



Staff Report

Finance and IT Services

Report To: Committee of the Whole
Meeting Date: September 11, 2017
Report Number: FAF.17.94
Subject: Reserve and Reserve Funds
Prepared by: Sam Dinsmore, Deputy Treasurer/Manager of Accounting and Budgets

A. Recommendations

THAT Council receive Staff Report FAF.17.94, entitled "Reserve and Reserve Funds",

AND THAT Council approve By-Law 2017-XX, being a By-Law to establish the Fire Asset Replacement Reserve Fund;

AND THAT Council approve By-Law 2017-XX, being a By-Law to establish the Information Technology Asset Replacement Reserve Fund;

AND THAT Council approve By-Law 2017-XX, being a By-Law to establish the Community Services Asset Replacement Reserve Fund;

AND THAT Council approve By-Law 2017-XX, being a By-Law to establish the Facility Maintenance Asset Replacement Reserve Fund;

AND THAT Council approve By-Law 2017-XX, being a By-Law to establish the Solid Waste Asset Replacement Reserve Fund;

AND THAT Council approve the creation of a reserve for the purposes of funding the Landfill Post-Closure costs;

AND THAT Council approve By-Law 2017-XX, being a By-Law to establish the Roads Equipment Asset Replacement Reserve Fund;

AND THAT Council approve By-Law 2017-XX, being a By-Law to establish the Bridges and Culverts Asset Replacement Reserve Fund;

AND THAT Council approve By-Law 2017-XX, being a By-Law to establish the Infrastructure and Public Works Asset Replacement Reserve Fund;

B. Overview

This report outlines the Town's current reserves and reserve funds (discretionary only) and a plan to better utilize the current balances as well as a strategy going forward. Similar to Water and Wastewater this strategy will look at funding all capital from Asset Replacement Reserve Funds with annual transfers to the reserves and reserve funds being built into the operating budget.

By moving to this type of funding strategy the Town will accomplish a few things. The existing balances will be utilized, reducing the Town's reliance on short to long term debt, and it will aid in minimizing the large fluctuations that can occur on the annual tax rate.

It should be noted that this report is only looking at the taxation funded reserves and discretionary reserve funds. The user-fee departments - Water, Wastewater, Building and Harbour - all have plans in place for their respective reserves.

C. Background

At the end of 2016 the Town had just over \$37M in reserve and discretionary reserve funds. The strategy outlined below will take greater advantage of this balance as well as help to minimize the large tax increase that were going to be necessary to fund capital over the next three years.

With repurposing and combining some of the reserves and reserve funds as well as building in annual transfers, with annual indexing, the Town can fund the capital in the 2018 to 2020 budget (less some of the large construction budgets) as well keep the tax increases at a more manageable level.

D. Analysis

Currently the Town funds the majority of the taxation department capital through annual taxation which can led to large fluctuations in the required funding. In the 2017 Budget, transfers to capital were going from \$828,100 (2017) to \$1,341,400 (2018) to \$1,968,100 (2019); these increases represent a 3.5% increase in 2018 and another 4.19% in 2019. With a Council direction of 3% overall for the 2018 Budget staff have to look at alternative funding strategies for capital.

Each section below looks at a specific department, what they have for current reserves and what the strategy will be going forward.

Fire (Attachment 1)

The Fire Department started 2017 with four reserves as outlined below:

Current Reserve	Projected December 31, 2017
Fire Capital	\$ 37,762.18
Fire Master Plan Implementation	\$ 100,000.00
Fire Fighter Equipment Replacement	\$ 118,772.96
Fire Non-Growth	\$ 7,250.00
Total	\$ 263,785.14

Staff are recommending that the above reserves be closed out and a Fire Asset Replacement Reserve Fund be created. Staff will be presenting the 2018 Budget with an \$110,000 transfer to this reserve fund which will replace the \$297,500 that was going to be required from 2018 taxes. Of the \$110,000 only \$46,500 is additional as \$63,500 is already built into the base budget. Over the next three years this reserve fund will be well utilized and projects have the reserve fund being at 50% of this current balance; this is mainly due to a mini-pumper being funded. After 2020 the required funding decreases which will allow the reserve to build up to potentially fund the larger equipment replacement.

At this time staff are projecting the replacement of the large aerial pumper in 2025 with a replacement value of \$2,000,000 (2017 number). At this time staff are funding this purchase with long-term debt as the Town cannot afford to fully fund this over the next few years.

Information Technology (IT) (Attachment 2)

The Town has a General Computer Reserve which has rarely been utilized by the IT Division. Each year the IT capital has been funded from taxation. With rapidly changing technology the IT Division has a large Continuous Improvement budget to keep the Town up to date. The General Computer Reserve has a projected balance on December 31, 2017 of \$91,678.01 with annual transfers in of \$15,000. Staff are recommending that this reserve be closed and an IT Asset Replacement Reserve Fund be created. In addition the annual transfer needs to be increased to \$165,000 which will replace the required funding of \$207,900 in 2018.

Community Services (Attachment 3)

Community Services started 2017 with three reserves but was rarely using them, the chart below outlines the projected balances:

Current Reserve	Projected December 31, 2017
Parks Equipment	\$ 14,567.52
Recreation Reserve	\$ 145,921.61
Parks & Recreation Non-Growth	\$ 141,963.12
Total	\$ 302,452.25

Staff are recommending that these three reserves be closed out and a Community Services Asset Replacement Reserve Fund be created. In addition staff will be presenting the 2018 Budget with a new \$151,500 transfer to this reserve which will offset the required \$176,250 for

2018 capital projects. This reserve will be used to fund capital projects related to Tomahawk Golf Course, the Thornbury Clarksburg Union Cemetery, and Parks and Trails.

As per the Development Charges Act, Parks and Recreation are a *discounted service* which requires that 10% of the capital for any growth projects be funded by other sources. In these cases this reserve fund will be used to fund this 10% if other sources (donations etc.) are not available.

Staff have not included the \$46,043.46 Cemetery Reserve in this new reserve as this funding was set aside specifically for the Cemetery. Over the next few years any capital requirements at the cemetery will use this reserve and once it has been completely utilized future projects will be funded from the new Community Services Asset Replacement Reserve Fund.

Facility Maintenance (Attachment 4)

A new Division was created in 2017 to look after six facilities throughout the Town, including Town Hall, the OPP Detachment, LE Shore Memorial Library, Craigleith Heritage Depot, the Craigleith Community Centre and the Ravenna Hall. The facilities are a mixture of both new and old but all of them will continually require capital funding. Staff have included the Beaver Valley Community Centre in this reserve fund as well, as it is better suited with this reserve fund than the Community Services Reserve Fund. The Town currently has the following four reserves that will be consolidated into one.

Current Reserve	Projected December 31, 2017
Small Halls	\$ 2,586.69
Library Asset Management	\$ 15,672.78
Beaver Valley Community Centre	\$ 47,689.97
Town Hall	\$ 573,174.99
Total	\$ 639,124.43

Staff are recommending that these four reserves be closed out and a Facility Asset Replacement Reserve Fund be created to fund the capital requirements for the seven facilities listed above. For the past few years the Town has used \$115,000 annually from the Town Hall reserve fund to offset taxation required for the Town Hall loan. Over the next three years staff are recommending that this transfer be slowly phased out and the funds be directed towards capital rather than operating.

For 2018 staff will include a transfer of \$80,000 for this reserve which includes the \$10,000 that was in the base budget for the LE Shore Memorial Library and the \$11,500 for the Beaver Valley Community Centre. This transfer will offset the requirement of \$116,250 for 2018 capital that was proposed to be funded from current taxation.

Solid Waste – Capital (Attachment 5)

The Town has a Landfill Site Reserve with a January 1, 2017 balance of \$155,175.55, which staff are recommending be converted to a Solid Waste Asset Replacement Reserve Fund. This reserve fund will be to replace the heavy equipment, vehicle, and any facility/site capital. Similar to Fire, Solid Waste has a large capital project of \$1.8M budgeted for 2018 (Leachate Management). Staff are recommending long-term debt for this project as the only viable funding source.

Staff are including a \$75,000 transfer to the reserve fund starting in 2018 which will be used for the Wheel Loader replacement in 2018 and future replacements for the Compactor which was a \$500,000 purchase in 2016.

Solid Waste – Post-Closure Costs

As per regulations the Town has to have a Post-Closure Engineering Report done annually. This report outlines when the Landfill will be completely filled, what capital costs will need to be done to close the site and annual costs for operations after the closure is complete. For 2016 the report outlined a closure cost of \$1,425,000 in 2045. Good financial practices would see the Town setting aside any annual amount to fully fund this in 2045. Currently the Town has three individual Post-Closure reserves:

Current Reserve	Projected December 31, 2017
Waste Management EA	\$ 186,611.37
Waste Management	\$ 71,063.98
Gravel Pit Rehabilitation	\$ 17,028.97
Total	\$ 274,704.32

Staff are recommending that the three reserves be closed and converted to a Landfill Post-Closure Reserve. Taking into account the balance as shown above staff are including a \$41,000 annual transfer to this reserve which will allow the Town to fully fund the capital post-closure costs.

Once the capital is completed at the Landfill in 2045 the annual budget will be reduced by roughly 50% as the site will no longer be in operation.

Roads Equipment (Attachment 6)

Roads has two reserves that are related to the non-linear capital assets (equipment and facilities):

Current Reserve	Projected December 31, 2017
Roads Equipment	\$ 707,458.77
Roads Non-Growth	\$ 7,886.58
Total	\$ 715,345.35

Staff are recommending that a Roads Equipment Asset Replacement Reserve Fund be created and that the \$170,000 that is built into the base budget be transferred into this reserve fund. Similar to Recreation this reserve fund will be used for the replacement of assets as well as the 10% discount on growth related purchases, as the Public Works Development Charge is also a *discounted service*.

For 2018 this change has no impact on the bottom line as the transfer is already built into the base budget and will help the Town fund some large purchases that are coming such as a \$500,000 grader replacement in 2021.

Bridges & Culverts (Attachment 7)

Currently the Town already has a Bridges and Culverts Reserve Fund which on January 1, 2017 had a balance of \$283,236.62 and has a base budget transfer of \$65,000 which will continue to be increased by \$10,000 each year. Staff have included this reserve fund in this report to outline some guidelines around how the funding will be spent.

The replacement of a bridge or large culvert is usually in the neighborhood of \$1M, and with such a small balance this reserve fund can't afford to fund full replacements. It is for this reason that staff are recommending that this reserve fund currently be used to fund Preliminary Design and Engineering costs with the Construction costs being funded by long-term debt. It is for this reason that staff are not recommending a maximum annual transfer into the reserve fund until such time that a balance is built up that can fully fund replacement projects.

Over the next three years staff are projecting this reserve fund to almost double in size as well as fund parts of projected capital which will decrease the amount of long-term debt that will be needed.

Infrastructure and Public Works (Attachment 8)

Over the next few years the Town has budgeted for some large scale replacement projects that will include roads, sidewalks, streetlights, and stormwater. Currently they each have their own reserves however staff are recommending that they all be combined into one Infrastructure Asset Replacement Reserve Fund:

Current Reserve	Projected December 31, 2017
Roads	\$ 1,943,217.48
Streetlighting Upgrades	\$ 179,164.38
Walkways	\$ 175,803.74
Trunk Storm Sewers	\$ 94,466.46
Total	\$ 2,392,652.06

In addition to the \$70,000 (sidewalks) and \$490,000 (roads) being annually transferred into their respective reserves staff will also be including an additional \$145,300 to be transferred into this new reserve fund for a total of \$705,300. The \$145,300 represents 50% of the Capital

Levy, this amount will be additional to the 2% Capital Levy that will continue to be collected and transferred into the Capital Levy Reserve.

Similar to Bridges and Culverts, this reserve fund will be used to fund Preliminary Design and Engineering costs for the major capital projects (Elma and Alice Street for example) and will completely fund smaller annual projects, such as the Surface Treatment and Sidewalk Replacement. The same reason is used with this reserve fund as the construction costs for some of the projects are in the millions and this reserve fund is not large enough to handle those costs. As this reserve fund continues to grow staff will monitor the balance and will attempt to fully fund as many projects as possible to reduce the need for long-term debt.

General Rules

- The reserve funds listed above (excluding the Post-Closure Reserve) will generate interest annually.
- Any funds received from the disposal of assets will be transferred into the correct reserve fund.
- Transfers into the reserve funds will increase annually, at a minimum, (excluding the Post-Closure Reserve), based on the percentage approved by Council (for example in 2017 Council approved a 3% target for the 2018 budget therefore these transfers would increase by 3%).
- Reserves will be used for Operating purposes and Reserve Funds for Capital purposes.
- Any unused funding (for example a project comes in under-budget) will remain in the reserve fund and be available for future projects.

Capital Levy

For the purposes of this report the Capital Levy has been excluded from being consolidated, however, it will continue to receive 2% of the previous year's tax levy annually. The reason for this is unlike the reserve funds listed, the Capital Levy is not tied to a specific department (for example Fire or Infrastructure and Public Works) but rather is available to any taxation funded department.

This reserve is available for emergencies, such as the Library roof, or could be used for unfunded projects. For example some of the major linear projects only have a small taxation portion and therefore the construction costs are less than \$500,000. Rather than using long-term debt to fund that cost the Capital Levy could be used.

With these factors in mind staff at this time are not recommending any changes to this reserve.

E. The Blue Mountains' Strategic Plan

Goal #4: Promote a Culture of Organizational and Operational Excellence
Objective #4: To Be a Financially Responsible Organization

F. Environmental Impacts

None.

G. Financial Impact

The body of the report contains a lot of numbers which are summarized in the chart below. This chart outlines what amounts were included for 2018 in the 2017 budget or have been pre-approved for 2018 versus the taxation requirements under this new strategy.

Department	Current ¹	New Strategy	Difference
Capital Levy	\$ 290,600	\$ 290,600	\$ 0
Fire	\$ 297,500	\$ 110,000	\$ (187,500)
Community Services	\$ 133,750	\$ 151,500	\$ 17,750
Facility	\$ 40,000	\$ 80,000	\$ 40,000
Solid Waste –Capital	\$ 145,000	\$ 75,000	\$ (70,000)
Solid Waste – Post-Closure	\$ 0	\$ 41,000	\$ 41,000
Roads Equipment	\$ 170,000	\$ 170,000	\$ 0
Bridges & Culverts	\$ 75,000	\$ 75,000	\$ 0
IT	\$ 222,900	\$ 165,000	\$ (57,900)
Infrastructure and Public Works	\$ 849,690	\$ 705,300	\$ (144,390)
Cemetery	\$ 22,000	\$ 0	\$ (22,000)
Library	\$ 68,100	\$ 68,100	\$ 0
Economic Development	\$ 125,000	\$ 125,000	\$ 0
Planning	\$ 30,000	\$ 30,000	\$ 0
Total	\$ 2,469,540	\$ 2,086,00	\$ (383,040)

¹ this amount includes both Transfers to Capital and Transfer to Reserves.

For 2017 the Town will spend \$2,039,600 on capital which means that for the Current column that represents a \$429,940 or 2.96% increase over 2017 whereas the New Strategy represents a \$46,900 increase or 0.32% increase.

H. In consultation with

Senior Management Team

I. Attached

1. Fire Asset Replacement Reserve Fund
2. Information Technology Asset Replacement Reserve Fund
3. Community Services Asset Replacement Reserve Fund
4. Facility Asset Replacement Reserve Fund
5. Solid Waste Asset Replacement Reserve Fund

6. Roads Equipment Asset Replacement Reserve Fund
7. Bridges and Culverts Asset Replacement Reserve Fund
8. Infrastructure and Public Works Asset Replacement Reserve Fund

Respectfully Submitted,

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Director of Finance and IT Services

For more information, please contact:
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The Corporation of The Town of The Blue Mountains FAF.17.94
DRAFT By-law Number 2017 – Attachment 1

Being a By-law to provide for the establishment and maintenance of a Reserve Fund for the purposes of Asset Management for the Fire Department

Whereas pursuant to Section 417 of the *Municipal Act, 2001*, as amended, S.O. c.25, the municipality may provide in its budget for the establishment and maintenance of reserve funds for any purpose for which it has authority to spend money and may by by-law provide that the money raised for a reserve fund be spent, pledged or applied to a purpose other than that for which the fund was established;

And Whereas the Council of the Corporation of the Town of The Blue Mountains has received Staff Report FAF.17.94 “Reserve and Reserve Funds” at its regular meeting of Council on September 25, 2017;

Now Therefore the Council of The Corporation of the Town of The Blue Mountains enacts as follows:

1. That the following new Reserve Fund be established:
 - o Fire Asset Replacement Reserve Fund.
2. That the Fire Asset Replacement Reserve Fund will be used to fund expenditures related to asset replacement, rehabilitation, or significant repair for equipment, vehicles and facilities as they depreciate over time under the care and control of the Fire Department.
3. This By-law shall come into full force upon the enactment thereof.

Enacted and passed this 25th day of September, 2017.

John McKean, Mayor

Corrina Giles, Clerk

The Corporation of The Town of The Blue Mountains FAF.17.94
Attachment 2
DRAFT By-law Number 2017 –

Being a By-law to provide for the establishment and maintenance of a Reserve Fund for the purposes of Asset Management for the Information Technology Department

Whereas pursuant to Section 417 of the *Municipal Act, 2001*, as amended, S.O. c.25, the municipality may provide in its budget for the establishment and maintenance of reserve funds for any purpose for which it has authority to spend money and may by by-law provide that the money raised for a reserve fund be spent, pledged or applied to a purpose other than that for which the fund was established;

And Whereas the Council of the Corporation of the Town of The Blue Mountains has received Staff Report FAF.17.94 “Reserve and Reserve Funds” at its regular meeting of Council on September 25, 2017;

Now Therefore the Council of The Corporation of the Town of The Blue Mountains enacts as follows:

1. That the following new Reserve Fund be established:
 - o Information Technology Asset Replacement Reserve Fund.
2. That the Information Technology Asset Replacement Reserve Fund will be used to fund expenditures related to asset replacement, rehabilitation, or significant repair for equipment as they depreciate over time under the care and control of the Information Technology Department.
3. This By-law shall come into full force upon the enactment thereof.

Enacted and passed this 25th day of September, 2017.

John McKean, Mayor

Corrina Giles, Clerk

Being a By-law to provide for the establishment and maintenance of a Reserve Fund for the purposes of Asset Management for the Community Services Departments

Whereas pursuant to Section 417 of the *Municipal Act, 2001*, as amended, S.O. c.25, the municipality may provide in its budget for the establishment and maintenance of reserve funds for any purpose for which it has authority to spend money and may by by-law provide that the money raised for a reserve fund be spent, pledged or applied to a purpose other than that for which the fund was established;

And Whereas the Council of the Corporation of the Town of The Blue Mountains has received Staff Report FAF.17.94 “Reserve and Reserve Funds” at its regular meeting of Council on September 25, 2017;

Now Therefore the Council of The Corporation of the Town of The Blue Mountains enacts as follows:

1. That the following new Reserve Fund be established:
 - o Community Services Asset Replacement Reserve Fund.
2. That the Community Services Asset Replacement Reserve Fund will be used to fund expenditures related to asset replacement, rehabilitation, or significant repair for equipment, vehicles, facilities and land improvements as they depreciate over time under the care and control of the Parks and Trails, Tomahawk and Cemetery Departments.
3. This By-law shall come into full force upon the enactment thereof.

Enacted and passed this 25th day of September, 2017.

John McKean, Mayor

Corrina Giles, Clerk

The Corporation of The Town of The Blue Mountains FAF.17.94
Attachment 4
DRAFT By-law Number 2017 –

Being a By-law to provide for the establishment and maintenance of a Reserve Fund for the purposes of Asset Management for the Facility Maintenance and Beaver Valley Community Centre Departments

Whereas pursuant to Section 417 of the *Municipal Act, 2001*, as amended, S.O. c.25, the municipality may provide in its budget for the establishment and maintenance of reserve funds for any purpose for which it has authority to spend money and may by by-law provide that the money raised for a reserve fund be spent, pledged or applied to a purpose other than that for which the fund was established;

And Whereas the Council of the Corporation of the Town of The Blue Mountains has received Staff Report FAF.17.94 “Reserve and Reserve Funds” at its regular meeting of Council on September 25, 2017;

And Whereas the Council of the Corporation of the Town of The Blue Mountains has deemed it necessary to repeal By-Law No. 2012.34 being a By-law for the establishment and maintenance of a Reserve Fund for the purposes of Asset Management at The Blue Mountains Public Library and By-Law No. 2012-58 being a By-law to provide for the establishment and maintenance of a Reserve Fund for the purposes of providing for the repayment of initial construction debt and the future replacement of equipment and building components in the Town Hall;

Now Therefore the Council of The Corporation of the Town of The Blue Mountains enacts as follows:

1. That the following new Reserve Fund be established:
 - o Facility Asset Replacement Reserve Fund.
2. That the Facility Asset Replacement Reserve Fund will be used to fund expenditures related to asset replacement, rehabilitation, or significant repair for equipment, and facilities as they depreciate over time under the care and control of the Beaver Valley Community Centre, and the Facility Maintenance Departments.
3. This By-law shall come into full force upon the enactment thereof.

Enacted and passed this 25th day of September, 2017.

John McKean, Mayor

Corrina Giles, Clerk

DRAFT By-law Number 2017 –

Being a By-law to provide for the establishment and maintenance of a Reserve Fund for the purposes of Asset Management for the Solid Waste Department

Whereas pursuant to Section 417 of the *Municipal Act, 2001*, as amended, S.O. c.25, the municipality may provide in its budget for the establishment and maintenance of reserve funds for any purpose for which it has authority to spend money and may by by-law provide that the money raised for a reserve fund be spent, pledged or applied to a purpose other than that for which the fund was established;

And Whereas the Council of the Corporation of the Town of The Blue Mountains has received Staff Report FAF.17.94 “Reserve and Reserve Funds” at its regular meeting of Council on September 25, 2017;

Now Therefore the Council of The Corporation of the Town of The Blue Mountains enacts as follows:

1. That the following new Reserve Fund be established:
 - o Solid Waste Asset Replacement Reserve Fund.
2. That the Solid Waste Asset Replacement Reserve Fund will be used to fund expenditures related to asset replacement, rehabilitation, or significant repair for equipment, vehicles, land improvements and facilities as they depreciate over time under the care and control of the Solid Waste Department.
3. This By-law shall come into full force upon the enactment thereof.

Enacted and passed this 25th day of September, 2017.

John McKean, Mayor

Corrina Giles, Clerk

The Corporation of The Town of The Blue Mountains FAF.17.94
Attachment 6
DRAFT By-law Number 2017 –

Being a By-law to provide for the establishment and maintenance of a Reserve Fund for the purposes of Asset Management for the Roads and Drainage Department

Whereas pursuant to Section 417 of the *Municipal Act, 2001*, as amended, S.O. c.25, the municipality may provide in its budget for the establishment and maintenance of reserve funds for any purpose for which it has authority to spend money and may by by-law provide that the money raised for a reserve fund be spent, pledged or applied to a purpose other than that for which the fund was established;

And Whereas the Council of the Corporation of the Town of The Blue Mountains has received Staff Report FAF.17.94 “Reserve and Reserve Funds” at its regular meeting of Council on September 25, 2017;

Now Therefore the Council of The Corporation of the Town of The Blue Mountains enacts as follows:

1. That the following new Reserve Fund be established:
 - o Roads Equipment Asset Replacement Reserve Fund.
2. That the Roads Equipment Asset Replacement Reserve Fund will be used to fund expenditures related to asset replacement, rehabilitation, or significant repair for equipment, vehicles, and facilities as they depreciate over time under the care and control of the Roads and Drainage Department.
3. This By-law shall come into full force upon the enactment thereof.

Enacted and passed this 25th day of September, 2017.

John McKean, Mayor

Corrina Giles, Clerk

DRAFT By-law Number 2017 –

Being a By-law to provide for the establishment and maintenance of a Reserve Fund for the purposes of Asset Management for Bridges and Culverts

Whereas pursuant to Section 417 of the *Municipal Act, 2001*, as amended, S.O. c.25, the municipality may provide in its budget for the establishment and maintenance of reserve funds for any purpose for which it has authority to spend money and may by by-law provide that the money raised for a reserve fund be spent, pledged or applied to a purpose other than that for which the fund was established;

And Whereas the Council of the Corporation of the Town of The Blue Mountains has received Staff Report FAF.17.94 “Reserve and Reserve Funds” at its regular meeting of Council on September 25, 2017;

And Whereas the Council of the Corporation of the Town of The Blue Mountains has deemed it necessary to repeal By-Law No. 98-86 being a By-law to provide for the establishment and maintenance of a Reserve Fund for Bridges and Culverts;

Now Therefore the Council of The Corporation of the Town of The Blue Mountains enacts as follows:

1. That the following new Reserve Fund be established:
 - Bridges and Culverts Asset Replacement Reserve Fund.
2. That the Bridges and Culverts Asset Replacement Reserve Fund will be used to fund expenditures related to asset replacement, rehabilitation, or significant repair for bridges and culverts as they depreciate.
3. This By-law shall come into full force upon the enactment thereof.

Enacted and passed this 25th day of September, 2017.

John McKean, Mayor

Corrina Giles, Clerk

The Corporation of The Town of The Blue Mountains FAF.17.94
DRAFT By-law Number 2017 – Attachment 8

Being a By-law to provide for the establishment and maintenance of a Reserve Fund for the purposes of Asset Management for the Infrastructure and Public Works Department

Whereas pursuant to Section 417 of the *Municipal Act, 2001*, as amended, S.O. c.25, the municipality may provide in its budget for the establishment and maintenance of reserve funds for any purpose for which it has authority to spend money and may by by-law provide that the money raised for a reserve fund be spent, pledged or applied to a purpose other than that for which the fund was established;

And Whereas the Council of the Corporation of the Town of The Blue Mountains has received Staff Report FAF.17.94 “Reserve and Reserve Funds” at its regular meeting of Council on September 25, 2017;

Now Therefore the Council of The Corporation of the Town of The Blue Mountains enacts as follows:

1. That the following new Reserve Fund be established:
 - o Infrastructure and Public Works Asset Replacement Reserve Fund.
2. That the Infrastructure and Public Works Asset Replacement Reserve Fund will be used to fund expenditures related to asset replacement, rehabilitation, or significant repair for linear projects as they depreciate, this includes roads, stormwater management, sidewalks and streetlights.
3. This By-law shall come into full force upon the enactment thereof.

Enacted and passed this 25th day of September, 2017.

John McKean, Mayor

Corrina Giles, Clerk