

**Township of South Stormont**  
ACTION REQUEST  
Finance Department



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**To:** Council  
**From:** Cindy Delgreco, Director of Finance/Treasurer  
**Date of Meeting:** December 13, 2023  
**Subject:** Establish a Reserve and Transfer of Funds

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**Recommendation:**

That Council approve the creation of two new reserves entitled "Carry Forward Reserve" to be used to finance the completion in the current year of projects where funding was committed to in the prior year budget and "Capital Asset Sustainability Reserve" to be used for funds collected through the committed portion from the levy approved through budget;

And further be it resolved that Council approves the transfer of \$138,000 to the Carry Forward Reserve to carry forward the funds from the 2023 budget for projects committed through tax dollars but not yet completed into 2024.

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**Executive Summary:**

According to the Township's Reserve and Reserve Fund Policy, and pursuant to the Municipal Act, S.O. 2001, c. 25, Municipal Councils have the discretion to establish reserves for specific or unspecified purposes. Reserves may be undefined and used based on requirements as defined by Council, and reserves may also be established for a specific purpose.

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**Background:**

Reserve and Reserve Fund Policy 2021-057 states "Direct the creation of new Reserves by Resolution" and "Direct the transfer of funds to and from Reserves and Reserve Funds through Council Resolution or By-Law outside of the budget process".

The amount of the commitment is carried forward from one budget year to the next, recognizing the timing difference between when the projects were budgeted in the annual estimates and when projects were started and completed.

The following is a summary of the funds to carry forward to 2024 to finance the completion of projects where funding was committed to in the prior year budget.

- \$70,000 for Financial Services - Long Term Financial Plan
- \$17,000 for Parks - Lost Villages Accessibility Upgrades (PR2302)
- \$36,000 for Public Works - MacRae Road Culvert – Engineering (PT2315)
- \$15,000 for Public Works – Streetlight Replacement (PT2318)

The Capital Asset Sustainability Reserve will be used to put funds collected through the committed levy (2024 committed 5.5%) that will be used to support Capital projects.

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**Alignment with Strategic Action Plan:**

Goal 4: Exceptional & Accountable Government

Objective 4.1: Continuously improve business processes and practices ensuring open government and financial accountability

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**Risk and Asset Management Considerations:**

Establishing new reserves and/or reclassification of reserves will enhance the reserve management for the Township.

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**Options:**

1. That Council approve the establishment of the new reserve and approve the transfer of \$138,000 to this new reserve.
2. That Council not approve.
3. Other.

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**Financial Impact:**

There are no foreseen risks with the recommended option.

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**Others Consulted:**

Chief Administrative Officer  
James Pollock, MNP LLP