



**FORTFRANCES**  
BOUNDLESS

**2021 CONTRIBUTIONS TO RESERVE  
FUNDS**

**ADMINISTRATIVE  
REPORT**

Date: 2022-03-28  
From: Dawn Galusha, Treasurer  
To: Committee of the Whole  
File Number: TRE 2022-15

## 2021 CONTRIBUTIONS TO RESERVE FUNDS

### 1. ISSUE

We are projecting a 2021 General Operating Fund Deficit, mostly due to staffing vacancies and lay-offs due to the COVID impacts, in addition to the Supplemental Levy assessed on the new OPP station.

### 2. STRATEGIC IMPACT

N/A

### 3. OPTIONS & ALTERNATIVES

Authorize the approval of transferring surplus funds to the appropriate reserve funds for 2021.

### 4. ADMINISTRATIVE RECOMMENDATION

RECOMMENDED THAT the Committee of the Whole approves the year-end contributions to the reserve funds as follows:

Waterworks & Sanitary Sewer	-	\$300,425.52	100% of Water & Sewer Surplus to Water & Sewer Reserves
Safe Restart Funding	-	\$14,345.34	Safe Restart Reserve Fund
Surplus estimate 2020 and 2021	-	\$500,000.00	Working Capital Reserve Fund

### 5. ANALYSIS

We are nearing the end of our year-end preparation for the fiscal period ending December 31, 2021. In accordance with our Long-Term Capital Financial Plan, Policy No. 1.19, being a plan to help align short-term actions with long-term financial management strategy and that identifies, that with Council approval, that Operating Surplus be transferred to the Corporate Reserve Funds, and that Water & Sewer Fund surpluses be transferred to Waterworks & Sanitary Sewer Reserve Fund at year end.

The Water Fund and Sewer Fund surplus amount transferred to the Waterworks & Sanitary Sewer Reserve Fund amount is \$300,425.52 for the 2021 fiscal year end, at this point in time.

In 2021, we were fortunate to receive additional Safe Restart Funding, of which I am proposing carrying \$14,345.34 to 2022. The use of this funding was for specific enhanced cleaning protocols, PPE, sanitization supplies, protection barriers and other purchases directly related to COVID-19, which we would not have incurred otherwise. COVID-19

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impacts the budget in many other ways, including both reductions to revenue, as well as cost savings for travel, training, salaries, and benefits.

We are projecting a 2021 General Operating Fund surplus, mostly due to staffing vacancies and lay-offs due to the COVID impacts, in addition to the Supplemental Levy assessed on the new OPP station. As the 2022 Capital Budget has many large projects and it is likely that we will be waiting on funding from the Federal and Provincial Government, I would like approval to maintain a larger Working Capital Reserve Fund. Whether it's used to maintain operations and make payroll, or for capital project expenses, healthy working capital reserves are essential for long-term success. We currently have \$1,000,000 in the Working Capital Reserve Fund which is low for the monthly expenditures of the Corporation. This \$500,000 allocation will bring our Working Capital Reserve Fund to \$1,500,000.

The year-end contributions to reserves would be as follows:

Waterworks & Sanitary Sewer	-	\$300,425.52	100% of Water & Sewer Surplus to Water & Sewer Reserves
Safe Restart Funding	-	\$14,345.34	Safe Restart Reserve Fund
Surplus estimate 2020 and 2021	-	\$500,000.00	Working Capital Reserve Fund

### 6. HISTORY

Year-end reserve transfers are performed annually in order to appropriately allocate surplus to reserve funds based on our Long-Term Capital Financial Plan, Policy No. 1.19 and the goals of the Corporation.

### 7. CONSULTATION

N/A

### 8. SUPPORTING DOCUMENTS

N/A