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Title:	Reserve Policy	Repeal Date:	
Department:	Finance	Approval Date:	2022-DEC-19

PURPOSE:

The City of Nanaimo (the City) is committed to sustainable, prudent and transparent management of financial resources used to provide valued community services.

The purpose of this Policy is to:

- Establish responsible governance for the development, maintenance and use of the City's Reserves;
- Establish governance roles and responsibilities that ensure appropriate establishment and management of Reserves;
- Define principles and objectives for Reserves management that are appropriate for the City's financial position, and are reasonable, logical and necessary for delivery of sustainable, affordable services; and
- Ensure the City's Reserves management is compliant with the statutory and legal requirements of the *Local Government Act* and the *Community Charter*, and in accordance with Canadian Public Sector Accounting Standards.

DEFINITIONS:

Five Year Financial Plan	The City's annual budget required under the <i>Community Charter</i> .
Funds	The resources and operations of the City are segregated into General, Sanitary Sewer Utility, Waterworks Utility and Reserve Funds for accounting and budgeting purposes. The General and Utility Funds also have corresponding Capital Funds.
Operating Reserves	Specific reserves in the City's operating funds (General, Sewer and Water) established for specified purposes.
Public Sector Accounting Board (PSAB)	Canadian Public Sector Accounting Standards as prescribed by the Public Sector Accounting Board of Canada (PSAB) and the Chartered Professional Accountants of Canada.
Reserves	All the City's Operating Reserves and Reserve Funds.
Reserve Funds	Specific reserve funds for specified purposes as required by and pursuant to specific legislation and City bylaws. Also referred to as Statutory Reserves.
Sustainability	The pillars of sustainability include ensuring that current socio-cultural, economic and environmental commitments are considered in investment decisions and do not compromise the ability of future generations to meet their own needs.

SCOPE:

Council is responsible for:

- Adoption, periodic review and updating the Reserves Policy.

CAO is responsible for:

- Implementing the Reserves Policy.

Director of Finance is responsible for:

- Implementing internal processes and systems in compliance with this Policy;
- Ensuring Reserves and Reserve Funds are established and maintained in compliance with this Policy;
- Recommending target minimum and maximum reserve balances where appropriate;
- Ensuring utilization of reserve funding is clearly disclosed in the City's Five Year Financial Plan and other long-term financial plans;
- Recommending revisions or amendments to this Policy due to changes in applicable statutes, accounting standards or to support the City's long-term financial management.

POLICY:

Reserves will be established and expended to:

- Provide for contingencies;
- Fund strategic initiatives and capital investment identified in strategic and master plans adopted by Council;
- Fund equipment and vehicle replacement;
- Fund infrastructure renewal;
- Fund new/upgraded infrastructure required due to growth.

The Reserves Framework groups reserves by common purposes and guidelines in compliance with this Policy. Reserve Funds are utilized to comply with Provincial legislation or contractual requirements and where specific annual contributions support long-term organizational purposes.

A description of each reserve is outlined below within the Reserves Framework.

Financial Stability Reserves

Financial Stability Reserves are required to ensure the ongoing financial stability and fiscal health of City operations.

- **General Financial Stability Reserve**
- **RCMP Contract Financial Stability Reserve**
- **Sewer Financial Stability Reserve**
- **Snow and Ice Control Financial Stability Reserve**
- **Water Financial Stability Reserve**

Each of these reserves is funded from an allocation of operating year-end surplus from the appropriate fund.

All appropriations from these reserves are to be considered in accordance with the following priorities:

1. Operating and Environmental Emergencies
 - a. These appropriations are the highest priority and are based on public safety and maintenance of current levels of service.
2. Revenue and Operating Expenditures Contingency

- a. These appropriations are intended to stabilize the impacts of cyclical revenue downturns and cost increases that are largely temporary and not within the City's ability to adjust in the short-term.
- **Sanitation Levelling Reserve** - This reserve is used to smooth user rate increases, fund unanticipated expenditures and fund sanitation projects. Contributions are provided from an allocation of any year-end surplus from user fee funded sanitation operations.

Equipment Reserves

Equipment Reserves are established to provide funding for equipment replacement. Currently, the City has established equipment reserves for the following:

- **Cart Replacement Reserve Fund** – This reserve is to fund the replacement of residential carts used in solid waste collection. Annual contributions are provided from an allocation of sanitation user fees.
- **Copier Replacement Reserve Fund** – This reserve is to fund copier replacement. Internal charges to user departments provide annual contributions to this reserve.
- **Equipment Depreciation Reserve Fund** – This reserve is to fund the replacement of the City's fleet including fire apparatus, ice resurfacers, solid waste collection trucks, heavy-duty construction equipment and vehicles. Internal charges to user departments provide annual contributions to this reserve.
- **Information Technology (IT) Reserve Fund** – This reserve is to fund IT corporate infrastructure replacement and improvements. Internal charges to user departments provide annual contributions to this reserve.

Infrastructure Reserves

Infrastructure Reserves are established to provide funding for infrastructure replacement and for new/upgraded infrastructure required due to growth. Currently, the City has established infrastructure reserves for the following:

- **Brechin Boat Ramp Reserve** – This reserve is to fund improvements to the Brechin boat ramp. Annual contributions are from net parking revenues.
- **Cemetery Care Reserve Fund** – This reserve is to fund ongoing care of the cemetery. Revenues from annual plot sales and head stone installation provide contributions to this reserve.
- **Community Works Reserve Fund** – This reserve was established in 2005 in compliance with an agreement between the Union of BC Municipalities (UBCM) and the City. Annual grant funding from UBCM provides contributions to this reserve and funding from this reserve must meet the eligibility criteria in the agreement.
- **Facility Development Reserve Fund** – This reserve is to fund improvements, including infrastructure renewal of the City's recreation facilities that contribute to the reserve and for construction of new recreation facilities that will contribute to the reserve. Annual contributions are provided by an allocation of recreation facility revenues.
- **General Asset Management Reserve Fund** – This reserve is to fund upgrading or replacement of infrastructure relating to transportation, storm drainage, facilities, parks amenities and major technology. The assist factor for General Development Cost Charge projects may also be funded from this reserve. Annual contributions are provided from an allocation of property taxes.

- **General Capital Reserve** – This reserve provides funding for projects. Contributions may be from an allocation of General Operating Fund surplus.
- **Growing Communities Reserve Fund** – This reserve was established in 2023 in compliance with the requirements of the one-time funding received from the Province of British Columbia's Growing Communities Fund. Funding from this reserve must meet eligible uses of the program.
- **Harewood Centennial Turf Field Reserve Fund** – This reserve is to fund major capital improvements (as determined by the City), or for replacement of components, of the Facility (as defined in the Joint Use License Agreement), West Field and/or East Field of the Harewood Centennial Turf Field. Annual contributions are provided through budget allocation, contribution from School District 68 and net annual operating revenues from user fees for the field.
- **NDSS Community Field Reserve Fund** – This reserve is to fund capital improvements to the field. Annual contributions are provided through budget allocation, contribution from School District 68 and net annual operating revenues from user fees for the field.
- **Pipers Park Reserve** – This reserve provides funding for improvements to Pipers Park. Annual net revenues from the facilities in the park provides contributions to this reserve.
- **Sewer Reserve** – This reserve provides funding for sewer studies, infrastructure assessment programs and projects. Annual contributions are from sewer user fees in excess of annual operating expenditures, debt repayment and transfer to the Sewer Asset Management Reserve.
- **Sewer Asset Management Reserve Fund** – This reserve is to fund upgrading or replacement of sewer infrastructure. The assist factor for Sewer Development Cost Charge projects may also be funded from this reserve. Annual contributions are provided from an allocation of sewer user fees.
- **Vancouver Island Conference Centre (VICC) Reserve** – This reserve provides funding for improvements to VICC. Contributions to this reserve are from a budget allocation.
- **Water Reserve** – This reserve provides funding for water studies, infrastructure assessment programs and projects. Annual contributions are from water user fees in excess of annual operating expenditures, debt repayment and transfer to the Water Asset Management Reserve.
- **Water Asset Management Reserve Fund** – This reserve is to fund upgrading or replacement of water infrastructure. The assist factor for Water Development Cost Charge projects may also be funded from this reserve. Annual contributions are provided from an allocation of water user fees.

Parking Reserves

Parking Reserves are established to provide funding for renewal of parking infrastructure, new parking infrastructure and parking studies. Currently, the City has established parking reserves for the following:

- **Fitzwilliam St Parking Reserve** – This reserve is to fund parking amenities at the City owned Prideaux Street parking lot.
- **Parking Reserve Fund** – This reserve is to fund renewal of parking infrastructure or new parking infrastructure and parking studies. Annual contributions are provided from net parking revenues.

- **Old City Parking Reserve Fund** – This reserve is to fund the creation of new off-street parking spaces.
- **Off Street Parking Reserve Fund** – This reserve is to fund transportation infrastructure that supports walking, bicycling, public transit or alternative forms of transportation. Contributions are provided from cash-in-lieu payments from developers.

Property Reserves

Property Reserves are established to provide funding for property acquisitions. Currently, the City has established property acquisition reserves for the following:

- **Parkland Dedication Reserve Fund** – This reserve provides funding for the purchase of parkland pursuant to the *Community Charter*, Section 188. Contributions are provided from cash-in-lieu payments from developers.
- **Property Acquisition Reserve Fund** – This reserve provides funding for property acquisitions. Property acquisitions include property needed to expand City infrastructure, to implement strategic initiatives and for parkland. Contributions to this reserve are either by allocation of budget or General Operating Fund surplus.
- **Property Sales Reserve Fund** – This reserve provides funding for capital project pursuant to the *Community Charter*, Section 188. Contributions are provided from the sale of civic land.

Strategic Reserves

Strategic Reserves are established to provide funding for strategic initiatives identified by Council. Currently, the City has established strategic reserves for the following:

- **Housing Legacy Reserve Fund** – This reserve provides funding to support the City's strategy to address affordable housing in the community including but not limited to property acquisition and capital investment, development cost charges and works and services reductions for eligible projects, rent bank and rent supplement programs, provision of humanitarian basic needs services to the City's unsheltered population and the development of strategies, plans and solutions to address and create more affordable housing in the City. Contributions are provided from annual budget allocations and community amenity contributions.
- **Online Accommodation Platform Reserve Fund** – This reserve is to fund affordable housing initiatives as identified in the approved Affordable Housing Municipal and Regional District Tax (MRDT) Plan. Contributions are provided from the allocation of the Municipal and Regional District Tax (MRDT) for online accommodations.
- **Special Initiatives Reserves** – This reserve provides funding for short-term initiatives. Contributions may be from an allocation of General Operating Fund surplus.
- **Strategic Infrastructure Reserve Fund** - This reserve provides funding for strategic initiatives and capital infrastructure. Annual contributions to this reserve are from casino and Fortis revenues.
- **Strategic Partnerships Reserve** – This reserve provides funding to support consultation with Snuneymuxw First Nation regarding joint projects.
- **Climate Action Reserve Fund** – This reserve provides funding to support initiatives, plans or projects that reduce the City's greenhouse gas emissions and support the City in becoming carbon neutral and/or support the reduction of energy consumption in City owned and operated

facilities. Contributions to this reserve are from annual budget allocations and funding for climate initiatives that may exist from time to time, from higher levels of government.

Other Reserves

- **911 Reserve Fund** – This reserve is used to fund Provincial Enhanced 911 Services (E-911) and fire dispatch services within the City including annual operating costs or projects. Contributions to the reserve are from call answer levy revenue in excess of provision of E-911 service.
- **Casino Reserve** – This reserve is available to provide funding for eligible operating or capital expenditures. There are no further contributions to this reserve. This reserve will be eliminated when funding is fully allocated.
- **Knowles Estate Reserve Fund** – This reserve is required due to a bequest. Only accumulated interest may be spent for parks and sport facility improvements in the south end of the City.
- **Prior Year Carry-Forward Reserve** – This reserve is required to allow for unspent budgets to be carried forward to the following year. Where projects are not completed or are delayed, budget may be carried forward to the following year. Under specific circumstances, operating budgets may also be carried forward from one fiscal year to the next.

Summary of City Reserves

A summary of Reserves and Reserve Funds is provided in Schedule A.

This policy should be reviewed every 4 years from its effective date.

PROCESS:

Reserves are either classified as Reserves in each of the City's operating funds or separate Reserve Funds. Reserve Funds are statutory reserves required by Provincial legislation or established by Council and receive specific contributions that can only be used in compliance with the appropriate City bylaw.

The City maintains reserves that provide funding to:

1. Mitigate risk;
2. Replace equipment;
3. Renew existing infrastructure;
4. Construct new/upgraded infrastructure required due to growth;
5. Purchase land;
6. Implement strategic initiatives and capital investment;
7. Comply with special bequests; and
8. Facilitate specific functions or commitments.

Unique Corporate Purpose

Each Reserve must have a unique and specific corporate purpose.

Corporate Context

The management of the City's reserves is an integral part of the City's long-term planning, asset management, the City's Five Year Plan, the 10 Year Project Plan and the 20 Year Investment Plan.

Implementation, Review and Reporting

The implementation, review and reporting associated with this policy will be integrated within City business processes. Due to the importance of this policy, the management of the City's reserves will be reported to Council, and implementation of this policy reviewed periodically by Council.

Benefits of Compliance

Implementing this policy will improve the City's governance through enhanced accountability, performance, sustainability and resiliency.

Principle Statements and Objectives

Reserves shall be established, maintained and used in accordance with following principles and objectives.

Affordability

1. The City will consider impact on property taxes, utility and other user fees when implementing and managing reserves.

Long-Term Financial Sustainability and Resiliency

2. The City will implement and manage reserves that support mitigation of risks arising from operating emergencies, unforeseen expenditures or decreases in revenues.
3. The City shall strive to implement and manage reserves to meet future financial obligations with respect to the City's strategic initiatives, investment in equipment and infrastructure, and fiscal needs.
4. The City will make informed decisions to implement and manage reserves that best support the long-term financial needs for City services and strategic priorities.
5. The City will develop and maintain financial plans that adequately identify the long-term funding needs and sources to sustain City services.

Transparency and Accountability

6. All Reserves must be established, maintained and used for a specified purpose mandated by this policy, statute, or City Bylaw.
7. A Council Resolution or an Adopted Budget Bylaw is required for all appropriations from Operating Reserves and Reserve Funds.
8. The City will conduct an annual review of all reserves and report the results to Council.
9. The City's Five Year Financial Plan will provide a summary of projected reserve balance, contributions and withdrawals.

Statutory and Legal Requirements

10. Reserves will be established to meet Provincial and Federal government legislation, City Bylaws or required by contractual agreement.

Accounting Standards

11. Administration of Reserves must meet the accounting standards applicable to local governments (PSAB).

Administration

The following key administrative processes will support implementation of the Reserve Policy. Additional information is provided in the City's Reserves Processes document.

Interest and Calculation Method

All Reserve Funds will earn interest. Interest will be calculated and allocated monthly based on the City's investment earnings and the current Reserve Fund balance.

Minimum and Maximum Balances

A minimum and maximum balance may be established for a Reserve. A minimum balance will ensure that each fund is not depleted to the degree that it is no longer able to service its intended purpose. A maximum balance ensures that it does not grow beyond its intended purpose.

The annual allocation of General Operating Fund, Sewer Operating Fund and Water Operating Fund surplus will prioritize replenishment of reserves to minimum target balances.

The City's financial planning processes will strive to maintain the recommended target minimum reserve balances for the Five Year Financial Plan.

Repayment Period for Target Minimum Balances

A time period will be specified for the repayment or replenishment of a Reserve with a specified minimum balance.

Reporting

The City will develop and maintain annual reporting processes that provide decision makers with all relevant reserves information.

RELATED DOCUMENTS:

Local Government Act

Community Charter

Canadian Public Sector Accounting Standards

Cremation, Interment and Funeral Services Act

REPEAL or AMENDMENT:

This policy repeals Reserve Policy COU-204.

Appendix A

The City has established a framework for Reserves. A Reserve Fund is established for each Statutory Reserve under the authority of the *Community Charter*. In addition to this policy, Statutory Reserves are supported by a bylaw that outlines the purpose and use of each fund.

A summary of reserves is provided below within a framework that supports the primary objectives of this Policy:

- Financial Stability Reserves
- Equipment Reserves
- Infrastructure Reserves
- Parking Reserves
- Property Acquisition Reserves
- Strategic Reserves
- Special Reserves

Financial Stability Reserves

Financial Stability Reserves are required to protect the City's financial stability and resiliency. The primary intent of these reserves is to mitigate risk by providing funding for unknown expenditures arising from operating emergencies or necessity.

Guidelines for Using Reserves

An Adopted Budget Bylaw is required for all appropriations from the Financial Stability Reserves.

1. General Financial Stability Reserve

Contributions to this reserve are through an allocation of General Operating Fund surplus or budget allocation

This reserve can provide a source of funds where:

- a. Expenditures exceed planned due to emergency or necessity
- b. Revenues are below planned due to emergency or necessity

2. RCMP Contract Financial Stability Reserve

Contributions to this reserve are through an allocation of RCMP contract surplus, General Operating Fund surplus or budget allocation.

This reserve can provide a source of funds where the actual annual RCMP contract costs exceed the budget estimate.

3. Sanitation Levelling Reserve

Contributions to this reserve are through an allocation of annual Residential Solid Waste Collection surplus.

This reserve can provide a source of funds to:

- a. Smooth sanitation user fee increases
- b. Fund unanticipated expenditures or sanitation projects

4. Sewer Financial Stability Reserve

Contributions to this reserve are through an allocation of Sewer Operating Fund surplus or budget allocation.

This reserve can provide a source of funds where:

- a. Expenditures exceed planned due to emergency or necessity
- b. Revenues are below planned due to emergency or necessity

5. Snow and Ice Control Reserve

Contributions to this reserve are through an allocation of annual SNIC surplus, General Operating Fund surplus or budget allocation.

This reserve can provide a source of funds where the actual annual costs for snow and ice control exceed the budget estimate.

6. Water Financial Stability Reserve

Contributions to this reserve are through an allocation of Water Operating Fund surplus or budget allocation.

This reserve can provide a source of funds where:

- a. Expenditures exceed planned due to emergency or necessity
- b. Revenues are below planned due to emergency or necessity

Equipment Reserves

Equipment Reserves provide a funding source for equipment and fleet replacement.

Guidelines for Using Reserves

An Adopted Budget Bylaw is required for all appropriations from the Equipment Reserves.

1. Cart Replacement Reserve Fund

Contributions to this reserve are through an allocation of sanitation user fees.

This reserve provides funding for replacement of residential automated solid waste collection carts.

2. Copier Replacement Reserve Fund

Contributions to this reserve are through annual internal charges to user departments that are included in the department's annual operating budgets.

This reserve provides funding for replacement of the City's copiers.

3. Equipment Replacement Reserve Fund

Contributions to this reserve are through annual internal charges to user departments that are included in the department's annual operating budgets.

This reserve provides funding for replacement of the City's fleet including vehicles, trucks, heavy equipment, fire apparatus and ice resurfacers.

4. Information Technology Reserve Fund

Contributions to this reserve are through annual internal charges to user departments that are included in the department's annual operating budgets.

This reserve provides funding for replacement of the City's technology assets including data lines, server hardware and enterprise software.

Infrastructure Reserves

Infrastructure Reserves provide a funding source for renewal of current infrastructure and new/upgraded infrastructure required due to growth, new regulatory requirements or service level changes.

Guidelines for Using Reserves

An Adopted Budget Bylaw is required for all appropriations from the Infrastructure Reserves.

1. Brechin Boat Ramp Reserve

Contributions to the reserve are through an allocation of annual net parking revenues at the Brechin Boat Ramp facility.

This reserve provides funding for renewal or improvements to the Brechin Boat Ramp facilities.

2. Cemetery Care Reserve Fund

Contributions to the reserve are through annual plot and head stone installation revenues. The City operates the cemetery and maintains a cemetery perpetual care fund in accordance with the Cremation, Interment and Funeral Services Act.

Interest revenues earned by monies in this reserve are available to provide funding for annual cemetery care operating and maintenance expenditures.

3. Community Works Reserve Fund

Contributions to the reserve are through annual funding received from the Gas Tax Agreement (GTA) administered by the Union of British Columbia Municipalities (UBCM).

This reserve provides funding for specific types of infrastructure projects as allowed under the terms of the GTA.

4. Facility Development Reserve Fund

Contributions to the reserve are through a 20% allocation of contributing recreation facility and program revenues.

This reserve provides funding for improvements, including infrastructure renewal of contributing recreation facilities and can provide funding for new recreation facilities that will contribute to the reserve.

5. General Asset Management Reserve Fund

Contributions to the reserve are through budget allocations from annual property tax revenues.

This reserve provides funding for City infrastructure renewal excluding sewer and water infrastructure. The assist factor for Development Cost Charge projects may also be funded from this reserve.

6. General Capital Reserve

Contributions to the reserve are through allocations of General Operating Fund surplus.

This reserve provides funding for project investment.

7. Growing Communities Reserve Fund

Contribution to the reserve from one-time provincial funding from the Growing Communities Fund.

This reserve provides funds to address the increasing need for infrastructure and amenities to serve population growth in a way that reflects each unique community. Eligible expenditures are defined by the Province of British Columbia's Growing Communities Fund program.

8. Harewood Centennial Turf Field Reserve Fund

Contributions to the reserve are through budget allocation, contribution from School District 68 and net annual operating revenues from user fees for the field.

This reserve provides funding for major capital improvements (as determined by the City), or for replacement of components, of the Facility (as defined in the Joint Use License Agreement), West Field and/or East Field of the Harewood Centennial Turf Field.

9. NDSS Community Field Reserve Fund

Contributions to the reserve are through budget allocation, contribution from School District 68 and net annual operating revenues from user fees for the field.

This reserve provides funding for major capital improvements or field replacement for NDSS Community Field.

10. Piper's Park Reserve

Contributions to the reserve are through allocation of net annual operating revenues from rental of building located at Piper's Park.

This reserve provides funding for improvements to Pipers Park.

11. Sewer Asset Management Reserve Fund

Contributions to the reserve are through budget allocations from annual sewer user fees.

This reserve provides funding for renewal of the City's sewer infrastructure. The assist factor for Development Cost Charge projects may also be funded from this reserve.

12. Sewer Operating Reserve

Contributions to the reserve are through annual net operating allocations from the Sewer Operating Fund.

This reserve provides funding for studies, condition assessment programs and renewal or new/upgraded infrastructure required to maintain levels of service.

13. Vancouver Island Convention Centre Reserve

Contributions to the reserve are through unspent annual budget allocation.

This reserve provides funding for renewal of the Port of Nanaimo Centre facility.

14. Water Asset Management Reserve Fund

Contributions to the reserve are through budget allocations from annual water user fees.

This reserve provides funding for renewal of the City's water infrastructure. The assist factor for Development Cost Charge projects may also be funded from this reserve.

15. Water Operating Reserve

Contributions to the reserve are through annual net operating allocations from the Water Operating Fund.

This reserve provides funding for studies, condition assessment programs and renewal or new/upgraded infrastructure required to maintain levels of service.

Parking Reserves

Parking reserves provide a funding source for renewal or new/upgraded parking infrastructure including parkades and meters.

Guidelines for Using Reserves

An Adopted Budget Bylaw is required for all appropriations from the Parking Reserves.

1. Fitzwilliam St Parking Reserve

There are no specified future contributions to this reserve.

This reserve provides funding for improvements to parking amenities at the Prideaux Street Parking lot.

2. Old City Parking Reserve Fund

Contributions to this reserve are from cash-in-lieu payments from developers.

This reserve provides funding for the creation of new off-street parking spaces

3. Parking Reserve Fund

Contributions to this reserve are through annual net operating allocations from parking operations.

This reserve provides funding for parking studies, renewal of current parking infrastructure or new parking infrastructure.

4. Off Street Parking Reserve Fund

Contribution to this reserves are provided from cash-in-lieu payments from developers.

This reserve provides funding for transportation infrastructure that supports walking, bicycling, public transit or alternative forms of transportation.

Property Acquisition Reserves

Property Acquisition Reserves provide funding sources to purchase land needed for new infrastructure projects and for new parkland. Contributions to these reserves are through sale of City owned property and through annual budget allocations subject to Council approval.

Guidelines for Using Reserves

An Adopted Budget Bylaw is required for all appropriations from the Parking Acquisition Reserves.

1. Parkland Dedication Reserve Fund

Contributions for this reserve are received from development in lieu of parkland and from the sale of City parkland. This reserve is required by the *Community Charter*.

This reserve provides funding for purchase of City parkland.

2. Property Acquisition Reserve Fund

Contributions to this reserve are through unspent annual budget allocation or allocation of General Operating Fund surplus.

This reserve provides funding for the purchase of new land.

3. Property Sales Reserve Fund

Contributions for this reserve are received from the sale of City land and improvements. This reserve is required by the *Community Charter*.

This reserve provides funding for purchase of City land and improvements.

Strategic Reserves

Strategic Reserves provide funding sources to advance and implement priorities identified in strategic and master plans adopted by Council.

Guidelines for Using Reserves

An Adopted Budget Bylaw is required for all appropriations from the Strategic Reserves.

1. Housing Legacy Reserve Fund

Contributions to this reserve are through unspent annual budget allocation and community amenity contributions.

This reserve provides funding to support the City's strategy to address affordable housing in the community.

2. Online Accommodation Platform Reserve Fund

Contributions to this reserve are thought allocation of the Municipal and Regional District Tax (MRDT) for online accommodations.

This reserve provides funding to implement affordable housing initiatives as identified in the approved Affordable Housing Municipal and Regional District Tax (MRDT) Plan.

3. Special Initiatives Reserve

Contributions to this reserve are through an allocation of general operating fund surplus.

This reserve provides funding to implement specific initiatives in the subsequent year.

4. Strategic Infrastructure Reserve Fund

Contributions to this reserve are through annual budget allocation of Casino and Fortis Gas revenues.

This reserve provides funding to implement Council's strategic initiatives and capital investment.

5. Strategic Partnerships Reserve

Contributions to this reserve are through an allocation of General Operating Fund surplus or budget allocation.

This reserve provides funding for consultation with Snuneymuxw First Nation regarding joint projects.

6. Climate Action Reserve Fund

Contributions to this reserve are from annual budget allocations and funding received, from time to time, for climate initiatives from higher levels of government.

This reserve provides funding to support initiatives, plans or projects that reduce the City's greenhouse gas emissions and support the City in becoming carbon neutral and/or support the reduction of energy consumption in City owned and operated facilities.

Other Reserves

Reserves can be established as a result of a bequest or for a one-time expenditure. The City currently has the following special reserves.

Guidelines for Using Funds

An Adopted Budget Bylaw is required for all appropriations from the Other Reserves.

1. 911 Reserve Fund

Contributions to the reserve are from call answer levy revenue in excess of provision of E-911 service.

This reserve can be used to fund Provincial Enhanced 911 Services (E-911) and fire dispatch services within the City including funding annual operating costs or projects.

2. Casino Reserve

This reserve will be eliminated once all current funds have been allocated.

This reserve provides funding for eligible expenditures in compliance with Provincial agreement.

3. Knowles Estate Reserve Fund

This reserve was established as a bequest, with the accumulated interest to be used for park and youth sports facility improvements in the south end of Nanaimo.

4. Prior Year Carry Forward Reserve

Contributions to this reserve are budget allocations for specific projects or operating initiatives that were delayed or not completed in the current year.

This reserve provides funding for delayed or incomplete projects or operating initiatives to be completed in a subsequent year.