



Policy: Reserves & Reserve Funds Policy

Department: Corporate Services

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1. Coverage

1.1 The Reserves and Reserve Funds Policy applies to all Reserves and Reserve Funds established by all Departments of the Corporation of the County of Bruce (the County).

2. Policy Statement

2.1 This policy governs the management and administration of Reserves and Reserve Funds for the County by establishing the guiding principles for their creation, funding, use and closure in line with the standards outlined in the Municipal Act.

3. Purpose

3.1 Reserves and Reserve Funds shall be established for the following purposes:

- a) To adhere to statutory requirements,
- b) To facilitate long-term financial planning and reduce reliance on debt utilization,
- c) To accumulate funds to finance future infrastructure, equipment, and other requirements,
- d) To help to smooth tax rate impacts and ensure the continued provision of services,
- e) To absorb the cost of one-time expenses,
- f) To ensure adequate and sustainable cash flows, and
- g) To take advantage of opportunities as they arise.

4. Legislative Authority

4.1 All Reserves and Reserve Funds will be managed in accordance with the Municipal Act, specifically:

- a) Section 289 (4) (f): In preparing the budget, an upper-tier municipality may provide for such reserves as the upper-tier municipality considers necessary.
- b) Section 293: specifies that the Minister may make regulations requiring a municipality to establish a reserve fund designated for prescribed liabilities, defining “liabilities”, requiring a municipality to make payments into the reserve fund, prohibiting the municipality from changing the purpose for which the reserve fund is designated; and prescribing the conditions under which the municipality may change the designation of all or any part of the reserve fund, and borrow from the reserve fund.
- c) Section 417: allows a municipality to provide in its budget for the establishment or maintenance of a reserve fund for any purpose for which it has authority to spend money and that a municipality may by by-law provide that the money raised for a reserve may be spent or applied to a purpose other than for which the fund was established.

5. Definitions

5.1 The following are definitions specific and relevant to this policy:

- a) Reserves - Monies set aside by approval of Council and not restricted by legislation. These funds are established by council resolution or budget adoption. Reserves can be related to projects that are of a nature prescribed and managed by approval of Council.
- b) Reserve Funds - Monies set aside for a specific purpose as required by provincial legislation, a municipal by-law, or agreement. The County identifies two types of Reserve Funds, Discretionary Reserve Funds and Obligatory Reserve Funds.
 - i) Discretionary Reserve Fund - Monies set aside for a specific purpose by Council and legislated by municipal by-law. If Council should decide to spend the money for purposes other than what it was originally intended for, then a new by-law must be passed under section 417(4) of the Municipal Act.
 - ii) Obligatory Reserve Fund - A Reserve Fund that is set up by statutory requirement. The funds are established for a specific purpose and cannot be used for any other purpose. For financial reporting purposes, in accordance with Public Sector Accounting Standards, this kind of reserve fund is reported as Deferred Revenue.
- c) Deferred Revenue - Restricted funds that have been received but not yet used for their specific purpose. Deferred Revenue is considered a liability on the County’s

financial statements until it becomes earned. Development Charges and Canada Community Building Fund (formerly known as federal gas tax) revenues are examples of Deferred Revenue for which an Obligatory Reserve Fund has been established.

d) Revolving Funds - Funds received which have been designated for a particular program operated by the County. Disbursements are based on a standardized process with stipulations attached. For some funds, stipulations may require recipients to pay back the funds if certain conditions occur. These funds are then placed back into the revolving fund for distribution.

e) Program - A grouping of related activities required to achieve service level expectations. Resource allocation decisions are made at the program level as part of the budget process.

Refer to Appendix A for further categorization of Reserves and Reserve Funds applicable to this policy.

6. Establishment and Modification

6.1 A Reserve or Reserve Fund can be established through the following processes, as appropriate to their type:

- a) Inclusion in the annual operating and capital budget approved by Council, or
- b) Through resolution of Council, or
- c) Statutory legislation, legal agreement or by-law that established a funding requirement (required for Reserve Funds).

6.2 Prior to establishing a new Discretionary Reserve or Reserve Fund, a financial plan shall be prepared including the purpose, target balance (if applicable), contribution sources, and proposed use.

6.3 Statutory Reserve Funds will be established in line with the requirements of the specific legislation or legal agreement requiring the creation of the Reserve Fund.

7. Investment

a) Reserves and Reserve Funds shall be invested for a term that will not exceed their expected date of need.

b) Reserves and Reserve Funds shall be invested in accordance with the Investment Policy.

c) Interest earned on all Reserves and Reserve Funds shall be recognized as revenue in the operating budget.

d) Interest will be calculated annually based on the average annual interest rate returns of the County's bank account and investments applied to the yearend reserve balance unless otherwise required by legislation.

e) Interest earned on Reserve Funds and Capital Reserves shall be calculated on individual balances and transferred to each specific Reserve or Reserve Fund unless otherwise specified in the related by-law.

f) Any remaining interest earned not specifically assigned to Reserve Funds and Capital Reserves shall be transferred to the County's Tax Stabilization Reserve.

8. Contributions To/Withdrawals From

8.1 Contributions to and/or withdrawals from Reserve and Reserve Funds shall be approved by Council as part of the annual budget process, or specifically by resolution. The following exceptions apply:

a) Direct contributions to Reserves and Reserve Funds (for example Development Charges and Canada Community Building Fund revenue) where funds have not been fully utilized for the intended purpose.

b) Contributions such as Donations and Fundraising proceeds where an appropriate reserve exists, and funds remain unused at the end of the calendar year.

c) Transfers that are a direct result of Council approved by-laws or resolutions. Where a by-law exists, the Treasurer has the delegated authority to enact the direction of the by-law without seeking further council approval or budget authorization.

d) Transfer of funds between reserves for restructuring, which in the opinion of the Treasurer has not materially changed the purpose for which the funds were intended.

e) Transfer of funds between capital reserves based upon reserve adequacy analyses, reserve targets or other related information within the same department, at the discretion of the Treasurer.

f) Use of "Revolving" Reserves and Reserve Funds for the purpose approved by Council, such as the WSIB Reserve, Home Repair and Home Ownership Reserves. Funds generated or utilized as part of a designated revolving fund shall become part of the year end transfer to and from reserves.

g) Carryover of incomplete capital and operating projects at year end, and subsequent inclusion in the following year's budget.

h) Fund balance generated in the service manager subsidy for non-profit housing providers shall be balanced to the budget with reserve transfers offsetting fluctuations with subsidy reconciliation process.

i) Year-end surpluses from capital projects will be transferred to Departmental Capital Reserves.

j) Unbudgeted proceeds from the sale of capital assets will be transferred to Departmental Capital Reserves.

k) Transfer of year end operating carryover project surpluses to the Tax Stabilization Reserve.

l) Transfer of year end operating surplus to the Tax Stabilization Reserve.

8.2 Budgeted transfers to Reserves and Reserve Funds are processed following budget approval on a quarterly basis. Budgeted transfers from Reserves and Reserve Funds to fund expenditures are processed quarterly in accordance with the related project expenditures incurred.

8.3 In an interest to maintain healthy reserve balances, current year County contribution funding is applied to the project before depleting reserve balances. Funds for incomplete projects will remain in the reserve to fund the project in future budgets.

8.4 Reserves and Reserve Funds will not be depleted for any project which would result in a year-end surplus position on that project.

9. Internal Lending

9.1 Internal Loans

9.1.1 Temporary borrowing to cover a Reserve or Reserve Fund short-term deficit, interim operating loan, or internal financing of capital work is permitted, when adequately supported. Loans extending past yearend will be authorized by Council, with the exception of development charge reserves. However, the following conditions must be met to allow any borrowing from reserves:

a) All lending/temporary borrowing shall be provided from Discretionary Reserve and Reserve Fund balances. Loaning of Obligatory Reserve Funds is prohibited with the exception of development charges as outlined in 9.1.2 below,

b) Borrowing must not adversely affect the intended purpose of the Reserve or Reserve Fund and should consider long-term spending needs,

c) A plan to repay the Reserve or Reserve Fund within a reasonable timeframe is required and must be documented, and

d) Interest, equivalent to the County's interest on bank accounts, shall be applied to outstanding amount borrowed unless specifically waived during the authorization process.

9.1.2 Where applicable, legislative requirements may apply. For example, the Development Charges Act, 1997, permits inter-fund borrowing only between Development Charge Reserve Funds. In addition, debt may be included as a capital cost

to leverage development charge (DC) revenue while waiting for development charges collections to catch up to growth-related spending. In both cases, amounts borrowed must be repaid at the County's defined rate and principal and interest are credited to the appropriate reserve or reserve fund source.

10. Termination/Closure

10.1 A Reserve or Reserve Fund shall be closed when the program or project it supported meets any one of the following criteria:

- a) Program commitments have been completed and no future commitments are expected,
- b) No longer in the scope of the County's strategic plans, or
- c) The Treasurer or their designate is confident that balances in other areas can mitigate the need to hold any remaining reserve or reserve fund balance.

10.2 Reserve or Reserve Funds identified for closure shall be reported to Council for review and approval on an annual basis. Reports to Council shall include recommendations regarding the timing of winding down, closure and the allocation of any fund balances.

- a) Reserves will be closed by resolution of Council,
- b) In the case of Reserve Funds, the by-law establishing the reserve must be repealed by Council.

11. Responsibilities

11.1 The Treasurer, or their designate, shall:

- a) Determine need for Reserve and Reserve funds for operating and capital needs.
- b) Establish the appropriate structure of accounts and recordkeeping.
- c) Set targets for Reserves and Reserve Funds in line with directives contained in this Policy, other pertinent policies and industry best practices. Targets will take into consideration relevant directives from other Council approved plans including the Strategic Plan and Asset Management Plan and will be benchmarked against other municipalities.
- d) Prepare the County's long-term budgeting and asset management planning with consideration of appropriate Reserve and Reserve Funds to effectively meet the County's operating and capital budget financing needs.

- e) Ensure that the principles and requirements contained in this policy are applied consistently across all departments, unless specified otherwise.
- f) Perform the transfer to and from Reserve and Reserve Funds as authorized by Council.
- g) Review and report on the adequacy and continued need for Reserve and Reserve Funds in line with legislative requirements, and pertinent policies; and
- h) Develop and update this policy as necessary and present changes to Council.

11.2 Departmental Directors, or their designates, shall:

- a) Provide the Treasurer, or their designate, with the most current capital asset and operating budget information to be used in the assessment of the adequacy of the capital and operating reserves.
- b) Inform the Treasurer, or their designate, of information that is pertinent to ensuring the principles and mandatory requirements contained in the policy are applied consistently across all the County departments.
- c) Consult with the Treasurer when reserve funds are required for unbudgeted transactions, to ensure sufficient funds are available and the proposed use is in line with the purpose of the reserve prior to reporting to council.
- d) Support the Treasurer in the development of Reserve and Reserve Fund targets that meet the needs of the department's reserves.

11.3 The Chief Administrative Officer shall:

- a) Support the Treasurer in ensuring the principles and mandatory requirements contained in this policy are applied consistently across all departments.
- b) Support the Treasurer in developing long term financial plans and ensuring sufficient funds have been established to support county objectives.

11.4 County Council shall:

- a) In accordance with the Municipal Act, 2001, Section 224, ensure that administrative polices, practices and procedures and controllership policies, practices, and procedures, are in place and maintain the financial integrity of the municipality.
- b) Review and approve/deny the establishment and closure of Reserves and Reserve Funds where indicated by this policy.
- c) Review and approve/deny transfers to and from Reserves and Reserve Funds where indicated by this policy.

12. Reporting

12.1 The Treasurer, or their designate, shall prepare the following reports regarding Reserves and Reserve Funds managed by the County:

- a) Annual Audited Financial Statements - including a statement of financial position, financial activities, and changes in fund balances for total Reserves and Reserve Funds.
- b) Budget Reports - prepared in conjunction with Departmental Directors, an annual operating and capital budget, including identified contributions to and draws from Reserves and Reserve Funds for the budget year. The report will include forecasted Reserves and Reserve Fund balances on a summarized basis for a five year period.
- c) Statutory Reports - Where required, an annual report detailing pertinent information regarding statutory reserves will be presented, eg. Development Charges Reserve Funds.
- d) Reserve and Reserve Fund Report - an annual report including:
 - i) Prior year Reserve and Reserve Fund balances for comparative purposes
 - ii) Year-end Reserve and Reserve Fund balances following the annual audit,
 - iii) Projected year-end Reserve and Reserve Fund balances for the current year based on current approved transfers to and from reserves for each
 - iv) Target Reserve Balances
 - v) A list identifying any Reserves or Reserve Funds the Treasurer or delegate has identified for proposed closure.
- e) Quarterly Financial Review Report - will include a summary of any uses of County Reserves or Reserve Funds approved by the Treasurer during the quarter.

13. Delegation of Authority

13.1 Once Council approves Reserves by resolution and Reserve Funds by-laws, the Treasurer shall have overall responsibility for this policy, and the authority to implement procedures consistent with the content of this policy.

13.2 The Treasurer, or their designate, has the responsibility for setting Reserve and Reserve Fund targets. Targets will be periodically reported to Council through Reserve and Reserve Fund Reports (as discussed in Reporting section).

13.3 The Treasurer has delegated authority to approve transfers from Reserves or Reserve Funds, at their discretion, up to a maximum of \$25,000 or 1% of the budgeted capital cost, whichever is greater, in so far as the proposed use aligns with the

intended purpose identified in the by-law or financial plan for the Reserve or Reserve Fund. The Treasurer will take the reserve target and financial sustainability of the reserve into consideration when making the decision. All Treasurer approved uses of reserve funds will be reported to council as part of the Quarterly Financial Review Report.

13.4 Once County Council has approved the use of reserves in the annual budget the Treasurer has the delegated authority to reallocate the approved transfers from reserves between capital projects within the same program to the extent that the scope of the work to be completed has not been reduced in either project, the purpose of the identified reserve aligns with the project and the total reserve transfer does not exceed the approved budget. All Treasurer approved reallocations of Reserves and Reserve Funds between capital projects will be reported to council as part of the Quarterly Financial Review Report.

14. Review of Policy

14.1 This policy shall be presented to Council for review at least once in the term of each elected Council, or earlier as deemed necessary by Council, or the Treasurer.

15. Specific Reserve and Reserve Funds

15.1 Appendix B identifies individual Reserves and Reserve Funds that have been established with Council's approval as of the date of implementation. The schedule will be updated and maintained as required.

16. Related Policies

16.1 Development Charges Act, Municipal Act, Bruce County Investment Policy, Bruce County Annual Budgeting and Budget Amendments Policies

Appendix A: Types of Reserves and Reserve Funds

Reserves and Reserve Funds can be categorized into four main types: Operating, Capital, Working Funds, and Statutory.

Exhibit 1:

Reserves & Reserve Funds	Discretionary Reserve or Reserve Fund ¹	Operating	Contingency and Stabilization
			Other Programs
			Carryover Projects
		Capital	Asset Management
	Specific Projects		
Working Funds			
Obligatory Reserve Fund	Statutory		

¹ Can be either reserve or reserve fund (if created by municipal by-law)

Operating Reserve and Reserve Funds are discretionary and generally address expenditure variations which result from cyclical expenditures/revenues, or for contingencies for potential large expenditure. Subsections include a) Contingency and Stabilization, b) Other Programs, and c) Carryover Projects

Capital Reserve and Reserve Funds are discretionary and are established to assist in financing the cost of construction, reconstruction, acquisition, or replacement of facilities, equipment, and land. Capital reserve policies are generally developed as part of a long-term financial plan, or part of an asset management plan. Subsections include a) Asset Management, b) Specific Projects

Working Funds are established to provide cash flow for operations to eliminate the requirement for short-term borrowing to meet immediate obligations.

Statutory Reserve Funds are established through legislation and are classified as Obligatory Reserve Funds. These Reserve Funds must be separated from other Reserve Fund accounts and can only be used for a specific purpose as outlined in their respective legislation/regulations.

Appendix B: Schedule of Reserves and Reserve Funds

Reserve Name	By-Law	Purpose	Target Balance	Typical Sources of Funding	Typical Uses of Funding
Capital Reserves & Reserve Funds:					
Brucelea Haven LTC - Capital Reserve		To accumulate funds to assist in financing future capital requirements deemed necessary within the Brucelea Haven LTC department.	Min: 15% of Current Replacement Value (\$177,000)	Budget transfers and proceeds on sale of capital assets.	Acquisition and replacement of office furniture and equipment, appliances, medical equipment.
Corporate Services - Capital Reserve		To accumulate funds to assist in financing future capital requirements deemed necessary within the Corporate Services department.	Min: 15% of Current Replacement Value (\$57,000)	Budget transfers and proceeds on sale of capital assets.	Acquisition and replacement of corporate vehicles, office furniture and equipment.
Gateway Haven LTC - Capital Reserve		To accumulate funds to assist in financing future capital requirements deemed necessary within the Gateway Haven LTC department.	Min: 15% of Current Replacement Value (\$100,000)	Budget transfers and proceeds on sale of capital assets.	Acquisition and replacement of office furniture and equipment, appliances, medical equipment.
Human Resources - Capital Reserve		To accumulate funds to assist in financing future capital requirements deemed necessary within the Human Resources department.	Min: 15% of Current Replacement Value (\$16,000)	Budget transfers and proceeds on sale of capital assets.	Acquisition and replacement of office furniture and equipment, computer software.

Reserve Name	By-Law	Purpose	Target Balance	Typical Sources of Funding	Typical Uses of Funding
Information Technology - IT Capital Reserve		To accumulate funds to assist in financing future information technology capital requirements deemed necessary within all County departments.	Min: 18% of Current Replacement Value (\$887,000)	Budget transfers and proceeds on sale of capital assets.	Acquisition and replacement of hardware, software, networks, and other information technology capital.
Library - Capital Reserve		To accumulate funds to assist in financing future capital requirements deemed necessary within the Library department.	Min: 15% of Current Replacement Value (\$435,000)	Budget transfers and proceeds on sale of capital assets.	Acquisition and replacement of software, library vehicles, office furniture and equipment.
Museum - Capital Reserve		To accumulate funds to assist in financing future capital requirements deemed necessary within the Museum department.	Min: 15% of Current Replacement Value (\$109,000)	Budget transfers and proceeds on sale of capital assets.	Acquisition and replacement of museum vehicles, office furniture and equipment.
Transportation & Environmental Services - Other Capital Reserve		To accumulate funds to assist in financing future capital requirements deemed necessary within the Transportation & Environmental Services department.	Min: 15% of Current Replacement Value (\$70,000)	Budget transfers and proceeds on sale of capital assets.	Acquisition and replacement of office furniture & equipment, computer hardware & software, and other operational equipment.
Transportation Services - Roads, Bridges, Culverts,		To accumulate funds to assist in financing future roads, bridges, culverts, and traffic control	Min: 3% of Current Replacement Value (\$18,552,000)	Budget transfers and proceeds on sale of capital assets.	Roads, Bridges, Culverts and Traffic Control capital projects.

Reserve Name	By-Law	Purpose	Target Balance	Typical Sources of Funding	Typical Uses of Funding
and Traffic Control Capital Reserve		capital requirements deemed necessary within the Transportation Services division.			
Environmental Services - Capital Reserve		To accumulate funds to assist in financing future capital requirements deemed necessary within the Environmental Services division.	Min: 4% of Current Replacement Value (\$39,000)	Budget transfers and proceeds on sale of capital assets.	Acquisition and replacement of operational equipment.
Housing Facilities - Capital Reserve		To accumulate funds to assist in financing future capital requirements deemed necessary within the Social Housing division.	Min: 4% of Current Replacement Value (\$4,471,000)	Budget transfers and proceeds on sale of capital assets.	Capital improvements to existing facility or replacement of existing building components, Office furniture and equipment.
Information Technology - Capital Reserve		To accumulate funds to assist in financing future capital requirements deemed necessary within the Information Technology department.	Min: 15% of Current Replacement Value (\$5,000)	Budget transfers and proceeds on sale of capital assets.	Replacement IT department specific Capital including vehicle, equipment, furniture.
Planning & Development - Capital Reserve		To accumulate funds to assist in financing future capital requirements deemed necessary within the Planning &	Min: 15% of Current Replacement Value (\$6,000)	Budget transfers and proceeds on sale of capital assets.	Acquisition and replacement of office furniture and equipment.

Reserve Name	By-Law	Purpose	Target Balance	Typical Sources of Funding	Typical Uses of Funding
		Development department.			
Paramedic Services - Capital Reserve		To accumulate funds to assist in financing future capital requirements deemed necessary within the Paramedic Services department.	Min: 15% of Current Replacement Value (\$368,000)	Budget transfers and proceeds on sale of capital assets.	Acquisition and replacement of capital such as: office furniture and equipment, emergency vehicles and ambulances, operating machinery, medical equipment, public access defibrillators, emergency management trailer, and radios.
Transportation & Environmental Services - Fleet Capital Reserve		To accumulate funds to assist in financing future capital fleet requirements deemed necessary within the Transportation & Environmental Services department.	Min: 15% of Current Replacement Value (\$1,226,000)	Budget transfers, proceeds on sale of capital assets. and year-end surplus from the 9 fund.	Acquisition and replacement of vehicles and operating machinery.
Brucelea Haven LTC – Facilities Reserve		To accumulate funds to assist in financing future facilities requirements deemed necessary within the Brucelea Haven LTC department.	Min: 4% of Current Replacement Value (\$1,326,000)	Budget transfers and proceeds on sale of capital assets.	Capital improvements to existing facilities or replacement of existing building components.
Gateway Haven LTC – Facilities Reserve		To accumulate funds to assist in financing future facilities requirements deemed necessary within the Gateway Haven LTC department.	Min: 4% of Current Replacement Value (\$1,058,000)	Budget transfers and proceeds on sale of capital assets.	Capital improvements to existing facilities or replacement of existing building components.

Reserve Name	By-Law	Purpose	Target Balance	Typical Sources of Funding	Typical Uses of Funding
Museum – Facilities Reserve		To accumulate funds to assist in financing future facilities requirements deemed necessary within the Museum department.	Min: 4% of Current Replacement Value (\$960,000)	Budget transfers and proceeds on sale of capital assets.	Capital improvements to existing facilities or replacement of existing building components.
Non-Departmental - Facilities Reserve		To accumulate funds to assist in financing future facilities requirements deemed necessary within the Non-Departmental department.	Min: 4% of Current Replacement Value (\$1,360,000)	Budget transfers and proceeds on sale of capital assets.	Capital improvements to existing facilities or replacement of existing building components.
Transportation & Environmental Services - Facilities Reserve		To accumulate funds to assist in financing future facilities requirements deemed necessary within the Transportation & Environmental Services department.	Min: 4% of Current Replacement Value (\$749,000)	Budget transfers and proceeds on sale of capital assets.	Capital improvements to existing facilities or replacement of existing building components.
Human Services - CMHC Gary St Replacement Reserve		To maintain a replacement reserve account for 529 Gary St Kincardine as required per CMHC loan terms.	Min: 4% of Current Replacement Value (\$444,000)	Budget transfers and proceeds on sale of capital assets.	Capital repair and replacement costs at 529 Gary St Kincardine, as approved by CMHC guidelines.
Departmental Specific Reserves & Reserve Funds:					

Reserve Name	By-Law	Purpose	Target Balance	Typical Sources of Funding	Typical Uses of Funding
Brucelea Haven LTC - McIntosh Estate Donation Reserve		To hold unspent donation received from McIntosh Estate for the purpose of purchasing furnishings for Brucelea Haven LTC home.	N/A	2008 Donation received from McIntosh Estate	To be used towards purchasing furnishings for the home.
Gordon Henry Amrell Trust Reserve		To hold unspent donation received from Amrell Estate for the general purpose of Brucelea Haven LTC home.	N/A	Gordon Henry Amrell Estate donation	General purpose expenditures for Brucelea Haven Long Term Care Home
Brucelea Haven LTC - Department Donations Reserve		To accumulate unspent funds received by donation to support the increased comfort, safety, and social life of the residents of Brucelea Haven Long Term Care Home.	N/A	Unspent in-year general donations from individuals and organizations.	Expenditures for the betterment of the residents of Brucelea Haven Long Term Care Home, including staff training and resident activities.
Office of the CAO - Departmental Reserve		To accumulate funds to help smooth tax rate impacts of one-time items and other specific undertakings deemed necessary within the Office of the CAO department.	\$150,000 - \$200,000	Budget transfers.	Update of County Strategic Plan, Records Management, Real Estate Expenses, and Other Strategic Initiatives

Reserve Name	By-Law	Purpose	Target Balance	Typical Sources of Funding	Typical Uses of Funding
Corporate Services - Departmental Reserve		To accumulate funds to help smooth tax rate impacts of one-time items and other specific undertakings deemed necessary within the Corporate Services department.	\$50,000	Budget transfers.	Update of Asset Management Plan, Replacement of Financial Software, and Other Initiatives
Employment Services – Performance Based Funds Reserve		To fund strategic investments for the transformation of employment services across Bruce, Grey, Huron, Perth, per the consortium agreement.	N/A	Ministry funding for Employment Services Performance Based Funds.	Programming to help people secure employment.
Gateway Haven LTC - Department Donations Reserve		To accumulate unspent funds received by donation to support the increased comfort, safety, and social life of the residents of Gateway Haven Long Term Care Home.	N/A	Unspent in-year general donations from individuals and organizations.	Expenditures for the betterment of the residents of Gateway Haven Long Term Care Home, including staff training and resident activities.
Human Resources - Departmental Reserve		To accumulate funds to help smooth tax rate impacts of one-time items and other specific undertakings deemed necessary within the Human Resources department.	\$25,000 - \$50,000	Budget transfers.	Recruitment costs, strategic plans, job evaluation, pay equity, project work opportunities, legal and consulting costs

Reserve Name	By-Law	Purpose	Target Balance	Typical Sources of Funding	Typical Uses of Funding
Human Resources - Employee Wellness Reserve		To accumulate funds to help absorb the cost of one-time Employee Wellness related expenditures as deemed necessary within the Human Resources department.	\$5,000 - \$25,000	Budget transfers and year end unspent funds earmarked for the employee wellness program up to target maximum.	Employee Wellness related expenditures
Human Services - Affordable Housing Program- Home Repair Revolving Reserve		To provide a revolving fund for the purpose of Home Repair Funding.	N/A	Initial funds received from the province for Home Repair subsidy. Annual Year End transfer for revolving funds earmarked for this purpose	Funds must be used for Home Repairs.
Human Services - Affordable Housing Program - Creation of New Units Reserve Fund	2024-XXX	To accumulate funds to help absorb one-time costs related to New Unit Affordable Housing Options as deemed necessary within the Human Services department.	N/A	Budget transfers.	Specific undertakings related to creating new unit affordable housing options.
Human Services - Departmental Reserve		To accumulate funds to help smooth tax rate impacts of one-time items and other specific undertakings deemed necessary within the	N/A	Budget transfers, and annual surplus from Children's Activity Assistance Program.	Specific undertakings related to the delivery of Human Services and programs as deemed appropriate by the Director.

Reserve Name	By-Law	Purpose	Target Balance	Typical Sources of Funding	Typical Uses of Funding
		Human Services department.			
Human Services - Affordable Housing Program- New Home Owners Program Reserve Fund	2024-XXX	To provide a revolving fund for the purpose of New Home Ownership.	N/A	Initial funds received from the province for New Home Ownership subsidy. Annual Year End transfer for revolving funds earmarked for this purpose.	Funds must be used for New Home Ownership.
Information Technology - Departmental Reserve		To accumulate funds to help smooth tax rate impacts of one-time items and other specific undertakings deemed necessary within the Information Technology department.	20% of Total Annual Subscription Costs plus known projects (\$422,000)	Budget transfers and annual subscription surpluses up to the reserve target.	One-time projects and unexpected increases to subscription costs.
Library - Departmental Reserve		To accumulate funds to help smooth tax rate impacts of one-time items and other specific undertakings deemed necessary within the Library department.	\$100,000	Budget transfers and annual net surplus from sale of used library books.	Library strategic plan, literacy program, operating materials, non-TCA equipment/furniture, and other program related expenditures.
Library - Department Donations Reserve		To accumulate unspent funds received by donation to support the operations of the Bruce County Public Library.	N/A	Unspent in-year general donations from individuals and organizations.	Operating materials, capital book purchases.

Reserve Name	By-Law	Purpose	Target Balance	Typical Sources of Funding	Typical Uses of Funding
Library - Southampton Branch Reserve Fund	3346	To accumulate unspent funds received by donation to support the operations of the Bruce County Public Library - Southampton Branch.	N/A	Donation received from the Estate of Alda K. Griffiths, in accordance with the provisions contained in her Last Will and Testament.	Must be spent on the Southampton Library Branch on the recommendation of the Bruce County Public Library Board and the approval of Council.
Reserve Fund in Memory of Dorrell Young	2017-076	To accumulate unspent funds received by donation in memory of Dorrell Young to help provide Christmas gifts to children of households receiving services of the Human Services department.	N/A	Unspent in-year general donations from individuals and organizations.	Christmas gifts for underprivileged children that are members of households receiving services of the department.
Museum - First Nations Exhibit Reserve		To accumulate funds for the purpose of the Museum First Nations Exhibit.	N/A	Grants, donations, and budget transfers.	Must be used for the purpose of the Museum First Nations Exhibit.
Museum - Departmental Reserve		To accumulate funds to help smooth tax rate impacts of one-time items and other specific undertakings deemed necessary within the Museum department.	\$50,000	Budget transfers and Monies generated from the sale of de-accessioned Museum Artifacts.	Acquiring artifacts, archives expenditures, software and website development, marketing plans and other one-time expenditures.

Reserve Name	By-Law	Purpose	Target Balance	Typical Sources of Funding	Typical Uses of Funding
Museum - Expansion Reserve Fund	2024-XXX	To accumulate funds to assist in financing the Museum expansion.	\$2,200,000	Budget transfers, revenue from capital fees, fundraising events.	Used for proposed expansion of Museum.
Museum - Department Donations Reserve		To accumulate unspent funds received by donation to support the operations of the Bruce County Museum & Cultural Centre.	N/A	Unspent in-year general donations from individuals and organizations.	Operating or capital purchases for the Bruce County Museum & Cultural Centre.
Museum - Shilling Reserve Fund	2014-050	To hold unspent money received from the Estates of Jack & Dorothy Shilling.	N/A	Money received from the Estates of Jack & Dorothy Shilling.	Must be expended on the recommendations of the Bruce County Museum & Cultural Centre, and on the approval of Bruce County Council.
Planning - Legal Reserve		To accumulate funds to help absorb the cost of one-time legal expenditures within the Planning division.	\$100,000 (Self Insured Retention)	Budget transfers and year end surplus from Planning Legal budget.	Legal appeals related to County Official Plan or Land Use Planning Act.
Economic Development - Spruce the Bruce Reserve Fund	2022-102	To ensure continued provision of Spruce the Bruce program services.	N/A	Budgeted Spruce the Bruce program funds that are unspent at the end of each fiscal year.	Support local businesses, municipalities, and community partners in the County through the Spruce the Bruce Program in the Economic Development division.

Reserve Name	By-Law	Purpose	Target Balance	Typical Sources of Funding	Typical Uses of Funding
Planning - Departmental Reserve		To accumulate funds to help smooth tax rate impacts of one-time items and other specific undertakings deemed necessary within the Planning division.	\$100,000	Budget transfers and year end surplus from Planning Official Plan budget	Growth Management Study Updates, Official Plan Updates, GIS Software, and other Emerging Issues
Economic Development - Departmental Reserve		To accumulate funds to help smooth tax rate impacts of one-time items and other specific undertakings deemed necessary within the Economic Development division.	\$100,000	Budget transfers and year end surplus from county contribution for partially funded grants.	Website Updates, Branding, Cost-Share Grants, and other Emerging Issues
Paramedic Services - Departmental Reserve		To accumulate funds to help smooth tax rate impacts of one-time items and other specific undertakings deemed necessary within the Paramedic Services department.	5% of operating budget (\$834,000)	Budget transfers.	Delay in funding for staffing, strategic plan study, vehicle repairs/replacements,
Transportation Services - Departmental Reserve		To accumulate funds to help smooth tax rate impacts of one-time items and other specific undertakings deemed necessary within the Transportation Services division.	\$250,000	Budget transfers/year end operating surplus	Undertake one-time studies and/or updates to master plans and/or updates to other studies within the Department

Reserve Name	By-Law	Purpose	Target Balance	Typical Sources of Funding	Typical Uses of Funding
Transportation & Environmental Services - Municipal Drainage Reserve		To accumulate funds to assist in financing future municipal drainage expenditures.	\$150,000	Budget transfers.	Specific undertakings related to drainage
Waste Management Future Planning Reserve Fund	2016-033	To accumulate funds to help smooth tax rate impacts of one-time costs related to future waste management planning requirements.	\$500,000	Budget transfers.	Must be used for the purposes of waste management planning requirements.
Environmental Services - Departmental Reserve		To accumulate funds to help smooth tax rate impacts of one-time items and other specific undertakings deemed necessary within the Environmental Services division.	\$250,000	Budget transfers and annual transfers of surplus created from the sale of forest products.	Must be used for environmental operational initiatives within the Forestry, Trails, or Waste programming.
Transportation & Environmental Services - County Reforestation Reserve Fund	3167	To accumulate funds to help smooth tax rate impacts of one-time acquisitions of County Forest Property.	N/A	Budget transfers and funds received from the Ministry of Natural Resources in 1990.	Must be used for the purpose of acquiring County Forest property.

Reserve Name	By-Law	Purpose	Target Balance	Typical Sources of Funding	Typical Uses of Funding
Health Care Reserve Fund	3710	To provide a fund out of which to make Capital Grants to hospitals and provide funding for Physician Recruitment Sessions.	\$250,000 to \$750,000	Budget transfers.	Capital Grants to hospitals and grants to finance Physician Recruitment Sessions as directed by County Council from time to time.
Government Funded Reserves & Reserve Funds:					
Non-Departmental - Government Funded Reserves		To accumulate unspent government funding to offset future year budgets.	N/A	Various general government funding sources. (i.e. Safe Restart, Municipal Modernization)	Eligible expenditures as per related funding agreements.
Canada Community Building Fund (former Federal Gas Tax Reserve Fund)		To accumulate unspent Canada Community Building Fund money and accrued interest.	N/A	Year-end unspent funds received from the Association of Municipalities of Ontario (AMO) on behalf of the Federal Government.	Eligible projects as per Canada Community Building Fund Agreement.
Stabilization Reserves & Reserve Funds:					
Tax Stabilization Reserve		To accumulate funds to help smooth tax rate impacts of one-time items and other unplanned or emergency situations	Suggested minimum Balance of 3% of corporate levy (\$2,000,000), target balance of 6% (\$4,000,000), maximum 12% (\$8,000,000)	Budget transfers and year-end surplus.	Extraordinary and unforeseen expense requirements, one-time expenses, revenue shortfalls.

Reserve Name	By-Law	Purpose	Target Balance	Typical Sources of Funding	Typical Uses of Funding
		within all departments of the County.			
Non Profit Housing Providers Subsidy Reserve		To accumulate funds to offset budget fluctuations in Non-Profit Housing Providers subsidies.	N/A	Budget transfers and annual year end surplus.	Non-profit Housing Providers subsidies.
County Insurance & Legal Reserve		To help mitigate significant increases in tax rates due to large insurance premium increases, and to fund one-time and/or unbudgeted claims and deductibles.	\$150,000 - \$300,000	Budget transfers and year end surplus from Corporate Services net insurance & legal budget.	County insurance & legal related expenditures and claims.
BCHC Insurance & Legal Reserve		To help mitigate significant increases in tax rates due to large insurance premium increases, and to fund one-time and/or unbudgeted claims and deductibles.	\$75,000 - \$150,000	Budget transfers and year end surplus from net insurance & legal budget.	BCHC insurance & legal related expenditures and claims.
Transportation & Environmental Services - Winter Control Reserve		To offset the impact of volatile operating expenditures resulting from extreme winter weather conditions.	\$500,000 - \$750,000	Year-end surplus (up to the max target balance)	Winter Maintenance expenditures on County Roads in the event of deficiency in the budget.

Reserve Name	By-Law	Purpose	Target Balance	Typical Sources of Funding	Typical Uses of Funding
WSIB Reserve Fund	3986	To fund the County's Health and Safety Program with an aim of reducing WSIB claims, as well as paying for the costs of any WSIB claims.	80% - 120% of Actuarial Liability (\$3,539,000 - \$5,308,000)	Transfers from operating budget. Funded through premiums charged to departments salary budgets.	Covers the cost of the annual Health and Safety Budget, all WSIB claim costs, and Indemnity insurance. Funds equipment costs related to modified work.
Working Capital Reserve Fund	1739	To provide short-term financing of the County's operations to ensure the ability to meet current liabilities prior to the receipt of tax levies from local municipalities and other revenues.	Equivalent of one month of annual levy (\$5,600,000)	Budget transfers.	Support ongoing financial operations and cash flows.
Development Charges		To provide financing for growth related capital projects undertaken by the County in accordance with the Development Charges Act.	As per Development Charges Background Study.	Development Charges revenue.	Growth related capital projects as per the County's Development Charges Background Study and By-law.
Operating Project Carryovers Reserve		To hold surpluses from operating projects not completed during the year that are carried over to next year's budget.	N/A	Year-end surplus from incomplete operating projects.	Operating project carryovers.

Reserve Name	By-Law	Purpose	Target Balance	Typical Sources of Funding	Typical Uses of Funding
Inventory Reserve					
Interest Reserve to be Allocated					

\$49,815,000 - \$58,654,000