

## **CORPORATION OF THE TOWNSHIP OF RUSSELL**

### **By-law # 2017-119**

Being a by-law to adopt the Reserves Management Policy

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**WHEREAS** under Section 8. (1) of the Municipal Act, 2001, S.O., 2001, c.25, as amended, (the Act) the powers of a municipality under this or any other Act shall be interpreted broadly so as to confer broad authority on the municipality to enable the municipality to govern its affairs as it considers appropriate and to enhance the municipality's ability to respond to municipal issues; and

**WHEREAS** Section 224 of the Act, outlines the role of council, which includes developing the policies of the municipality and maintaining the financial integrity of the municipality; and

**WHEREAS** Section 290 (4) (g) of the Act provides that a local municipality may, in preparing the budget for a year, provide for such reserve funds as the municipality considers necessary, and

**WHEREAS** Section 110 (10) of the Municipal Act, 2001 S.O. 2001, c. 25 as amended governs that a reserve fund may be establish to be used for the exclusive purpose of renovating, repairing or maintaining facilities provided under an agreement, and

**WHEREAS** Sections 293 of the Municipal Act, 2001 S.O. 2001, c. 25 as amended governs Reserve Funds designated for prescribed capital liabilities of the municipality which are incurred but not payable until later years; and

**WHEREAS** Sections 417 of the Municipal Act, 2001 S.O. 2001, c. 25 as amended governs Reserve Funds, and

**WHEREAS** there are a number of legislated Obligatory Reserve Funds governed by various legislations, and

**WHEREAS** the Council of the Corporation of the Township of Russell deems it a critical component of a municipality's long term financial plan by establishing the framework and outline requirements for establishing reserve and reserve funds, authorizations required

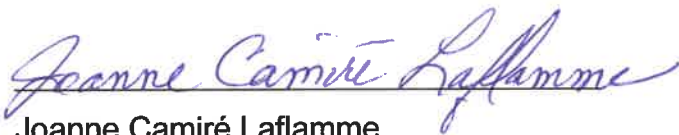
for use of these reserve and reserve funds as well as reporting requirements to Council. That Council adopts the recommendation of FS-38-2017 presented on December 18, 2017 to apply the necessary modification to the reserve structure; now therefore be it

**RESOLVED THAT THE COUNCIL OF THE CORPORATION OF THE TOWNSHIP OF RUSSELL ENACTS AS FOLLOWS:**

1. By replacing the existing reserve/reserve fund structure (Schedule "A") to a newly proposed reserve and reserve fund structure as represented in Schedule "B".
2. That automatic transfers as identified in Schedule "C" be completed on a yearly basis as necessary.
3. That the Clerk of the Township of Russell is hereby authorized to make minor modifications or corrections of a grammatical or typographical nature to this by-law and schedule, after the passage of this by-law, where such modification or corrections do not alter the intent of the by-law.
4. That this by-law shall come into force and take effect upon final passing and begin enforcing this structure for the 2018 financial year and beyond.

READ A FIRST, SECOND AND THIRD TIME AND FINALLY PASSED THIS  
18<sup>TH</sup> DAY OF DECEMBER 2017.

  
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Pierre Leroux  
Mayor

  
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Joanne Camiré Laflamme  
Clerk

## Schedule A - Existing Reserve and Reserve Fund Structure

		31/12/2016 Balance
<b><u>DEFERRED REVENUES / REVENUS REPORTÉS</u></b>		
<u>Cash in Lieu of parking / Stationnement</u>		20,401.30 \$
<u>Parkland / Parcs - Rec Levy Subdividers</u>		98,833.63 \$
<u>Development Charges / Redevances d'exploitation</u>		
		-
	General Govt	(81,435.62) \$
	Fire Protection	(269,725.83) \$
	Police Services	(1,791.67) \$
	By-law Enforcement	22,940.84 \$
	Public Works Equip RD	56,325.15 \$
	Other Roads related	1,013,352.72 \$
	Parks and Recs	4,355,028.50 \$
	Public Library	160,919.20 \$
	Sewer Services	(4,039,448.76) \$
	Water Services	2,643,574.74 \$
<b>Total - Development Charges Redevances d'exploitation</b>		<b>3,859,739.27 \$</b>
<u>Other / Autres:</u>		
Deferred general:		
	Russell Youth Center	7,366.40 \$
	Ontario Air Ambulance Services	5,805.30 \$
	General Administration	120.00 \$
	Transit - Deferred Publicity	4,200.00 \$
	Accessibility Grant deferred to 2016	5,222.24 \$
	Vehicle Charger grant	9,429.00 \$
	<b>Sub-total</b>	<b>32,142.94 \$</b>
A/P Def. Rev. Taxes		102,481.31 \$
A/P Def. Rev. Recreation		3,588.88 \$
A/P Library Def. revenues		4,111.00 \$
<b>Total - Other / Autres</b>		<b>142,324.13 \$</b>
<b>Grand total - Deferred revenues Revenus reportés</b>		<b>4,121,298.33 \$</b>
<b><u>RESERVES / RÉSERVES</u></b>		
<u>Working Fund</u>		
	Working fund (other)	1,527,182.13 \$
	OPP	(75,186.00) \$
	Transfer from prev Surplus (deficit)	(53,202.93) \$
<b>Working Fund / Fond de roulement</b>		<b>1,398,793.20 \$</b>
<u>Remplacement d'immobilisations</u>		
<u>Asset replacement reserves (3120)</u>		
Asset Management General (no assigned projects)		551,240.57 \$
Renovation Hotel de Ville		1,492.19 \$

	<b>31/12/2016 Balance</b>
Accessibilité non utilisé de 2007	3,947.06 \$
Roads Construction Projects	55,708.63 \$
Vars Industrial Park Rds	41,077.08 \$
Bridges and Culverts	30,000.00 \$
Transport en commun (parking&abris-bus)	14,983.21 \$
Embrun Arena (study)	50,000.00 \$
Russell Arena	5,853.82 \$
Splash Pad	25,000.00 \$
Master Plan	21,952.22 \$
Land purchase for future development	150,000.00 \$
Matching Grants	99,000.00 \$
<b>Sub-Total: Remplacement d'immobilisations Asset Replacement</b>	<b>1,050,254.78 \$</b>
<b><u>Specific reserves / Réerves spécifiques (3150)</u></b>	
<u>As per new policy / Voir nouvelle politique</u>	
<u>Specific reserve - GENERAL</u>	
Human ressources (BENEFITS future additional cost)	259,496.79 \$
Human ressources (future additional cost)	65,000.00 \$
Human ressources - ( Fire emergency)	75,418.00 \$
Future projects - (Starting 2016)	20,000.00 \$
Election 2014 (stabilizing)	183,025.89 \$
Legal fees (future additional cost)	20,000.00 \$
Police services (future additional cost)	75,000.00 \$
Roads winter control (future additional cost)	308,193.52 \$
Economic Dev	100,000.00 \$
OMPF (2014 shortfall)	28,000.00 \$
Appels de feu / Urgence (new 2014) FS 30-2014	30,000.00 \$
<u>Other specific projects / Autres projets spécifiques</u>	15,000.00 \$
110- V Dicaire event (2015 to/à 2016)	10,000.00 \$
759 - Pool lift (2015 to/à 2016)	2,811.98 \$
823 - Branding exercice (2015 to/à 2016)	32,000.00 \$
810 - CIP project (2016 to 2017) operational	69,000.00 \$
Comité des citoyen de Limoges	29,000.00 \$
635 - Daycare Before & After (NEW 2014)	351,551.42 \$
810 - Planning / zoning	10,581.00 \$
Etude de revitalisation	5,726.06 \$
<b>Sub-total (Specific Reserves / Réerves spécifiques)</b>	<b>1,689,804.66 \$</b>
<b><u>RESERVES (SUITE) / RÉSERVES (CONT'D)</u></b>	
<b><u>Landfill Site / Dépotoir</u></b>	
<u>Landfill site closure / Fermeture du dépotoir</u>	425,310.81 \$
<b>Sub-total ( Dépotoir / Landfill Site )</b>	<b>425,310.81 \$</b>
<b><u>Dépt de construction / Building Department</u></b>	
Building Dept (asset replacement)	375,206.15 \$
BD (HR futur needs)	51,144.31 \$

		<b>31/12/2016 Balance</b>
BD (growth needs)		85,240.52 \$
	<b>Sub-total</b>	
<b>Building Department / Dépt de construction</b>		<b>511,590.99 \$</b>
	<b>Sub-total</b>	
<b>Acquisition of cap assets</b>		<b>511,590.99 \$</b>
<b>Acquisition d'immobilisations</b>		
<b>TOTAL - Reserves / Réerves</b>		<b>5,075,754.44 \$</b>
<b><u>FONDS DE RÉSERVES / RESERVE FUNDS</u></b>		
<b><u>Bibliothèque publique / Library Board:</u></b>		
Library - Human Ressources (Future Additional Cost NEW)		72,708.86 \$
Library - Other reserve (surplus/deficit) (Asset Manage)		45,545.37 \$
Library - Moving reserve (2015)		19,635.22 \$
	<b>Sub-total</b>	
<b>(Bibliothèque publique / Library Board)</b>		<b>137,889.45 \$</b>
<b><u>Police Village of Russell /</u></b>		
<b><u>Village partiellement autonome de Russell</u></b>		
<b><u>Waterworks / Adduction d'eau</u></b>		
Working Fund / Fond Roulement		800,000.00 \$
Accumulated surpluses		490,992.57 \$
Asset replacement		
Remplacement des immobilisations corporelles		895,362.79 \$
	<b>Sub-total</b>	
<b>(Waterworks / Système d'eau )</b>		<b>2,186,355.36 \$</b>
<b><u>Sewers / égouts</u></b>		
Working Fund / Fond Roulement		250,000.00 \$
Accumulated surpluses		379,093.39 \$
Asset replacement		
Remplacement des immobilisations corporelles		510,618.59 \$
Embrun Sewer (# 70-05)		112,318.86 \$
	<b>Sub-total</b>	
<b>(Sewers / Système d'égouts)</b>		<b>1,252,030.84 \$</b>
<b>TOTAL - Fonds réserves / Réserve funds</b>		<b>4,570,812.26 \$</b>
<b>GRAND TOTAL - Reserves &amp; Reserve funds</b>		
<b>Réserves et fonds de réserve</b>		<b>9,646,566.70 \$</b>
<b>GRAND TOTAL :</b>		
<b>DEFERRED REV. RESERVES AND RESERVE FUNDS / REV.</b>		
<b>REPORTÉS, RÉSERVES ET FONDS DE RÉSERVES</b>		
		<b>13,767,865.03 \$</b>

**SCHEDULE 'B' - NEWLY PROPOSED RESERVE AND RESERVE FUND STRUCTURE  
SUMMARY**

**SUMMARY BY DEPT**

Service / Department	Balance (2016/12/31)
<b>1 - General Govt</b>	<b>3,545,410</b>
Clerk's office	20,000
General Govt	3,384,992
Human Ressources	140,418
<b>2 - Protection Services</b>	<b>660,508</b>
Building department	511,591
By-Law Enforcement	26,982
Fire Protection	-184,467
Police Services	306,402
<b>3 - Transportation Services</b>	<b>1,724,745</b>
Public Works	1,696,151
Transit	28,593
<b>4 - Environmental Services</b>	<b>2,467,823</b>
Garbage and Recycling	425,311
Sewer Services	-2,787,418
Water Services	4,829,930
<b>5 - Recreational and Cultural Services</b>	<b>4,932,444</b>
Parks and Recreation	4,629,524
Public Library	302,920
<b>6 - Child Care Services</b>	<b>351,551</b>
Daycare - Before and After	351,551
Daycare - Preschool	0
<b>7 - Planning and Development</b>	<b>85,384</b>
Economic Development	74,803
Planning	10,581
<b>Grand Total</b>	<b>13,767,865</b>

**SUMMARY BY FUND TYPE**

Type / Category	Balance (2016/12/31)
<b>1 - Deffered Revenue</b>	<b>4,121,178.33</b>
Cash in Lieu	119,234.93
Development Charges	3,859,739.27
Other Deffered Revenue	142,204.13
<b>2 - Reserves</b>	<b>5,075,874.43</b>
Asset Management Reserves	1,135,503.85
Specific Reserves	3,310,728.86
Temporary Reserves	629,641.72
<b>3 - Reserve Funds</b>	<b>4,570,812.26</b>
Asset Management Reserves	1,451,526.75
Specific Reserves	2,987,331.43
Temporary Reserves	131,954.08
<b>Grand Total</b>	<b>13,767,865.02</b>

**Changes Proposed**

**1: Reserves and reserve funds be categorized as follows:**

-**Asset Management Reserves:** Reserves to be used for the rehabilitation and/or replacement of the Township's Assets.

-**Specific Reserves:** Reserves established for specific and continued needs. Mostly used to stabilize taxation revenue needs for highly unpredictable accounts as well as to help manage the Township's cashflow and maximise Interest generated revenues.

-**Temporary Reserves:** Funds created on a short term basis for a specific need such as transfers of funds at year end for incomplete projects or reserves created for specific projects to be completed in the near future.

**2: Redistribution of the General Asset Management reserve into reserves separated by department. The distribution is based on current estimated annual requirement needs of each dept.**

**3: Cleanup of certain reserves that were established years ago and that their needs are no longer required. These funds were redistributed into a more general reserve based on Township needs**

**SCHEDULE 'B' - NEWLY PROPOSED RESERVE AND RESERVE FUND STRUCTURE  
DETAILED LIST OF RESERVES AND RESERVE FUNDS**

Fund Type	Category	Description	Service	Department	Fund balance (2016/12/31)
1 - Deferred Revenue	Cash in Lieu	Cash in Lieu of Parking	3 - Transportation Services	Public Works	20,401
1 - Deferred Revenue	Cash in Lieu	Cash in Lieu of Parkland	5 - Recreational and Cultural Services	Parks and Recreation	98,834
1 - Deferred Revenue	Development Charges	Development Charges	1 - General Govt	General Govt	-81,436
1 - Deferred Revenue	Development Charges	Development Charges	2 - Protection Services	Fire Protection	-269,726
1 - Deferred Revenue	Development Charges	Development Charges	2 - Protection Services	Police Services	-1,792
1 - Deferred Revenue	Development Charges	Development Charges	2 - Protection Services	By-Law Enforcement	22,941
1 - Deferred Revenue	Development Charges	Development Charges	3 - Transportation Services	Public Works	1,069,678
1 - Deferred Revenue	Development Charges	Development Charges	4 - Environmental Services	Sewer Services	-4,039,449
1 - Deferred Revenue	Development Charges	Development Charges	4 - Environmental Services	Water Services	2,643,575
1 - Deferred Revenue	Development Charges	Development Charges	5 - Recreational and Cultural Services	Parks and Recreation	4,355,029
1 - Deferred Revenue	Development Charges	Development Charges	5 - Recreational and Cultural Services	Public Library	160,919
1 - Deferred Revenue	Other Deferred Revenue	A/P Def. Rev. Taxes	1 - General Govt	General Govt	102,481
1 - Deferred Revenue	Other Deferred Revenue	Ontario Air Ambulance Services	2 - Protection Services	Fire Protection	5,805
1 - Deferred Revenue	Other Deferred Revenue	Transit - Deferred Publicity	3 - Transportation Services	Transit	4,200
1 - Deferred Revenue	Other Deferred Revenue	Vehicule Charger Grant	3 - Transportation Services	Public Works	9,429
1 - Deferred Revenue	Other Deferred Revenue	Russell Youth Center	5 - Recreational and Cultural Services	Parks and Recreation	7,366
1 - Deferred Revenue	Other Deferred Revenue	Accessibility Grant	5 - Recreational and Cultural Services	Parks and Recreation	5,222
1 - Deferred Revenue	Other Deferred Revenue	A/P Def. Rev. Recreation	5 - Recreational and Cultural Services	Parks and Recreation	3,589
1 - Deferred Revenue	Other Deferred Revenue	A/P Library Def. revenues	5 - Recreational and Cultural Services	Public Library	4,111
2 - Reserves	Asset Management Reserves	Asset Management - General Govt	1 - General Govt	General Govt	31,282
2 - Reserves	Asset Management Reserves	Asset Management - Fire Protection	2 - Protection Services	Fire Protection	44,453
2 - Reserves	Asset Management Reserves	Asset Management - By-Law Enforcement	2 - Protection Services	By-Law Enforcement	4,041
2 - Reserves	Asset Management Reserves	Asset Management - Building Department	2 - Protection Services	Building department	375,206
2 - Reserves	Asset Management Reserves	Asset Management - Public Works / Roads	3 - Transportation Services	Public Works	496,643
2 - Reserves	Asset Management Reserves	Asset Management - Transit	3 - Transportation Services	Transit	24,393
2 - Reserves	Asset Management Reserves	Asset Management - Parks and Recreation	5 - Recreational and Cultural Services	Parks and Recreation	159,484
2 - Reserves	Specific Reserves	General Working Fund	1 - General Govt	General Govt	1,398,793
2 - Reserves	Specific Reserves	Land Purchase for future development	1 - General Govt	General Govt	150,000
2 - Reserves	Specific Reserves	Matching Grants	1 - General Govt	General Govt	99,000
2 - Reserves	Specific Reserves	Human Ressources - General	1 - General Govt	Human Ressources	75,418
2 - Reserves	Specific Reserves	Human Ressources - Benefits	1 - General Govt	Human Ressources	65,000
2 - Reserves	Specific Reserves	Elections	1 - General Govt	Clerk's office	20,000
2 - Reserves	Specific Reserves	Legal fees	1 - General Govt	General Govt	75,000
2 - Reserves	Specific Reserves	OMPF Shortfall	1 - General Govt	General Govt	30,000
2 - Reserves	Specific Reserves	Energy Fund	1 - General Govt	General Govt	0
2 - Reserves	Specific Reserves	Human Ressources - Fire Emergency	2 - Protection Services	Fire Protection	35,000
2 - Reserves	Specific Reserves	Police Services	2 - Protection Services	Police Services	308,194
2 - Reserves	Specific Reserves	Human Ressources - Building Dept	2 - Protection Services	Building department	136,385
2 - Reserves	Specific Reserves	Accumulated Surplus	2 - Protection Services	Building department	0
2 - Reserves	Specific Reserves	Winter Control	3 - Transportation Services	Public Works	100,000
2 - Reserves	Specific Reserves	Landfill site closure	4 - Environmental Services	Garbage and Recycling	425,311
2 - Reserves	Specific Reserves	Accumulated Surplus	6 - Child Care Services	Daycare - Before and After	351,551
2 - Reserves	Specific Reserves	Accumulated Surplus	6 - Child Care Services	Daycare - Preschool	0
2 - Reserves	Specific Reserves	Vars Industrial Park	7 - Planning and Development	Economic Development	41,077
2 - Reserves	Temporary Reserves	Yearly transfers for incomplete projects	1 - General Govt	General Govt	556,335
2 - Reserves	Temporary Reserves	Comité des citoyen de Limoges	1 - General Govt	General Govt	29,000

**SCHEDULE 'B' - NEWLY PROPOSED RESERVE AND RESERVE FUND STRUCTURE**

**DETAILED LIST OF RESERVES AND RESERVE FUNDS**

2 - Reserves	Temporary Reserves	Economic Development	7 - Planning and Development	Economic Development	28,000
2 - Reserves	Temporary Reserves	Étude de réévaluation	7 - Planning and Development	Economic Development	5,726
2 - Reserves	Temporary Reserves	Planning / Zoning	7 - Planning and Development	Planning	10,581
3 - Reserve Funds	Asset Management Reserves	Asset Management - Water Services	4 - Environmental Services	Water Services	895,363
3 - Reserve Funds	Asset Management Reserves	Asset Management - Sewer Services	4 - Environmental Services	Sewer Services	510,619
3 - Reserve Funds	Asset Management Reserves	Asset Management - Public Library	5 - Recreational and Cultural Services	Public Library	45,545
3 - Reserve Funds	Specific Reserves	Police Village of Russell	1 - General Govt	General Govt	994,537
3 - Reserve Funds	Specific Reserves	Working Fund	4 - Environmental Services	Water Services	800,000
3 - Reserve Funds	Specific Reserves	Accumulated Surplus	4 - Environmental Services	Water Services	490,993
3 - Reserve Funds	Specific Reserves	Working Fund	4 - Environmental Services	Sewer Services	250,000
3 - Reserve Funds	Specific Reserves	Accumulated Surplus	4 - Environmental Services	Sewer Services	379,093
3 - Reserve Funds	Specific Reserves	Human Resources	5 - Recreational and Cultural Services	Public Library	72,709
3 - Reserve Funds	Temporary Reserves	Embrun Sewer (# 70-05)	4 - Environmental Services	Sewer Services	112,319
3 - Reserve Funds	Temporary Reserves	Moving Reserve	5 - Recreational and Cultural Services	Public Library	19,635
				<b>TOTAL</b>	<b>13,767,865</b>



