



**Subject:** *Special Reserves Policy*  
**To:** Corporate & Residential Services Committee  
**Date Prepared:** June 12, 2024  
**Related Motions:** C23(145), C23(201), C24(78)  
**Prepared by:** Janice Taylor, CPA, CMA, Manager of Finance  
**Approved by:** Kim Ramsay, CPA, CMA, Chief Administrative Officer

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### Summary

As Council creates new reserves and depletes others, the appendix to the Special Reserves Policy requires updates. Staff are bringing forward this report to amend the Special Reserves Policy for Council consideration.

### Financial Impact Statement

There are no financial impacts with this report.

### Recommendation

It is recommended that Council adopt the proposed amendments to the Appendix in the Special Reserves Policy.

### Recommended Motion

*To be considered at the June 18, 2024 Executive Committee Meeting:*

***Move that the Corporate & Residential Services Committee recommends that Council give notice of intent to approve the amendments to the Special Reserves Policy as attached to the June 18<sup>th</sup>, 2024 Executive Committee Agenda.***

*To be considered at the June 26th, 2024 Regular Meeting of Council:*

***Move that the Corporate & Residential Services Committee recommend that Council approve the amendments to the Special Reserves Policy as attached to the June 18<sup>th</sup>, 2024 Executive Committee Agenda.***

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## Background

Council approved the Special Reserves Policy in December 2022 and amendments in June 2023. 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 component of financial management for East Hants.

There is a legislative requirement to have a separate accounting of reserve fund assets from the general operating funds and capital funds.

### TYPES OF RESERVES

- Special Reserves: monies set aside for a specific purpose, both Capital and Operating
- Contingency Reserves: surplus funds set aside for unanticipated expenditures
- Obligatory Reserves: Infrastructure reserves (trunk sewer, water fees and open space)
- Depreciation Reserves: Water Utility

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## Discussion

Staff are recommending changes to the Appendix as follows:

1. Addition of C016 - Centre Rawdon Playground & Park Development
2. Addition of G001-f Sustainability Funding
3. Addition of G020 - Growth Management Grant - Municipal Buildings and Property
4. Addition of G021 - Growth Management Grant - Mount Uniacke
5. Addition of G022 - Growth Management Grant - Sportsplex
6. Addition of G023 - Housing Accelerator Fund (CMHC)
7. Deletion of G404 - Tourism Economic Development Council Motion C23(145)
8. Deletion of G405 - Rural Economic Development Council Motion C23(145)
9. Housekeeping edits for formatting and numbering have been incorporated in the policy

### STRATEGIC ALIGNMENT

The key strategy of Corporate Excellence outlines an objective to enhance the financial framework that continues to support the long-term sustainability of the municipality. Documenting the current reserve practices and refining others brings transparency to the reserve setting process and a formality to financial practices in the Municipality.

### LEGISLATIVE AUTHORITY

There is a legislative requirement to have a separate accounting of reserve fund assets from the general operating funds and capital funds as outlined in the Municipal Government Act (MGA) Section 99 and the Municipal Financial Reporting & Accounting Manual (FRAM).

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## Alternatives

Council may:

1. Give staff direction on other possible considerations.

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## Attachments

Amended Special Reserves Policy