	Net ASE revenues over expenditures