



## PURPOSE

The purpose of the Special Reserves Policy is for the utilization of Special Reserves to improve the process of visionary planning for the Municipality of East Hants' future financial needs. In general, the intention of Reserve Funds is to serve three specific purposes:

- Contingency Funds for Opportunities;
- Contingency Funds for Risk; or
- Savings Funds for Obligations.

Reserves are a means by which the Municipality can accumulate funds for an anticipated or unanticipated future requirement. This differs from the Operating Budget (General Fund) which the Municipality, in accordance with the Nova Scotia Municipal Government Act, must budget for a year-end balance of zero.

## SCOPE

All employees of the Municipality with budget and spending authority responsibilities fall within the scope of this policy and must adhere to the policy statements contained within this document.

## POLICY

### POLICY STATEMENT

Reserve funds are established by Council by setting aside money to help offset future financing requirements; when required, the funds are drawn upon to finance capital and operating expenditures as designated by Council. Using reserve funds to minimize tax rate fluctuations is a fundamental financial management tool for the Municipality.

The establishment of reserves follows the general guidelines outlined in the Financial Reporting and Accounting manual (FRAM), as issued by the Province of Nova Scotia. The general intent is to save for large expenditures on equipment, balloon payments, studies and other one-time expenditures by appropriating funds from operating. Motions made by Corporate & Residential Services Committee to establish new reserves will be reflected in the Special Reserve Policy through the policy approval process during an appropriate Council meeting. For accounting procedural purposes, staff are authorized to establish a new reserve account by a motion of Council or the Corporate & Residential Services Committee.

A resolution of Council, either through the approved budgets or separate motion, is required to withdraw general operating or capital fund reserves. The Budget Management Policy delegates authority to the CAO in some low value instances.

The Special Reserves Appendix outlines Council's purpose for each fund and where applicable how each fund will be funded. The Municipality shall maintain the following funds:

1. Capital Reserves
2. Operating Reserves
3. Water Utility Depreciation Reserves
4. Obligatory Reserves

## CAPITAL RESERVES

The Municipal Government Act (MGA), Section 99, states a municipality shall maintain a capital reserve fund. The capital reserve fund must include the following, which may be amended from time to time by the CAO to reflect changes to the MGA:

- a) funds received from the sale of property;
- b) proceeds of insurance resulting from loss or damage of property that is not used for replacement, repair or reconstruction of the property;
- c) any surplus remaining from the sale of debentures that is not used for the purpose for which the debentures were issued; proceeds received from the winding up of a municipal enterprise as defined in the Municipal Finance Corporation Act;
- d) any capital grant not expended in the year in which it was paid;
- e) the current fiscal year's accrual for landfill closure and post closure costs;
- f) amounts transferred to the fund by the council; and
- g) balance in Tax Sale Surplus account twenty years after the tax sale, **MGA Section 147 (5)**.

A withdrawal from the capital reserve fund shall be authorized by Council, by resolution, and may only be used for:

- a) Capital expenditures for which the municipality may borrow;
- b) Repayment of the principal portion of capital debt; and
- c) Landfill closure and post closure costs.

Council may borrow from a capital reserve fund, by resolution, if the resolution prescribes the terms of repayment, including interest, at a rate not less than the interest rate that the municipality would pay to borrow the funds for a similar term from another source.

The Special Reserves Appendix lists the Capital Reserves held by the Municipality; Capital Reserves code classification is CXXX.

## OPERATING RESERVES

The annual Operating Budget shall lay out the amounts to be set aside in reserves funds for future spending purposes. Transfers between funds are recorded as adjustments to the appropriate fund balance. Council can use Operating Reserves to fund both operating and capital expenditures and debt repayment.

The Special Reserves Appendix lists for the Operating Reserves held by the Municipality; Operating reserves classification codes are:

- GXXX for General Tax Rate Reserves
- UXXX for Urban Services Reserves
- AXXX for Other Area Rate Reserves

## WATER UTILITY DEPRECIATION RESERVES

The reserve provides funding for capital projects in the East Hants Water Utility. Funding to the reserve is provided annually from the Depreciation Expense in the Water Utility operating budget.

The Special Reserves Appendix lists the Reserves held by the East Hants Water Utility; Water Utility reserves code classification code is WXXX.

## OBLIGATORY RESERVES

The Municipality receives infrastructure charge contributions and payments in lieu of open space under provisions of Municipal By-Laws. These funds, by their nature, are restricted in their use and until applied to applicable capital work, are recorded as Deferred Revenue - Obligatory Reserve Funds. As applied to capital projects, they are recorded as revenue in the year the funds are expended.

The Special Reserves Appendix lists the Reserves held as Obligatory Reserves; Obligatory Reserves classification code is ORXXX.

## RETURN ON INVESTMENT

Municipal reserve funds form part of the Municipal Consolidated bank balance and will be used to leverage favourable interest on Municipal accounts. The CAO, on the advice of the Director of Finance, will be

responsible for these investment decisions and shall make all legislated recommendations to Council around the same.

Interest earned on the reserves will be paid to each reserve on an annual basis. Where the administrative burden to calculate and allocate such interest is significant, interest will not be applied to:

1. District Recreation Funds
2. Beautification Funds
3. Mount Uniacke District Recreation Fund

## ROLES AND RESPONSIBILITIES

Title/Role	Responsibilities
Policy Editor	<p>The Policy Editor is a person having managerial and policy-making responsibility related to the writing, compilation and revision of content and will:</p> <ul style="list-style-type: none"> <li>• Ensure policies in their care and control are always up-to-date, reviewed annually or sooner if necessary</li> <li>• Draft new or edit existing policy content</li> <li>• Be able to interpret and explain policy content</li> <li>• Ensure policy documents are branded and any supporting documents, ie. applications forms are also branded and content consistent with the policy</li> <li>• Ensure policy content is relevant and accurate</li> <li>• Seek and secure approval recommendation of the policy from the Policy Owner</li> <li>• Seek and secure approval of the policy from the appropriate Approver; and,</li> <li>• Provide the final approved policy document to the Assistant Municipal Clerk</li> </ul>
Policy Owner	<p>The Policy Owner will:</p> <ul style="list-style-type: none"> <li>• Provide oversight to ensure policies in their care and control are always up-to-date, reviewed annually, or sooner if necessary, by the assigned Policy Editor</li> <li>• Be able to interpret and explain policy content</li> <li>• Provide oversight to ensure policy documents are branded and any supporting documents, i.e. application forms are also branded and content consistent with the policy</li> <li>• Provide oversight to ensure policy content is relevant and accurate</li> <li>• Review the policy and make recommendation for approval to the appropriate Approver; and,</li> <li>• Ensure that the final approved policy document has been provided to the Assistant Municipal Clerk</li> </ul>
Approver	<p>The Approver will:</p> <ul style="list-style-type: none"> <li>• Review Policy recommendations for approval consideration (approve, reject or edit); and,</li> <li>• Notify the Policy Editor, Policy Owner and Assistant Municipal Clerk of decision</li> </ul>

Title/Role	Responsibilities
Assistant Municipal Clerk	The Assistant Municipal Clerk will: <ul style="list-style-type: none"> <li>Facilitate an annual Policy Review; and,</li> <li>Ensure final approved policies are maintained, stored and posted where appropriate</li> </ul>
Employees	The Employees will adhere to the contents of this policy.

## RELATED DOCUMENTATION

Related forms, processes, procedures and other documents that support the policy.

Document Name	Document ID	Document Type
NS Municipal Government Act		Legislation
NS Financial Reporting & Accounting Manual (FRAM)		Legislation
NS Utility & Review Board Accounting & Reporting Handbook		Form
Budget Management Council Policy		Policy
Budget Management Admin Policy		Policy

## VERSION LOG

Version Number	Amendment Description	Amendment/Policy Editor	Amendment/Policy Owner	Approver	Approval Date
1.0	Creation of policy	Manager of Finance/ Director of Finance	CAO	Council	December 21, 2022
2.0	Appendix Amendments - C015, G001-f,g,h,i, G055, G056, G057	Manager of Finance/ Director of Finance	CAO	Council	

## CERTIFICATION

I, Kim Ramsay, Municipal Clerk for the Municipality of East Hants, hereby certify that this policy was duly approved.

Kim Ramsay  
Municipal Clerk

**SPECIAL RESERVES APPENDIX**

**CAPITAL RESERVES**

Description	Code	Purpose
Canada Community Building Fund - CCBF (formerly Gas Tax) - Corridor	C001	Reserve funds received under the Canada-Nova Scotia Agreement on the Transfer of Federal CCBF (formerly Gas Tax) Revenues and interest paid to the reserve. This is in compliance with the Federal Government requirement for the Municipality to maintain a separate accounting for the funds provided and for the interest earned on unexpended funds. The funds are used to acquire sustainable infrastructure per the eligible expenditures outlined in the Agreement. The current agreement is for the period April 1, 2014 to March 31, 2024. Funding for this Reserve will be 75% of any CCBF Funds (received after April 1, 2016).
Canada Community Building Fund - CCBF (formerly Gas Tax) - Mt. Uniacke	C002	Reserve funds received under the Canada-Nova Scotia Agreement on the Transfer of Federal CCBF (formerly Gas Tax) Revenues and interest paid to the reserve. This is in compliance with the Federal Government requirement for the Municipality to maintain a separate accounting for the funds provided and for the interest earned on unexpended funds. The funds are used to acquire sustainable infrastructure per the eligible expenditures outlined in the Agreement. The current agreement is for the period April 1, 2014 to March 31, 2024. Funding for this Reserve will be 12.50% of any CCBF Funds (received after April 1, 2016).
Canada Community Building Fund - CCBF (formerly Gas Tax) - Rural	C003	Reserve funds received under the Canada-Nova Scotia Agreement on the Transfer of Federal CCBF (formerly Gas Tax) Revenues and interest paid to the reserve. This is in compliance with the Federal Government requirement for the Municipality to maintain a separate accounting for the funds provided and for the interest earned on unexpended funds. The funds are used to acquire sustainable infrastructure per the eligible expenditures outlined in the Agreement. The current agreement is for the period April 1, 2014 to March 31, 2024. Funding for this Reserve will be 12.50% of any CCBF Funds (received after April 1, 2016).
Canada Community Building Fund - CCBF (formerly Gas Tax) - Other	C004	In 2016 Council set aside \$300,000 of CCBF (formerly Gas Tax), and subsequent interest on same, for Asset Management initiatives. Once this project is complete the balance will be allocated to C001, C002 and C003 based on the allocation formula.
Business Park Land Development	C005	Reserve provides funding exclusively for the purchase and development of land for sale in the municipally owned business parks. The reserve was created in accordance with the requirements of Section 99 of the Municipal Government Act which requires that any proceeds from the sale of land be deposited into a Capital Reserve fund. Funding for this reserve is to come from the sale of land in East Hants business parks and from interest paid to the reserve.

## SPECIAL RESERVES APPENDIX

Open Space Capital Reserve	C006	Reserve provides funding for Open Space projects and is funded through land transactions.
Business Park Capital Signs	C007	Reserve provides funding for capital signage in the municipally owned business parks. Funding for this reserve comes from signage advertising revenues.
Sale of Capital Assets	C008	Reserve was created in accordance with the requirements of Section 99 of the Municipal Government Act (MGA). Under this Act, funds may only be used for either (1) capital expenditures for which the municipality may borrow; or (2) repayment of the principal portion of capital debt. Funding is to come from the sale of capital assets (land, vehicles & equipment), other than the sale of Business Parks land, Open Space land and from interest paid to the reserve.
Landfill Closure/Post Closure	C009	Reserve was prescribed by the Province of Nova Scotia and is intended to provide funds to responsibly end the life of Georgefield Landfill site and monitor it thereafter for environmental impact. The reserve fund is calculated annually based on a formula of the estimated costs to monitor and protect the capped cell at the Waste Management Center. An annual transfer to or from the Operating Landfill Reserve balances this reserve to the calculated liability.
Excess Debenture (Capital)	C010	Reserve holds any excess borrowing funds which can occur when the Municipality estimates what is required for a debenture issue. The projects include but are not limited to wastewater, roads, sidewalks, building, storm water and transfer stations. Funds in this reserve will be used to pay for projects that fall within the same general purpose and fund (GTR, USR, etc.) for which the original borrowing was made as per MGA Section 99.
Fire Communication equipment	C011	Reserve holds fire service levies to provide funding for debt payments that the Municipality incurred for the fire department communication project.
Active Transportation	C012	Reserve established in 2021 through Council Motion C21(198) for funding related to the \$1.7M Highway 214 Active Transportation Capital Project 20-035.
Tax Sale Surplus Funds	C013	Reserve holds any tax sale surplus funds taken in to revenue after the twenty-year redemption period. Funds can only be used for capital expenses as per MGA Section 99.
Uniacke District Recreation Civic Centre	C014	Reserve holds funds in trust to facilitate the building of a community recreational civic centre in Mount Uniacke.
Sustainable Services Growth Fund (SSGF)	C015	Reserve established in March 2023 to be utilized for specific capital projects as outlined in the SSGF Provincial agreement.

**SPECIAL RESERVES APPENDIX**

**OPERATING RESERVES**

**GENERAL TAX RATE**

Description	Code	Purpose
General Tax Rate Contingencies	G001	Development of reserve was in accordance with criteria in the Financial Reporting and Accounting Manual (FRAM) where any operating surplus is to be deposited to an Operating Reserve at March 31st. This contingency reserve can be used for unanticipated expenditures, capital purchases, or to fund a deficit in the General Tax Rate.
Deed Transfer Tax	G001-a	Special reserve established in 2021 to mitigate the risk of potential Deed Transfer Tax Revenue shortfall (C21-198).
RCMP Policing Model	G001-b	To fund the RCMP model for future years (C21-198).
Corridor Community Opportunity Options (CCOA)	G001-c	Funding to support Council’s capital contribution to a new facility for CCOA.
Recreation Access Program	G001-d	Reserve provides funding for RecAccess Program. Reserve was established at onset of program.
Staff Training	G001-e	Reserve provides funding for staff training. Funding to the reserve will be provided annually from the surplus (savings) of the Training Budget (General Tax Rate).
Shubenacadie Water Utility Deficit	G001-f	<del>In 2009 Council passed a motion to amalgamate the two municipal water utilities; the accumulated deficit of the Shubenacadie Water Utility is to be recovered through an area rate charged to the Shubenacadie residents with final payment in 2022/2023.</del>
Well & Septic Program	G001-g	To fund the well & septic program (C23-XXX).
Active Transportation Initiatives	G001-h	To fund active transportation initiative (C23-XXX).
Asset Retirement Obligations	G001-i	To fund the PSAS 3280 asset retirement obligations.
Legal Fees	G002	Reserve provides funding for legal costs incurred by the Municipality. Funding to the reserve will be provided annually from the surplus (savings) of the Legal Services Budget (General Tax Rate).
Pension Offset	G003	Reserve provides funding for pension plan upgrades and pension payments required by legislation. Funding to the reserve is provided annually from the General Tax Rate through the operating budget and annually from the surplus (savings) of pension and health premiums budget in the General Tax Rate and Urban Service Rate.
General Government - Election	G004	Reserve provides funding for expenses incurred for purpose of conducting special and regular elections pursuant to legislation. Funding to the reserve is from the General Tax Rate through the annual operating budget.



## SPECIAL RESERVES APPENDIX

General Government - Building Repairs	G005	Reserve provides funding for municipal building repairs. Funding to the reserve is from the General Tax Rate through the annual operating budget.
General Government - Council NSF/FCM	G006	Reserve provides funding for Council NSF/FCM expenses. Funding to the reserve is from any NSF/FCM budget surplus (savings) in the General Tax Rate.
General Government - Professional Fees	G007	Reserve provides funding for Municipal professional studies & work by professional individuals or groups. The type of work includes but is not limited to Consultants, Professional Accountants, Professional Engineers, and Actuaries. Funding to the reserve will be provided annually from the surplus (savings) of the General Tax Rate Professional Services budgets.
General Government - Other	G008	Reserve provides the Municipality contingency funding for projects & initiatives where the project/initiative does not meet the criteria of existing reserve funds. Funding to the reserve is from the General Tax Rate through the annual operating budget.
Legislative Equipment	G009	Reserve provides funding for equipment in Council chambers. Funding to the reserve is from the General Tax Rate through the annual operating budget.
Office Equipment	G010	Reserve provides funding for staff office equipment such as chairs, desks and small equipment. Funding to the reserve is from the General Tax Rate through the annual operating budget.
Planning Growth Management	G011	Reserve provides funding for large, multi-year planning studies and projects that do not occur annually such as a plan / boundary review. Funding to the reserve is from the General Tax Rate through the annual operating budget.
Emergency Management Office	G012	Reserve provides funding for operating expenses that would be needed during and after an emergency event. Funding to the reserve is from the General Tax Rate through the annual operating budget.
Parks Reserve	G013	Reserve provides funding for recreation park operating and capital projects. Funding to the reserve is from the General Tax Rate through the annual operating budget.
Recreation Open Space	G014	Reserve provides funding for cost associated with recreational open space. Funding to the reserve is from the General Tax Rate through the annual operating budget.
Tourism: operating and capital funding	G015	Reserve provides funding for Municipal Tourism Assets and operating costs such as studies, new programming and equipment. Funding to the reserve is from the General Tax Rate through the annual operating budget.
Other Buildings	G016	Reserve provides funding for purchases or repairs to Municipal buildings. Funding to the reserve is from the General Tax Rate through the annual operating budget.
Aquatics Facility Life Cycle & Equipment Replacement	G017	Reserve provides funding for Aquatic Facility maintenance and equipment replacement costs. Funding to the reserve is from the General Tax Rate through the annual operating budget.

## SPECIAL RESERVES APPENDIX

Lloyd E. Matheson Building (LEMC)	G018	Reserve provides funding for future LEMC debt payments.
Lloyd E. Matheson Centre Capital Replacement	G019	Reserve provides funding for capital replacement at the Lloyd E. Matheson Centre. Funding to the reserve is provided annually from the tenants of the building which includes the Municipality of East Hants.
<b>INFORMATION SERVICES</b>		
Cell Phone Replacement	G020	Reserve provides funding for purchase of cell phones. Funding to the reserve is per the direction of Council through the annual operating budget when necessary.
Information Management Strategy	G021	Reserve provides funding for the Municipal website and information management strategy which require upgrades every few years. Funding to the reserve is per the direction of Council through the annual operating budget when necessary.
Computer - Hardware/Network	G022	Reserve provides funding for computer hardware equipment as required. Equipment includes, but is not limited to, staff and council laptops, storage servers and printers. Funding to the reserve is from the General Tax Rate through the annual operating budget.
Computer Support	G023	Reserve provides funding for computer support as required by the Municipality. Includes but is not limited to accounting system upgrades, software implementation and document management systems. Funding to the reserve is from the General Tax Rate through the annual operating budget.
<b>ECONOMIC DEVELOPMENT</b>		
Economic Development General Operations	G024	Reserve provides funding for the key initiatives for Economic & Business Development as directed by Council. Funding to the reserve is per the direction of Council through the annual operating budget when necessary.
Business Park Signage	G025	Reserve provides funding for operating or capital signage in the municipally owned business parks. Funding to the reserve is per the direction of Council through the annual operating budget when necessary.
<b>TRANSPORTATION</b>		
Transportation - Equipment	G026	Reserve provides funding for transportation equipment in the General Tax Rate. Funding to the reserve is per the direction of Council and through the annual operating budget when necessary.
Transportation - Paving (10+%)	G027	Reserve provides consideration to fund for up to 10% or a higher contribution in special circumstances at Council discretion, to Municipally owned local road improvement paving projects as per the F-100 Local Improvement Bylaw. Funding to the reserve is from the General Tax Rate through the annual operating budget.

**SPECIAL RESERVES APPENDIX**

Transportation - Storm Drainage	G028	Reserve provides funding for future storm drainage projects. Funding to the reserve is from the General Tax Rate through the annual operating budget.
Transportation - Gravel Program	G029	Reserve provides funding for gravel program. Funding to the reserve is from the General Tax Rate through the annual operating budget.
Transportation - Snow Clearing Roads	G030	Reserve provides funding for costs associated with snow and ice control in the annual operating budget. Given the unpredictability of winter weather, it is prudent to have a snow clearing contingency. Funding to the reserve is from the General Tax Rate through the annual operating budget and from savings in the snow removal ROADS cost centre.
Transportation - Roads Contracts	G031	Reserve provides funding for cost of road maintenance and protects the Municipality from potentially large and costly increases that can occur and additional work that is typically required after a harsh winter. Funding to the reserve is provided annually from the surplus (savings) in the ROADS cost centre contracts and agreements budget.
Municipal Vehicles/Transit	G032	Reserve provides funding for the purchase of Municipal vehicles including transit. Funding to the reserve is from the General Tax Rate through the annual operating budget.
Transportation - Traffic Lights	G055	Reserve provides funding for cost of traffic lights. Funding to the reserve is from the General Tax Rate through the annual operating budget.
Transportation - Traffic Calming Signs	G056	Reserve provides funding for cost of traffic calming signs. Funding to the reserve is from the General Tax Rate through the annual operating budget.
Transportation - Traffic Calming Tables	G057	Reserve provides funding for cost of traffic calming tables. Funding to the reserve is from the General Tax Rate through the annual operating budget.

**GRANTS**

General Government - Grants	G033	Reserve provides funding for General Government Grants available to non-profit organizations that support the delivery of municipal services or provide services to enhance community well-being and the quality of life for the citizens of East Hants. Funding to the reserve will be provided annually from the surplus (savings) of the General Government Grants budget (General Tax Rate).
District Beautification	G034	Reserve provides funding for district beautification and enhancement as outlined in the Community Beautification/ Enhancement Grant Policy. Funding to the reserve is provided annually from the surplus (savings) in the COUNCIL cost centre grants budget (General Tax Rate) and is accounted for by electoral District.

## SPECIAL RESERVES APPENDIX

Heritage Grant	G035	Reserve provides funding for heritage properties. Funding to the reserve is provided annually from the surplus (savings) in the PLANSERV cost centre grants budget (General Tax Rate).
Tourism Grant	G036	Reserve provides funding for Tourism Grants which assist community organizations with tourism related projects designed to protect and enhance community identity, values and the tourism product. Funding to the reserve is provided annually from the surplus (savings) in the Tourism Grant funds in TOURISM cost centre (General Tax Rate).
Tourism Economic Development Fund (TED)	G037	Reserve provides funding to support the Tourism Economic Development Fund. The TED Fund exists to provide support to projects that strategically advance the growth of high-quality, competitive destinations, products and visitor experiences that are significant to East Hants, motivate travel and align with visitor needs. Funding to the reserve ceased in 2019 based on decision of Council during budget discussions.
Rural Economic Development Fund (RED)	G038	Reserve provides funding for projects that enhance the economic viability of the community, create employment, and are consistent with Council Strategy. Funding to the reserve ceased in 2019 based on decision of Council during budget discussions.
District Recreation Grant Fund	G039	Reserve provides funding for the District Recreation Fund which exists for the purpose of increasing community initiatives to provide recreational facilities, to maintain equity when dispersing public recreation funds and to increase/improve the quality and number of community recreation facilities in East Hants. Funding to the reserve is provided annually from the surplus (savings) in the DRF budget in the LEISADMIN cost centre (General Tax Rate).
Uniacke District Recreation Grant Fund	G040	Reserve provides funding for the District Recreation Fund in the Uniacke area. One-time contributions from the General Tax Rate surplus make up part of the fund balance. Funding to the reserve is provided annually from the Uniacke District Recreation Area Rate.
Special/Event Grants	G041	Reserve provides one-time financial assistance to organizations who are hosting a significant or special event that will be open to all members of the public and have a positive impact on tourism, community or economic development. Funding to the reserve is provided annually from the surplus (savings) in the Special Event Grants budget in the TOURISM cost centre (General Tax Rate).
EMO Comfort Station Grant	G042	Reserve provides financial assistance to organizations who are to provide comfort stations during emergency events. Funding to the reserve was provided through decision of Council (General Tax Rate).

**SPECIAL RESERVES APPENDIX**

**WASTE MANAGEMENT**

Waste Management Heavy Equipment	G044	Reserve provides funding for heavy equipment needs at the Waste Management Centre such as a bulldozer, snowplow blade and excavator. Funding to the reserve provided annually from the Waste Management Fee through the operating budget.
Solid Waste Operating (formally Landfill Operating)	G045	Reserve provides funding for operating expenses at the Waste Management Centre and green carts for distribution. Funding to reserve provided annually from the Waste Management Fee through the operating budget.
Waste Management Balloon Payments	G046	Reserve provides funding for future solid waste debenture balloon payments. Funding to reserve provided annually from Solid Waste Division surplus (Waste Management Fee).
Waste Management Centre Site	G047	Reserve provides funding for needs at the Waste Management Centre such as site upgrades and out building repairs. Funding to the reserve provided annually from the Waste Management Fee through the operating budget.

**FIRE DEPARTMENTS**

Emergency Grant - Fire Department	G048	Reserve provides operating funding to rural fire departments based on lower assessment and fire levy within the Municipality of East Hants as outlined in the Fire Service Funding Policy. Funding to the reserve is provided annually from the General Tax Rate through the operating budget.
Rural Fire Department Capital Fund	G049	Reserve provides capital funding to rural fire departments in Rawdon, Kennetcook, Noel, Walton, Gore and Maitland Departments as outlined in the Fire Service Funding Policy. Funding to the reserve was from one-time allocations from the General Tax Rate surplus.
TMR2 Self Insurance	G050	The East Hants Fire Service made a decision to migrate from its own Repeater Voice System to the Nova Scotia Provincial TMR2 Radio System in 2015. Due to the high annual insurance cost and deductible Council CM16(164) approved that a \$20,000 reserve be established to self-insure the TMR2 radio system. A one-time contribution of \$10,000 was made from the Fire Emergency Service Reserve and annual contributions of \$3,000 will be made up to a maximum of \$20,000. Funding for this reserve is through the General Tax Rate as required.
Fire Department Legal Fees	G051	Reserve provides funding for any unexpected legal requirements that could arise through the East Hants Fire Service. Funding for the reserve is provided annually from the surplus (savings) in legal fee budget in the FIREEXP cost centre (General Tax Rate) as required, if the fund goes below \$7,000.

## SPECIAL RESERVES APPENDIX

Common Training Facility - Fire Department	G052	Reserve was established to provide a common training facility for the East Hants Fire Service. Council Motion C15(290) approved contributions to the fund until the fund reached a balance of \$120,000. Funding to the reserve is per the direction of Council through the annual operating budget if necessary.
Fire Department Training	G053	Reserve was established to cover Regional Fire Service training for the East Hants Fire Service. Funding to the reserve is provided annually from the surplus (savings) in training budget in the FIREEXP cost centre (General Tax Rate).
Traumatic Event Counselling Fund	G054	Reserve was established to cover traumatic event counselling requirements for the East Hants Fire Service, as outlined in the Fire Service Funding Policy. Initially established through the General Tax Rate, annual funding to the reserve is provided by the fire departments and through the operating budget when top up is necessary.
<b>URBAN SERVICE RESERVES</b>		
Urban Service Rate Contingencies	U001	Reserve is in accordance with the criteria in the Financial Reporting and Accounting Manual where any operating surplus is to be deposited to an Operating Reserve. This reserve provides emergency funding to the Urban Service Rate and is funded through any annual surplus (if applicable) that the Urban Service Rate generates at March 31st. This contingency reserve can be used for unanticipated expenditures, capital purchases, or to fund a deficit in the Urban Service Tax Rate.
De-sludge Cells	U002	Reserve provides funding for the cell desludging work that is expected to occur at the Lantz Lagoon. Annual contributions of \$125,000 were deposited to the fund between 2009 and 2017 through the Urban Service Rate. Annual funding has stopped and will be reevaluated in the future.
Wastewater Liftstation Pumps & Forcemains	U003	Reserve provides funding for replacement and repairs to wastewater liftstation pumps and forcemains. Funding to the reserve is from the Urban Service Rate through the annual operating budget.
Wastewater System	U004	Reserve provides funding for one-time wastewater operating and capital projects. Funding to the reserve is from the Urban Service Rate through the annual operating budget.
Wastewater - Revenue from Hookup Fees	U005	Reserve provides funding for wastewater expenses with funding provided annually from the wastewater Hookup fees.
Lagoon Vegetative Growth	U006	Reserve provides funding to manage vegetation growth at the Lantz Lagoon. Funding to the reserve is from the Urban Service Rate through the annual operating budget.



## SPECIAL RESERVES APPENDIX

Snow Removal/Contracts Sidewalks	U007	Reserve provides funding for costs associated with snow and ice control and sidewalk maintenance which are beyond that provided for in the annual operating budget. Given the unpredictability of winter weather, it is prudent to plan for the contingency. Funding to the reserve is provided annually from the surplus (savings) in the snow removal and contracts and agreements budgets.
Sidewalk Balloon Payments	U008	Reserve provides funding for future sidewalk debenture balloon payments. Funding to the reserve is from the Urban Service Rate through the annual operating budget and as sidewalk debt is retired equivalent payments will be transferred.
Sidewalk Debt Retirement	U009	Reserve established for sidewalk debt retirement in the Enfield and Elmsdale areas. This reserve will be retired once depleted.
Lights - Urban Service Rate Communities	U010	Reserve provides operating and capital funding for streetlights in the corridor area between Shubenacadie and Enfield. Funding for the reserve provided annually from the surplus (savings) in the corridor streetlight area rates.
Wastewater Vehicle	U011	Reserve provides funding for replacement wastewater vehicles. Funding to the reserve is from the Urban Service Rate through the annual operating budget.

## AREA RATE RESERVES

Lights - Other	A001	Reserve provides operating and capital funding for streetlights in the non-corridor areas of Nine Mile River, Mt. Uniacke, Enfield/Grand Lake and Rawdon. Funding for the reserve provided annually from the surplus (savings) in the streetlight area rates.
Sportsplex Reserve	A002	Reserve provides funding for Sportsplex expenditures which include but are not limited to debenture balloon payments, capital projects, and other purposes as determined by Council. Funding to the reserve is provided annually from the surplus (savings) in the Sportsplex area rate.
Sportsplex Operations Reserve	A003	Reserve provides funding for Sportsplex operating or capital expenditures. Funding to/from the reserve is provided annually from the surplus/deficit from the Sportsplex operations.

## WATER UTILITY RESERVES

Description	Code	Purpose
Water Utility Depreciation	W001	Reserve provides funding for capital projects in the East Hants Water Utility only. Funding to the reserve is provided annually from the Depreciation Expense in the Water Utility operating budget.

OBLIGATORY RESERVES		
Description	Code	Purpose
Obligatory Reserves - Open Space Corridor	OR001	The Municipality receives contributions and payments in lieu of open space under provisions of Municipal bylaws. These funds by their nature are restricted in their use and until applied to applicable capital works, are recorded as Deferred Revenue - Obligatory Reserve Funds. As applied to capital projects, they are recorded as revenue in the year the funds are expended.
Obligatory Reserves - Open Space Rural	OR001	The Municipality receives contributions and payments in lieu of open space under provisions of Municipal bylaws. These funds by their nature are restricted in their use and until applied to applicable capital works, are recorded as Deferred Revenue - Obligatory Reserve Funds. As applied to capital projects, they are recorded as revenue in the year the funds are expended.
Obligatory Reserves - Open Space Mt. Uniacke	OR001	The Municipality receives contributions and payments in lieu of open space under provisions of Municipal bylaws. These funds by their nature are restricted in their use and until applied to applicable capital works, are recorded as Deferred Revenue - Obligatory Reserve Funds. As applied to capital projects, they are recorded as revenue in the year the funds are expended.
Obligatory Reserves - Water Infrastructure	OR002	Reserve provides funding for projects that build capacity in the East Hants Water Utility. The reserve allows for funding of capital projects and funding for operating projects. Funding to the reserve is provided annually from the water infrastructure charges collected through the IO-200 Infrastructure Charges bylaw.
Obligatory Reserves - Wastewater Infrastructure	OR003	Reserve provides funding for projects that build capacity in the wastewater systems. The reserve allows for funding of capital and operating projects. Funding to the reserve is provided annually from the infrastructure charges collected through the IO-200 Infrastructure Charges bylaw.