

## **Reserve and Reserve Fund Policy**

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Approved By: Council

Last Reviewed: December 21, 2023

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### **Policy Statement**

A policy governing the use and management of reserves and reserve funds.

### **Application**

All Regional employees who are responsible for the creation, control, administration and management of the Corporation's reserve and reserve funds.

### **Purpose**

This policy establishes the objectives for reserves and reserve funds, standard of care, as well as it delineates the responsibilities for their management and administration.

### **Definitions**

**Corporation:** Refers to the Corporation of the Regional Municipality of York, its Boards and Subsidiaries.

**Debt:** Any obligation for the payment of money. For Ontario municipalities, debt would normally consist of debentures as well as either notes or cash from financial institutions but could also include loans from reserves.

**Development Charges:** Fees against land to pay in full or in part on the increased capital costs required because of increased needs for municipal services arising from development of the area in which the land is located.

**Discretionary Reserve Funds:** Discretionary reserve funds are established whenever a municipal council, local board and other entity wishes to earmark revenues to finance a future expenditure for which it has the authority to spend money, and physically set aside a certain portion of any year's revenues so that the funds are available as required.

**GFOA:** Refers to the Government Finance Officer's Association of the United States and Canada, a professional association of state, provincial and local finance officers in the dedicated to the sound management of financial resources.

**MFOA:** Refers to Municipal Finance Officer's Association of Ontario, a professional association which promotes the interests of its members in carrying out their statutory and financial responsibilities by initiating studies and sponsoring seminars to review, discuss and develop positions on important policy and financial management issues.

**PSAB:** Refers to the Public Sector Accounting Board, an independent board with the authority to set accounting standards for the public sector.

**Reserve:** An appropriation from net revenue at the discretion of Council, after the provision for all known expenditures. It has no reference to any specific asset and does not require the physical segregation of money or assets as in the case of a reserve fund. Although a reserve cannot have a revenue or an expense of itself, a municipality may by bylaw provide earnings derived from the investment of a reserve to form part of that reserve.

**Revolving Reserves:** Reserves used to fund normal course operating requirements or cash flow deficiencies that do not require Council approval provided they conform with intent of originating bylaw.

**Reserve Fund:** Funds that have been set aside either by a bylaw of the municipality or by a requirement of provincial legislation to meet a future event. As a result, reserve funds are either "discretionary" being those set up by Council or "statutory" being those set up by virtue of a requirement of provincial statute. Municipal councils may set up reserve funds for any purpose for which they have the authority to spend money.

**Sinking Fund:** A municipality which has sinking fund or retirement fund debentures outstanding is required to accumulate money in a reserve fund that will be sufficient to retire those debentures at maturity.

**Surplus Management Policy:** A policy approved by Council that directs the funds deemed to be operating surpluses as a result of Regional operations on a yearly basis.

The allocation of the annual operating surpluses will be made to reserves and reserve funds that are below their funding targets in the following order:

- First to the Tax Levy Development Reserve, to fund the tax levy portion of development charge collection shortfalls resulting from Bill 23 exemptions, phase-ins, discounts, or the like
- Then to the Working Capital Reserve
- Then to any contingent liability reserves held by the Region, which include the Long-Term Disability Reserve, Workers' Compensation Reserve, Group Benefits and the Insurance Reserve
- Then to the General Capital Reserve
- Then to the Fuel Cost Stabilization Reserve, if there is a loss incurred during the year from hedging transactions
- Then any remaining funds to the Debt Reduction Reserve

**Statutory Reserve Funds:** A reserve fund created when required by statute that revenue received for special purposes be segregated from the general revenues of the municipality. (Refer to Appendix A for a list of current statutory reserve funds.)

## Description

### 1. Philosophy for Reserve and Reserve Fund Policy

Reserves and reserve funds are key elements of the Corporation's long-term fiscal strategy. This has been previously recognized in the Financial Mission Statement that was adopted by Council in 1999 including the following Financial Principle which specifically addresses the use of reserves and reserve funds:

"Adequate reserves will be maintained to:

1. Replace and rehabilitate major capital infrastructure assets as required
2. Provide a buffer for significant unanticipated expenditures beyond the control of the Region
3. Supply funds for new major capital assets identified in the long-term corporate strategy."

As a result, this Policy's philosophy is to promote fiscal prudence, particularly as identified in the Financial Principles through the creation and management of reserves, as well as to achieve a best practice for reserving among municipal governments.

This Policy also acknowledges that reserves have a direct impact on the credit rating awarded by the Bond Rating Agencies and therefore, the Corporation's long-term cost of financing.

### **2. Objectives of Reserve and Reserve Funds**

The primary objectives for reserves and reserve funds will be in priority order:

- a) Adherence to Statutory Requirements
- b) Promotion of financial stability and flexibility
- c) Provision for major capital expenditures
- d) Reducing the need for tax-levy funded debentures

#### **a) Adherence to Statutory Requirements**

It shall be the Corporation's practice to establish and maintain segregated funds and/or reserves that meet all statutory obligations. Appendix A identifies the current statutory reserve funds as well as reference to their applicable legislation.

All reserves and reserve funds will be managed in accordance with provincial legislation. Included in the Municipal Act are the following requirements:

- Section 417 (4) that money raised for a reserve fund shall be paid into a special account and shall be invested only in securities or classes of securities prescribed
- Section 418 (3), as allowed by the Corporation, shall combine money held in any fund (including General, Capital and Reserves and Reserve Funds) for investment purposes
- Section 418 (4) that earnings from combined investments shall be credited to each segregated fund in proportion to the amount invested in it

Furthermore, it will be the Corporation's practice to establish all reserves and reserve funds by bylaw and that all appropriations be approved by Council either through the annual budget or by specific resolution or by bylaw. Notwithstanding, revolving reserves such as working capital, insurance and employee benefits may be used at any time for the purpose approved by Council.

#### **b) Promotion of Financial Stability and Flexibility**

It will be the Corporation's practice to maintain adequate non-capital reserves to achieve long-term financial stability and flexibility.

To meet these objectives, the following types of funds will be established and adequately funded:

- Reserves for known and recurring material cash flow deficiencies (e.g., Working Capital)
- Reserves for large or lumpy periodic or one-time payments (e.g., General Capital)
- Reserves for long-term contingencies (e.g., Sick Leave)
- Reserves for potential liabilities
- Reserves for unanticipated expenditures (e.g., Tax Stabilization)

Appendix B identifies the current reserves and reserve funds established for financial stability and flexibility.

The Corporation will strive to maintain reserves and reserve funds at levels that are at least comparable to those held by similarly rated municipalities with comparable responsibilities and/or levels that meet established best practices among municipalities.

### **c) Provision for major capital expenditures**

It will be the Corporation's practice to maintain adequate reserves to replace and rehabilitate major capital assets, as required, and to provide for new capital assets that have been identified in the long-term corporate strategy.

To achieve this, the following principles will apply where practicable:

- Reserves for the full cost of replacement or rehabilitation of major assets will be funded from ongoing operations at a rate which reflects the consumption of that asset by current ratepayers. Contributions to this reserve will commence in the fiscal year that the asset is acquired or put in service and will be based on an estimate of the useful life of the underlying asset.
- Where the total cost is material, the purchase of minor assets which must be replaced on an ongoing basis (e.g. computers, furniture, vehicles) will be made from a reserve maintained at a three to five year rolling average (based on the asset's useful life) of the anticipated expenditure requirements and funded from operations and appropriations made by Council.
- The Operating Budget will include an annual contribution for the replacement of major capital assets as determined by Council. These contributions will be allocated to asset replacement reserves based upon

reserve adequacy analyses or at the discretion of the Commissioner of Finance.

- Reserves will be maintained for growth related capital projects that will be fully funded from developer contributions. That component of the growth related project which benefits the existing ratepayers or for which a discount has been given, shall be funded from tax/rates in the year the project is built. Notwithstanding, debt may be issued for growth projects when required in accordance with the Capital Financing and Debt Policy.

Appendix C identifies the current reserves and reserve funds established for major capital expenditures.

### **d) Reducing the need for tax-levy funded debentures**

It will be the Corporation's practice to fund a Debt Reduction Reserve to reduce the need to issue tax-levy debentures. The reserve may be used in place of debt that has been previously approved by Council. Funding would be used first to replace tax levy debt that is deemed to be below established debt issuance thresholds and then debt for other tax levy projects at the discretion of the Commissioner of Finance.

The Debt Reduction Reserve will be funded as follows:

- Appropriations as part of the annual Operating Budget
- Contributions as part of the Surplus Management Policy
- Savings from the avoidance of debt as a result of draws from this reserve in either the current or prior years
- Other transfers deemed necessary at the discretion of Council

Departments shall carry within their annual budget a charge equivalent to 50%-100% (at the discretion of the Commissioner of Finance) of the principal and interest cost that was avoided as a result of the use of the Debt Reduction Reserve.

## **3. Standard of Care**

Reserves and reserve funds are important assets of the Corporation for which a high standard of care will be maintained.

### **a) Delegation of Authority**

The Commissioner of Finance will retain the overall authority for establishing and managing reserves and reserve funds.

Notwithstanding, the Commissioner of Finance may delegate to the Director, Treasury Office and/or designate the authority to establish policy and oversight with respect to reserves and reserve funds, to determine the need for new and the financial adequacy of existing reserves and reserve funds and to determine funding sources for reserves and reserve funds.

Furthermore, The Commissioner may delegate to the Director of the Office of the Budget and/or designate the authority to project the impact of reserves and reserve funds as they relate to the long-term business and capital plan.

### **b) Management of Reserves and Reserve Funds**

It is the Corporation's policy to use best practices among municipalities to manage its reserves and reserve funds. These practices will include:

#### **i) Establishing a Reserve or Reserve Fund:**

Prior to establishing a new reserve or reserve fund, a financial plan will be prepared which identifies need, target funding level (if applicable), contribution sources and projected disbursements (when practicable) to meet planned future obligations.

#### **ii) Reserve Funding Targets**

A target funding level will normally be established for every reserve or reserve fund at the time that it is created. Notwithstanding, this target will be reviewed annually by staff to ensure its adequacy and where necessary, a periodic review by third party consultants will be obtained.

Methodologies for calculating targets are specific to each reserve or reserve fund, however consideration will be given to the following:

- Purpose of fund (i.e., operating or capital)
- Certainty of end needs (i.e., for contingent liability or long-term asset replacement)
- Economic factors (inflation, interest rates, cyclical pressures)
- Industry/Government/Accounting standards (GFOA, MFOA, PSAB etc.)
- Multi-year forecast of contribution and projected usage

A financial plan forecasting reserve and reserve fund balances and a comparison to target objectives shall be prepared annually based on the most current information available.

### **iii) Investment of Reserves and Reserve Funds**

Reserves and reserve funds may be invested for a term that will not exceed its expected date of need. The related investment income will be credited monthly to the specific reserve or reserve fund according to the methodology detailed in the Corporation's Investment Policy. Investments shall be further governed by the Corporation's Investment Policy.

### **iv) Contributions to/withdrawals from Reserves and Reserve Funds**

All contributions to and/or withdrawals from reserves and reserve funds shall be approved by Council, normally as part of the annual budget approval process or specifically by resolution with the following exceptions:

- Direct contribution to reserve and reserve fund such as development charge contributions or settlement in account of prior year events
- Transfers that are the direct result of the Surplus Management Policy
- Transfers of funds between reserve cost centres for reserve restructure which in the opinion of the Commissioner of Finance have not changed the purpose for which the funds were intended
- Transfer of funds between asset replacement reserves based upon reserve adequacy analyses or other related information, at the discretion of the Commissioner of Finance
- Use of "revolving" reserves for the purpose approved by Council

All contributions to and/or withdrawals from reserve and reserve funds will be clearly identified and segregated within the Corporation's accounting system and accounted for by either an entry or to or from an operating cost centre or a capital project.

Funding strategies developed for reserves and reserve funds will take into account fairness to current and future tax/rate payers.

### **v) Lending/Transferring of Reserves and Reserve Funds for Other Purposes**

#### Use for Other Purposes

If required, Council may by bylaw provide that the money raised from a reserve fund be spent, pledged or applied to a purpose other than that for which it was established.



### Internal Loans/Transfers

Intra-fund lending from reserves and reserve funds is permitted to temporarily finance capital fund expenditures or operating cash flow deficiencies to avoid external temporary borrowing cost provided that all loans/transfers bear market rates of return and that interest income is credited to the original reserves.

### External Loans

External loans may be made at the discretion of Council under Section 107 of the Municipal Act to any person, group or body for any purpose considered to be in the best interests of the municipality. However, prior to recommending such a loan to Council, staff will consider the following:

- Purpose of loan/benefit to be derived must be a public agency or group
- Term of loan not to exceed five years
- Appropriate security is provided to protect the interests of the Corporation
- A financial profile of borrower
- If adequate reserves are available for term of loan

All loans will be provided from non-restricted reserves such as the Working Capital Reserve or the General Capital Reserve as direct loan investment of reserve funds is prohibited under provincial legislation. External loans must bear market rates of return, commensurate with the term of loan and be credited to the appropriate reserve source.

### **c) Reporting Requirements**

The Commissioner of Finance will prepare the following reports:

#### Annual Audited Financial Statements

Shall include a statement of financial position, financial activities and changes in fund balances for all reserves and reserve funds and as well, separately for outstanding sinking funds.

#### Long-Term Forecast Report

A report will be prepared annually identifying a reserve forecast of all reserves and reserve funds based on the Long-Term Capital Plan approved by Council and any other relevant information.

### Periodic Adequacy Review of Report

Periodically a comprehensive review of the reserves and reserve funds will be made to determine if balances are adequate or the need for particular reserve or reserve funds shall exist or if new reserves or reserve funds are required.

### Annual Budget and Business Plan

Contributions to and budget appropriations from reserves and reserve funds will normally be approved by Council as part of the annual Business Plan and Budget or specifically by resolution except for those instances noted above.

## Responsibilities

### **Commissioner of Finance and Regional Treasurer**

- Overall responsibility for management of reserves and reserve funds
- Authority to rebalance reserve and reserve funds within the same funding sources as they deem necessary
- Approve updates to the appendices in accordance with this policy, bylaws or statutes as amended

Notwithstanding, responsibilities will be carried out by reporting Directors as follows:

### **Director, Treasury Office and/or designate**

- Determines need for reserves and reserve funds for operating and capital operation
- Sets targets for various reserves and reserve funds where appropriate
- Ensures a review and report to Council of the adequacy and continuing need for reserves and reserve funds is undertaken when deemed necessary
- Arranges for the preparation and presentations of required reports and/or bylaws for the creation or termination of any new or obsolete reserve or reserve funds
- Develops appropriate strategies, procedures and processes for the investment of reserves and reserve funds
- Prepares required reports to Council on any loan or advance to any agencies or boards where the source for such loans or advances is from a reserve or reserve fund

- Develops long range fiscal planning strategy to effectively meet the Corporation's Capital financing and capital asset replacement requirements

### **Director, Office of the Budget and/or designate**

- Ensures the appropriate allowances, contributions and/or appropriations are accounted for in the Corporation's Annual Budget and Business Plan relating to the financial requirements of the reserves and reserve funds
- Develops long range fiscal planning strategy to effectively meet the Corporation's Capital financing and capital asset replacement requirements

### **Director, Controllership Office**

- Monitors and reconciles all receipts to and disbursements from reserve and reserve fund accounts to ensure compliance with provincial regulations, PSAB and Reserve Policy
- Ensures all Financial Statement reporting requirements set out in Section (c) of this Policy are met

## Reference

### **Legislative and other authorities**

- [Development Charges Act, 1997, S.O. 1997, c. 27](#), Sections 33 to 37
- [Municipal Act, 2001, S.O. 2001, c. 25](#), Sections 409 and 410
- [Workplace Safety and Insurance Act, 1997, S.O. 1997, c. 16, Sched. A](#), Section 85

### **Appendices**

- Appendix A: York Region Statutory Reserve and Reserve Funds
- Appendix B: York Region Reserves and Reserve Funds for Stability and Flexibility
- Appendix C: York Region Reserves and Reserve Funds for Major Capital Expenditures

## Contact

Title	Director, Treasury Office
Branch	Treasury Office
Department	Finance Department

## Approval

Council Date: <a href="#">December 21, 2023</a>	Committee Date: <a href="#">December 7, 2023</a>
Council Minute Item: H.2	Committee Minute Item: I.2.1

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Accessible formats or communication supports are available upon request.

**Appendix A**  
**York Region Statutory Reserve and Reserve Funds**

Reserve Fund	Reference Legislation
Development Charges Reserve Fund	Development Charges Act 1997
Sinking Fund	Municipal Act 2001
WSIB Reserve Fund	Workplace Safety and Insurance Act 1997

**Appendix B**  
**York Region Reserves and Reserve Funds for Stability and Flexibility**

Name	Year Established	Bylaw	Purpose	Sources of Funding
<b>Debt Reduction</b>	2013	2013-97	To reduce or eliminate the need to issue tax levy funded debentures.	Appropriations made from time to time from the operating budget.  The earnings derived from investment of monies held in the reserve fund.
<b>Canada Community Building Fund</b>	2005	There is no bylaw for this reserve.	To fund capital projects in the categories of public transit, water, wastewater, solid waste or community energy systems.	Funding provided by the Government of Canada under the agreement signed with the Government of Ontario and the Association of Municipalities of Ontario (AMO, who calculates the allocation for each municipality other than Toronto).
<b>Fiscal Stabilization</b>	2012	2012-4	To fund temporary revenue shortfall.	Appropriations made from time to time from the operating budget.
<b>Fuel Cost Stabilization</b>	2010	2010-57	To fund differences between actual and budgeted fuel rates during the year based upon projected volumes as well as any costs or savings arising from fuel price hedging transactions.	Appropriations made from time to time from the operating budget.  Surpluses arising from differences between actual and budgeted fuel rates during the year based on projected volumes.  Savings arising from fuel price hedging transactions.
<b>Sun Life Group Benefits</b>  (Sun Life Dental, Sun Life Payroll Transfer, Sun Life Extended Health)	1997	A-228-97-101	To pay, through Sun Life Assurance Company, all claims submitted by employees for extended health, drugs, and dental expenses, as well as the administrative fee for that service.	Funded by budget allocations to the departmental operating budgets, which are based on experience and forecasts provided by the Region's benefit consultant.
<b>Innovation</b>	2002	A-0316-2002-099	Created to provide revolving funding for projects that will result in more efficient systems and/or ongoing operational savings.	Appropriations made from time to time from the operating budget. Allocation from such sources of revenue as may be determined by Regional Council (among them, budgeted repayments of the revolving funds lent; repayment period cannot exceed 5 years).

## Reserve and Reserve Fund Policy

Name	Year Established	Bylaw	Purpose	Sources of Funding
<b>Insurance</b>	1997	A-234-97-107	To fund costs incurred for insurance coverage and payment of claims.	Appropriations made from time to time from the operating budget.
<b>Long Term Disability</b>	2002	A-0312-2002-070	To accumulate funds to pay for all long term disability benefits (self-insurance) and associated administration expenses.	Appropriations made from time to time from the current estimates of the Regional Corporation, including an amount equal to the current annual premium that otherwise would have been paid to an insurance carrier (starting October 2002).
<b>Non-Profit Housing Capital Repairs and Maintenance</b>	2002	A-0317-2002-100	Created to offset the Region's potential exposure to under-funded capital expenditures of non-profit housing providers.	Appropriations made from time to time from the operating budget. Allocation from such sources of revenue as may be determined by Regional Council.
<b>Pandemic Management and Recovery</b>	2020	2020-59	To fund any future tax-supported expenditure or revenue shortfall that may arise due to COVID-19.	<p>Appropriations made from time to time from the current estimates of the Region.</p> <p>Previously funded from operating surpluses and unrestricted COVID-19 related funding received from other levels of government, including Municipal funding under the Safe Restart Agreement.</p> <p>Other sources as and when approved by Council.</p>
<b>Provincial Gas Tax</b>	2004	A-0357-2004-102	Created to deposit gas tax transfers from the Province of Ontario. These monies must be used to fund the expansion of public transportation infrastructure and levels of service in the Region.	Funding provided by the Province of Ontario from time to time under its Dedicated Gas Tax Funds for Public Transportation Program. Allocation from such sources of revenue as may be determined by Regional Council.
<b>Rate Supported Development</b>	2023	2023-07	To offset annual development charge collection shortfalls due to statutory discounts and exemptions.	Appropriations made from time to time from the operating budget.

## Reserve and Reserve Fund Policy

Name	Year Established	Bylaw	Purpose	Sources of Funding
<b>Seized Monies</b>	1999	There is no bylaw for this reserve.	Monies seized by York Regional Police as a result of criminal activities and monies which have been found and turned into the Police are held in trust for return to its rightful owner.	If the seized and/or found monies remain unclaimed, they are set aside in this Reserve.
<b>Sick Leave (Police Staff)</b>	1999	There is no bylaw for this reserve.	To provide for the liability related to Police employees' accumulated unused sick leave.	Funded by annual allocations from the York Regional Police operating budget.
<b>Sick Leave (Regional Staff)</b>	1982	A-231-97-104	<p>To provide for the liability related to regional employees' accumulated unused sick leave.</p> <p>Under the historical employee sick leave plan, unused sick leave could accumulate and employees were entitled to a cash payment of fifty percent of the amount accumulated up to a maximum of six months' salary when they left the Region's employ.</p>	Historically, a surcharge of 1% of payroll had been allocated to departmental operating budgets to fund this reserve.
<b>Tax Levy Development</b>	2023	2023-06	To offset annual development charge collection shortfalls due to statutory discounts and exemptions.	Appropriations made from time to time from the operating budget.
<b>Tax Stabilization</b>	2002	A-0315-2002-098	To fund unforeseeable one-time expenditures.	Appropriations made from time to time from the operating budget. Allocation from such sources of revenue as may be determined by Regional Council.
<b>Working Capital</b>	1997	A-227-97-100	To fund the day-to-day operations of the corporation and provide the ability to meet current liabilities prior to the receipt of tax levies from local municipalities and other revenues.	<p>Appropriations made from time to time from the operating budget. Allocation from such sources of revenue as may be determined by Regional Council.</p> <p>Year-end operating surplus allocation.</p>



## Reserve and Reserve Fund Policy

<b>Name</b>	<b>Year Established</b>	<b>Bylaw</b>	<b>Purpose</b>	<b>Sources of Funding</b>
<b>Workers' Compensation (WSIB)</b>	1996	A-196-96-58	To self-fund Workers' Compensation claims as a Schedule 2 employer.	Funding results from a charge to operating programs based on a percentage of salary.
<b>Sinking Fund</b>	2013	2013-99	To centralize the accumulated retirement contributions and related interest income associated with the Region's sinking fund debentures.	Appropriations made from time to time from the operating budget.  The earnings derived from investment of monies held in the reserve fund.
<b>Court Services</b>	2015	2015-73	To assist the Court Services Branch in planning and managing its cost.	Surplus net revenue related to the Provincial Offence Act.  Appropriations made from time to time from the operating budget.
<b>Information Technology Licensing and Software Development</b>	2015	2015-75	To fund enterprise-wide software licensing and development of financial applications.	Appropriations made from time to time from the operating budget.
<b>Water Rate Stabilization</b>	2015	2015-76	To prevent fluctuations in water rates as a result of unforeseen expenditure.	Appropriations made from time to time from the operating budget.  Year-end surpluses from user rate budget.
<b>Wastewater Rate Stabilization</b>	2015	2015-77	To prevent fluctuations in wastewater rates as a result of unforeseen expenditure.	Appropriations made from time to time from the operating budget.  Year-end surpluses from user rate budget.
<b>Green Energy</b>	2016	2016-78	To hold revenues from renewable energy projects and to support future renewable energy and conservation projects.	Revenue from solar generating installation.  Appropriations made from time to time from the operating budget.
<b>Innovation Investment</b>	2018	2015-74 and 2019-07	To provide funding to external parties for Council approved new innovation initiatives.	Appropriations made from time to time from the operating budget.
<b>Waste Management Stabilization</b>	2018	2019-09	To fund fluctuations in recycling material market prices and costs identified as part of the budget process.	\$30 million transfer from the Solid Waste Management Reserve.

**Appendix C**  
**York Region Reserves and Reserve Funds for Major Capital Expenditures**

Name	Year Established	Bylaw	Purpose	Sources of Funding
<b>Facilities Rehabilitation and Replacement</b>	2000	A-0281-2000-096 and A-0321-2002-156	To fund major capital repairs or rehabilitation expenses associated with regional buildings and other capital purposes such as parking facilities and major equipment or infrastructure refurbishment.	Appropriations made from time to time from the operating budget. Allocation from such sources of revenue as may be determined by Regional Council.  Funds unspent at the end of each year which were allocated for capital expenditures for major repairs and rehabilitation of Regional buildings.
<b>Roads Capital</b>	1998	A-247-98-69	To fund the tax levy component of roads capital projects as approved by Council.	Appropriations made from time to time from the operating budget. Allocation from such sources of revenue as may be determined by Regional Council.
<b>Capital Asset Replacement–Wastewater</b>	2015	2015-79	To fund future major rehabilitation and/or replacement of wastewater assets.	Appropriations made from time to time from the user rate budget.
<b>Capital Asset Replacement–Water</b>	2015	2015-78	To fund future major rehabilitation and/or replacement of water assets.	Appropriations made from time to time from the user rate budget.
<b>Development Charges</b>	1991	DC-0004-2001-097) and DC-0005-2003-050), 2017-35	To fund growth related capital projects.  The Region’s Development Charges Bylaws identify the future growth related infrastructure requirements that can be financed by these reserves. The prevailing Bylaws were passed in November 2001 for GO Transit purposes and in June 1998 (amended in December 1999) for other purposes (Water, Wastewater, Roads, Police, LTC, Transit, Hospitals, etc.).	Development charges are levied based on a fixed charge for each residential and multi-residential unit and as a per square foot charge for industrial and commercial properties. Developer receipts must be treated in a manner prescribed by the Development Charges Act. Subsection 16(1) of this Act contains strict legislative direction that moneys received as development charges must be maintained in a separate reserve and may only be used to meet the growth related capital costs for which the development charge was imposed.

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Name	Year Established	Bylaw	Purpose	Sources of Funding
<b>Equipment Replacement</b>	1993	A-232-97-105	To fund the cost of maintenance, repair and replacement of computer and other operating equipment.	Appropriations made from time to time from the operating budget. Allocation from such sources of revenue as may be determined by Regional Council.
<b>General Capital</b>	1995	A-233-97-106	To Fund unspecified non-recurring capital expenditures.	Funded from the surplus from operations, if any, at year end after all other accruals and reserve allocations.
<b>Hospital Financing</b>	2010	2010-71	To fund eligible hospital capital project expenditures related to construction, expansion, enhancement or improvement, as approved by Council.	Appropriations made from time to time from the operating budget.
<b>IT Development</b>	2010	2010-65	To fund information technology capital projects related to expansion, enhancement or improvement as approved by Council.	Appropriations made from time to time from the operating budget.
<b>Land Banking</b>	2013	2013-98	To purchase land for future needs that has been identified as part of the Capital Plan.	<p>Appropriations made from time to time from the operating budget.</p> <p>Project funds budgeted for land acquisition during the year in which Capital Spending Authority has been granted by Regional Council.</p>
<b>Land Securement</b>	2001	A-0296-2001-091	To provide for the costs of land securement related to the Regional Greenlands Property Securement Strategy.	<p>Appropriations made from time to time from the operating budget. Allocation from such sources of revenue as may be determined by Regional Council.</p> <p>Funds unspent at the end of each year which were allocated for land securement purposes in connection with the Regional Greenlands Property Securement Strategy.</p>

## Reserve and Reserve Fund Policy

Name	Year Established	Bylaw	Purpose	Sources of Funding
<b>Move Ontario</b>	2008	2008-87	To fund investments in transit vehicles and transit infrastructure in compliance with any and all requirements, policies and procedures established by the Province of Ontario with respect to the funds.	Shall be operated and maintained from funding received from the Province of Ontario.
<b>Regionally Owned Housing</b>	2008	2008-85	To fund the major rehabilitation and replacement of housing owned by the Region and Housing York Inc.	Appropriations made from time to time from the operating budget.
<b>Roads Infrastructure</b>	2008	2008-84	To fund the major rehabilitation and replacement of roads infrastructure.	Appropriations made from time to time from the operating budget.
<b>Roads Capital Acceleration Reserve</b>	2019	2019-44	To fund priority growth-related roads projects.	<p>Annual tax levy contributions of \$10.7 million.</p> <p>Allocation from such sources of revenue as may be determined by Regional Council.</p> <p>Repayment, with interest, from development charge reserves in accordance with originally planned project timelines.</p>
<b>Social Housing Development</b>	1998 (amended in 2010)	A-060-1998-131 and 2010-64	To fund expenditures related to new affordable housing projects either developed for Housing York Inc., or third parties, as approved by the Region.	<p>Appropriations made from time to time from the operating budget.</p> <p>Allocation from such sources of revenue as may be determined by Regional Council.</p>
<b>Solid Waste Management</b>	1993	A-230-97-103	To fund future infrastructure requirements for solid waste processing and waste transfer facilities.	<p>Initially funded from royalties paid by the City of Toronto related to the Keele Valley facility.</p> <p>Currently financed by funds received from Waste Diversion Ontario (the amounts received are mainly calculated as a percentage of the costs of recycling).</p>

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Name	Year Established	Bylaw	Purpose	Sources of Funding
<b>Transit</b>	1999	A-0265-1999-091	To fund capital expenditures for Regional and GO Transit.	Initially funded with approximately \$4.4 million of tax levy savings as a result of lower than budgeted GO Transit costs in the 1998 Local Services Realignment invoices. Savings in 1999 of approximately \$850,000 was also credited to this reserve fund.
<b>Transit Vehicle Replacement</b>	2013	2013-100	To refurbish and replace transit vehicles.	Appropriations made from time to time from the operating budget.
<b>Vehicle Replacement</b>	1997	A-236-97-109	To purchase replacement vehicles/equipment for the Regional Fleet.	Funded through an internal usage charge to Transportation and Works operating programs.
<b>Infrastructure Reserve - Police</b>	2017	2017-63	To fund the tax levy component of the new capital assets and the rehabilitation and replacement of police assets.	Appropriations made from time to time from the operating budget.
<b>Rapid Transit</b>	2018	2019-10	To fund rapid transit projects to be identified in a future Council report.	Reserve transfer of tax levy savings from the Integrated Bilateral Agreement – Public Transit Stream.  Funded from the Rapid Transit Infrastructure Levy surcharge.