

CITY OF WHITEHORSE
COUNCIL POLICY

Policy: Fiscal Management – Reserve Fund Levels

Purpose: To establish the appropriate levels of funding in reserves to maintain sufficient working capital and a comfortable margin of safety to address emergencies while taking into consideration the impact on ratepayers.

Authority: Council Resolution #2005-22-09 dated October 24, 2005

RESERVE FUND LEVELS POLICY

Background

The City of Whitehorse uses its fees, taxes and other revenues to fund reserves that are used for:

- Operating and capital projects
- Contingencies
- Maintaining creditworthiness
- Avoiding interest expense on debt; and
- Providing investment income

In order to maintain the appropriate level of funding for each reserve a policy statement is required to identify the criteria on which the fund balance is maintained.

Policy Statement

The City of Whitehorse will review its reserves every three years to maintain adequate levels based on best practices and specific objectives.

General Objectives

To identify the criteria used in determining the appropriate level of those reserves not governed by separate bylaws, regulations, legislation or funded from external sources.

Process

Every three years the level of reserves will be reviewed based on the standards contained in Schedule 1 as amended from time to time. Recommendations will be made to Council based on this review to reallocate reserve funds as required.

Schedule 1

Area Development Scheme Reserve	Level will fluctuate subject to use and contributions from external sources.
Building Replacement Reserve	Equivalent to 50% of the accumulated depreciation of all buildings with a replacement value in excess of \$250,000, excluding those for recreation and water and sewer purposes.
Capital Reserve	Equivalent to 60% of the Comprehensive Grant received from the Yukon government.
Cash in Lieu of Municipal Reserve	Level will fluctuate subject to use and contributions from external sources.
Cemetery Reserve	Level will fluctuate subject to use and contributions from external sources.
Computer Equipment Reserve	Equivalent to the accumulated depreciation of all major pieces of computer equipment.
Contingency Reserve	Equivalent to 3% of annual general fund operating expenditures.
Development Cost Charge Reserve	Level will fluctuate subject to use and contributions from external sources.
Environmental Reserve	Equivalent to annual contribution from water, sewer and solid waste sales revenue.
Equipment Replacement Reserve	Equivalent to 50% of the accumulated depreciation of heavy equipment, including fire trucks.
General Reserve	Equivalent to 6% of the annual tax levy.
Land Bank Reserve	Level will fluctuate subject to use and contributions from external sources.
Landfill Reserve	Equivalent to landfill closure and post-closure liability.
Parking Development Reserve	Equivalent to \$1 million plus the annual revenue generated from parking meters and lots.
Recreation Facility Replacement Reserve	Equivalent to 50% of the accumulated depreciation of all recreation facilities with a replacement value in excess of \$250,000.
Snow & Ice Control Reserve	Equivalent to 10% of the annual budget allocation for the function.
Tire Disposal Reserve	Level will fluctuate subject to use and contributions from external sources.
Transit Equipment Reserve	Equivalent to the accumulated depreciation of the transit fleet.
Water & Sewer Reserve	Level will fluctuate subject to use and contributions.
Working Capital Reserve	Level will fluctuate subject to use and contributions.