



TOWN OF FORT FRANCES

ADMINISTRATION & FINANCE DIVISION

TREASURER'S REPORT 2013/60

TO: Mayor Avis & Members of Council

FROM: Laurie Witherspoon, Treasurer

DATE: June 4, 2013

SUBJECT: Sister Kennedy Centre – Corporate Reserve Fund Request

BACKGROUND

The attached report dated May 16, 2013 from Jason Kabel, Manager of Community Services with regard to the Sister Kennedy Centre Board resolution passed requesting that Town Council reconsider the decision made on November 23, 2009 to reallocate discretionary reserve funds to Corporate Reserve Funds was forwarded to me for recommendation from the Administration & Finance Executive Committee.

Also attached for your reference is Treasury Report 2009/106 Reserve Fund Reallocation which was approved at the November 23, 2009 Council Meeting. The reserve fund review initiative stemmed from the Strategic Plan, October 2008 item #31 ii) a) as a component of the Long Term Capital Management Plan. At the time of the review, there were 35 Reserve Funds of which only 6 were dedicated funds, 3 others had dedicated components and the remaining 26 were discretionary Reserve Funds. The majority of the discretionary reserve funds were balances that accumulated from past years and their purpose to maintain was no longer current and could not be identified for future specific projects. In the early 2000's the Corporation's objective was to move to Corporate Reserve Funds rather than to contribute to individual silo department reserve funds from tax-supported surpluses on an annual basis. The Reserve Fund reallocation has proven to provide efficient use of funds meeting corporate objectives and priorities.

The Sister Kennedy Centre Reserve Funds was identified as a discretionary reserve fund with a dedicated like component. As at December 31, 2009 the balance of that Reserve Fund was \$145,299.18, which included \$19,398.96 that was bequeathed/gifted to the Sister Kennedy Center. The Reserve Fund reallocation of \$125,900.22 was split between the Corporate Projects and Corporate Building Reserve Funds. The bequeathed/gifted amount of \$19,398.96 remained and was considered dedicated for the SKC Reserve Fund, as it was not a tax-supported surplus contribution.

The SKC Board at any time has, on Council approval of project(s) and/or expenditure(s), the ability to access Corporate Reserve Fund financing. A prime example is the most recent approval to replace the SKC roof with financing from Corporate Reserve Funds.

RECOMMENDATION

The Administration & Finance Executive Committee recommend that the request from the Sister Kennedy Centre Board to reconsider the 2009 Corporate Reserve Fund allocation be denied.

Council Approval of This Report Will Agree to the Administration & Finance Executive Committee recommendation to deny the request from the Sister Kennedy Centre Board to reconsider the 2009 Corporate Reserve Fund reallocation.



REPORT

TO: Community Services Executive Committee

FROM: Jason Kabel, Manager of Community Services

DATE: May 16, 2013

RE: Sister Betty Kennedy Centre – Corporate Reserve Fund Request

At the regular board meeting of the Sister Kennedy Centre on April 9, 2013 there was a discussion that ensued of the Town of Fort Frances Corporate Reserve Fund allocation as it relates to the Sister Kennedy Centre. The contention is that the funds in 2008 were specifically delineated as 'Sister Kennedy Reserve' and in 2009 a reallocation of the funds was made through a resolution of Mayor and Council that should not have been passed (see attached report from L. Witherspoon dated November 19, 2009 and table 'Sister Kennedy Centre Reserve Fund History').

The following resolution was passed by the Sister Kennedy Board of management at the meeting on April 9, 2013 for consideration,

727 Nick Wihnan/Shirley Nault

That the Town Council be requested by the Sister Kennedy Centre Board to return all monies previously removed from the SKC Reserve Fund. This money to be returned to the Reserve Fund and not be touched by any party other than the SKC Board.

Carried.

As a point of reference, the resolution passed by Mayor and Council in 2009 based on the report from L. Witherspoon states, among other things, to 'reallocate the discretionary reserve funds as indicated on the Summary of Reserve Fund Reallocation report (please find attached).

Recommendation

Provide direction to J. Kabel, Manager of Community Services regarding the sentiment of the Community Services Executive to make recommendation to Mayor and Council to reconsider the Council resolution passed in 2009.

Respectfully Submitted,

Jason Kabel,
Manager of Community Services

Sister Kennedy Centre Reserve Fund History
1992 - 2012

YEAR	Interest Earned Surplus Transfer	Town Contribution to Reserve Fund	Project Funding & Donations	Gaylord Beneficiary	Capital Projects	Corp Projects & Corp Building	Reserve Fund Reallocation to	Balance
1991								40,529.41
1992	2,352.86	7,445.62						50,327.89
1993	3,269.08	18,782.38						86,439.25
1994	5,397.38	2,066.13	4,059.90					39,311.76
1995	3,354.61	9,574.38			(54,591.00)			41,097.91
1996	3,349.89	10,242.65			(11,142.84)			48,190.45
1997	2,885.75		10,885.94		(6,500.00)			61,962.14
1998	4,355.41	11,653.15						77,970.70
1999	4,572.90	13,999.43						96,543.03
2000	7,507.53	19,481.82			(9,732.85)			113,799.53
2001	8,415.53							122,215.06
2002	14,807.29							137,022.35
2003	6,287.66	(9,891.00)						133,419.01
2004	6,451.21				(21,510.28)			118,359.94
2005	3,409.14							121,769.08
2006	4,588.79				(28,074.60)			110,983.27
2007	3,742.22		12,700.00	18,975.21				133,700.70
2008	5,917.96			423.75				140,042.41
2009	5,254.27						(125,897.92)	19,398.76
2010	661.44							20,060.20
2011	648.99							20,709.19
2012	573.56							19,602.15
	<u>97,803.47</u>	<u>83,354.56</u>	<u>10,000.00</u>	<u>19,398.96</u>	<u>(133,232.17)</u>	<u>(125,897.92)</u>		



TOWN OF FORT FRANCES

COUNCIL

Session No. 26

Resolution No. _____

Moved by Paul Ryan

Dated November 23, 2009

Seconded by Sharon Lewis

THAT the report dated November 19, 2009 from L. Witherspoon, Treasurer re: Reserve Fund Reallocation be approved.

COMMITTEE OF WHOLE

NOV 23 2009

ACTION passed by
consent

TO: <u>L. Witherspoon, Treasurer</u>
FROM: K.M. LAWSON DEPUTY-CLERK CORPORATION OF THE TOWN OF FORT FRANCES
DATE: <u>Nov. 26 / 09</u>

	Yea	Nay	Disclosure of Interest
R. Avis			
J. Albanese			
A. Hallikas			
K. Perry			
G. Paul Ryan			
S. Tibbs			
R. Wiedenhoeft			

<input type="checkbox"/> CARRIED
<input type="checkbox"/> DEFEATED
_____ MAYOR or DEPUTY MAYOR



TOWN OF FORT FRANCES
ADMINISTRATION & FINANCE DIVISION
TREASURY REPORT 2009/106

TO: Mayor Avis & Members of Council
FROM: Laurie Witherspoon, Treasurer
DATE: November 19, 2009
SUBJECT: Reserve Fund Reallocation

BACKGROUND

Review of the Reserve Funds was identified in the Strategic Plan, October 2008, item #31 ii) a) as a component of the Long Term Capital Management Plan.

It was evident during the review that we were maintaining 35 Reserve Funds of which 6 were dedicated Reserve Funds, 3 were or had components that should remain as dedicated and the remaining were discretionary reserve funds. The majority of the discretionary reserve funds are balances that have accumulated from past years, their purpose to maintain is no longer current and cannot be identified for future specific projects. Over the past 5 years, the Corporation has made strides to set up Corporate Reserve Funds rather than to maintain individual department reserve funds. With this initiative, the Corporate Rolling Stock Reserve Fund and the Corporate Building Reserve Fund were specifically set up to support future vehicle and equipment replacement and building capital purposes.

Section 417 (1) of the Municipal Act provides for the establishment and maintenance of a reserve fund for which the municipality has the authority to spend money and s. 417 (4) provides that a municipality that has raised money for a reserve fund established under subsection (1) may be spent, pledged or applied to a purpose other than for which the fund was established.

Reserve Fund reallocation would provide efficient use of funds and better reflects current Corporate needs. Council approval is required for the reallocation of reserve funds. Attached is the Reserve Fund reallocation material, which indicates the desired restructure of the Reserve Funds. Operations & Facilities has requested that the name of the Water Pollution Plant Reserve Fund be changed to Sanitary Sewer Reserve Fund to better reflect the intent of the reserve fund. I have consulted with Jon Evans, BDO Dunwoody with respect to this proposed reallocation of funds. Jon commented that the Reserve Fund Rolling Stock could be renamed to Corporate Vehicles & Equipment Reserve Fund to alleviate any misconception of the reserve fund intention otherwise he saw no problem with the reallocation with Council approval.

With Council approval the reallocation of discretionary reserve funds to the Corporate Projects, Corporate Vehicles & Equipment and Corporate Buildings Reserve Funds in the same manner as shown in the Summary of Reserve Fund Reallocation would occur after the completion of the 2009 year end transactions using the actual December 31, 2009 amounts as opposed to the estimated amounts to December 31, 2009.

The approval of this report will provide for the following:

1. Change the Water Pollution Plant Reserve Fund name to Sanitary Sewer Projects Reserve Fund;
2. Change the name of the Corporate Rolling Stock Reserve Fund to Corporate Vehicle & Equipment Reserve Fund; and
3. Reallocate the discretionary reserve funds as indicated on the Summary of Reserve Fund Reallocation report effective December 31, 2009 using reserve fund actual amounts after the completion of the 2009 year end transactions.

RECOMMENDATION

The Administration & Finance Executive Committee recommends the approval of the following:

1. Change the Water Pollution Plant Reserve Fund name to Sanitary Sewer Projects Reserve Fund;
2. Change the name of the Corporate Rolling Stock Reserve Fund to Corporate Vehicle & Equipment Reserve Fund; and
3. Reallocate the discretionary reserve funds as indicated on the Summary of Reserve Fund Reallocation report effective December 31, 2009 following the completion of the 2009 year end transactions.

Council Approval of This Report Will Agree to the recommendation of the Administration and Finance Executive Committee to approve the Water Pollution Plant Reserve Fund name change to Sanitary Sewer Projects Reserve Fund, Corporate Rolling Stock Reserve Fund name change to Corporate Vehicles & Equipment Reserve Fund and to reallocate the discretionary Reserve Funds to Corporate Projects Reserve Fund, Corporate Vehicle & Equipment Reserve Fund and Corporate Buildings Reserve Funds effective December 31, 2009 following the completion of the 2009 year end transactions.

Summary of Reserve Fund Reallocation

Reserve Fund		
TO	FROM	AMOUNT
Corporate Projects	Salary Matters	48,480.22
	Fire & EMO Projects	9,830.95
	Arena, Rec, Sportsplex Projects	12,074.25
	Industrial Park Development	135,391.98
	Parks & Cemeteries Projects	101,218.12
	Parks-Playground Equipment	34,332.02
	Community Development Projects	60,252.93
	Library Projects	249,690.40
	Planning & Development Project	286.11
	Sister Kennedy Centre Projects	62,950.11
	Centennial & Community Celebrations	1,784.78
	A&F Surplus (35%)	253,528.99
	P&D Surplus (35%)	76,279.83
	Re-Inventing Fort Frances	2,775.43
		<u><u>1,048,876.12</u></u>
Corporate Vehicles & Equipment	PW Building & Equipment	3,693.77
	Handi-Transit Van	87,910.18
	Insurance Deductible (74%)	184,518.51
	A&F Equipment Replacement	17,613.61
	FF Power Corp Sick Benefit	105,217.85
	P&D Vehicle	18,640.93
	Administration Vehicle	33,022.79
	A&F Surplus (50%)	362,184.27
	P&D Surplus (50%)	108,971.19
	Corporate Rolling Stock (name change only)	154,442.86
		<u><u>1,076,215.96</u></u>
Corporate Building	Children's Complex	41,165.91
	Insurance Deductible	65,000.00
	Sister Kennedy Centre Projects	62,950.11
	Airport Capital Projects	28,471.86
	A&F Surplus (15%)	108,655.28
	P&D Surplus (15%)	32,691.36
	Sorting Gap Marina	45,115.11
	Community Auditorium	9,592.88
	Corporate Building (to remain)	170,757.78
		<u><u>564,400.29</u></u>

Note: 1) Estimated Reserve Fund amounts are as of December 31, 2009

2) Transfer at December 31/09 after final transactions recorded for 2009

Reserve Fund Reallocation

Account Name	G/L Account #	Estimated Dec. 31/08 Balance	Dedicated Reserves	Transfer to Corporate Projects	Transfer to Corporate Vehicles & Equip	Transfer to Corporate Building	TOTAL
Salary Matters	R-L60-0800-0000	48,480.22		48,480.22			48,480.22
PW Building & Equip	R-L60-0802-0000	3,693.77			3,693.77		3,693.77
Fire & EMO Projects	R-L60-0806-0000	9,830.95		9,830.95			9,830.95
Handi-Transit Van	R-L60-0807-0000	87,910.18			87,910.18		87,910.18
Handi-Transit Van-MTO Gas Tax	R-L60-0809-0000	63,974.57					63,974.57
Children's Complex Projects	R-L60-0811-0000	41,165.91				41,165.91	41,165.91
Day Care/Toy Library Donations	R-L60-0812-0000	1,963.46					1,963.46
Waterworks Projects	R-L60-0816-0000	2,963,055.16					2,963,055.16
Insurance Deductible	R-L60-0817-0000	249,518.51					249,518.51
Arena, Rec, Sportplex Projects	R-L60-0819-0000	12,074.25		12,074.25			12,074.25
Industrial Park Development	R-L60-0820-0000	135,391.98		135,391.98			135,391.98
Parkland Fees/Lion's Park portion to Remain	R-L60-0823-0000	101,218.12		101,218.12			101,218.12
Parks & Centenaries Projects	R-L60-0825-0000	34,332.02	39,757.93				140,975.95
Parks-Playground Equipment	R-L60-0825-0000	34,332.02		34,332.02			34,332.02
Community Development Projects	R-L60-0826-0000	60,252.93		60,252.93			60,252.93
Library Projects	R-L60-0827-0000	249,690.40		249,690.40			249,690.40
Planning & Development Project	R-L60-0831-0000	286.11		286.11			286.11
Sister Kennedy Centre Projects	R-L60-0832-0000	145,299.16	19,398.96	62,950.11		62,950.11	145,299.16
Centennial & Community Celebrations	R-L60-0833-0000	1,784.78		1,784.78			1,784.78
A & F Equipment Replacement	R-L60-0836-0000	17,613.61			17,613.61		17,613.61
FF Power Corp Sick Benefit	R-L60-0837-0000	105,217.85			105,217.85		105,217.85
Airport Capital Projects	R-L60-0843-0000	28,471.86				28,471.86	28,471.86
P & D Vehicle	R-L60-0850-0000	18,640.93			18,640.93		18,640.93
Post Landfill Closure	R-L60-0851-0000	226,071.27					226,071.27
Administration Vehicle	R-L60-0854-0000	33,022.79			33,022.79		33,022.79
Water Pollution Plant	R-L60-0859-0000	489,625.11					489,625.11
A & F Surplus	R-L60-0861-0000	724,368.54					724,368.54
P & D Surplus	R-L60-0864-0000	217,942.38					217,942.38
Sorting Gap Marina	R-L60-0865-0000	45,115.11					45,115.11
Community Auditorium	R-L60-0866-0000	9,592.88					9,592.88
Townshend Theatre	R-L60-0871-0000	77,706.28					77,706.28
Re-Inventing Fort Frances	R-L60-0873-0000	2,775.43					2,775.43
Corporate Rolling Stock	R-L60-0874-0000	154,442.86					154,442.86
Corporate Buildings	R-L60-0875-0000	170,757.78					170,757.78
Federal Gas Tax	R-L60-0878-0000	401,287.78					401,287.78
SUB-TOTAL		6,972,332.80					6,972,332.80
Library Building (Separate Act)	R-L61-0828-0000	256,516.09					256,516.09
TOTAL		7,228,848.89		1,048,876.12	1,076,215.96	564,400.30	7,228,848.89

**SUMMARY of
Reallocated Reserve Funds
Estimated to December 31, 2009**

		Comments
Handi-Transit Van-MTO Gas Tax	63,974.57	
Day Care/Toy Library Donations	1,963.46	
Waterworks Projects	2,963,055.16	
Parkland Fees/Lion's Park Portion to Remain	39,757.83	
Sister Kennedy Centre Projects	19,398.96	
Post Landfill Closure	226,071.27	
Sanitary Sewer Projects	489,625.11	Previously Water Pollution Plant Reserve Fund
Townshend Theatre	77,706.28	
Corporate Projects	1,048,876.12	
Corporate Vehicles & Equipment	1,076,215.96	Previously Corporate Rolling Stock Reserve Fund
Corporate Buildings	564,400.30	
Federal Gas Tax	401,287.78	
Library Building (Separate Acct)	256,516.09	
	<u>7,228,848.89</u>	