



16

Reserves and
Reserve Funds



Overview

Reserves and reserve funds are a critical element of the Town's long-term financial plan and are used to maintain a stable financial position, minimize fluctuations in the tax rate and to support future cash requirements. They allow the Town to set aside funds for a future purpose and fulfill a critical financial need for the municipality. Reserves and reserve funds make provisions for the replacement and rehabilitation of infrastructure, provide a contingency for one-time and unforeseeable events and provide flexibility to manage debt levels and protect the Town's financial position.

Reserves

A reserve is an allocation of accumulated net revenue and is governed by Council policies that identify the intended purpose, target balance and funding sources.

Reserve Funds

Reserve funds are established to segregate funds that are acquired for a specific purpose as identified through legislation, financial agreements or Council direction. Reserve funds are interest bearing and earnings are applied to each reserve fund based on yields earned on the Town's total investment portfolio and cash balances.

- 1. Obligatory Reserve Funds** - These funds are acquired by the Town for a legislated purpose or for a specifically defined purpose through a financial agreement. They are segregated and created solely for the purpose prescribed for them.
- 2. Discretionary Reserve Funds** - Discretionary reserve funds are established based on Council direction and are used to finance specific future expenditures or to fund specific contingency liabilities. These funds are also segregated from the general revenues of the Town.

The 2019 capital budget includes nearly \$46.5 million of funding, including developer and government funded reserves and reserve funds. The following pages include an overview of the reserves and reserve funds by their intended/legislated use and a discussion on significant changes in projected balances. Complete definitions and funding sources are included in the Supplementary Information section on pages [455](#) to [467](#). To simplify the presentation, the term reserves will be used in the following sections to discuss both reserves and reserve funds.

Overview

Town Reserves and Reserve Funds

Stabilization Reserves

Stabilization reserves are used to offset extraordinary and unforeseen expenditure requirements, one-time expenditures, revenue shortfalls, and to manage cash flows and minimize large fluctuations in the tax levy.

Stabilization Reserves	Dec 31, 2017 Balance	Dec 31, 2018 Estimated Balance	Projected 2019 Activity	Dec 31, 2019 Estimated Balance
Tax Rate Stabilization	\$ 2,048,418	\$ 1,453,791	\$ 151,693	\$ 1,605,484
Election	254,361	94,676	186,518	281,194
Winter Control	1,109,307	1,245,821	139,517	1,385,338
Building Rate Stabilization	4,200,555	2,530,347	(261,353)	2,268,994
Total Stabilization Reserves	\$ 7,612,641	\$ 5,324,635	\$ 216,375	\$ 5,541,010

Note: Tax Rate Stabilization balance presented does not include potential impact of 2019 Decision Package items. These items, if approved by Council, could reduce the December 31, 2019 balance by as much as \$508,898.

As illustrated in the table, stabilization reserves are anticipated to increase through 2019 by \$0.2 million due to various transfers to reserves from the operating budget. Funding from stabilization reserves is being utilized during 2019 according to the reserve and reserve fund policies to mitigate fluctuations in the operating budget and stabilize the annual impact on the tax rates. The Building Rate Stabilization ending balance is projected to decrease as revenues from developer building activities are expected to fall short of the corresponding expenditures. The operating budget continues to provide an annual contribution to the Election reserve and Winter Control reserve resulting in anticipated increase in the reserve projected balances.

Declining balances in the Town's stabilization reserves are concerning as it reduces the Town's ability to respond to large fluctuations in the annual operating budget. As illustrated in the table, both the Tax Rate Stabilization and Building Rate Stabilization reserves are significantly underfunded when compared against the target balances identified in the Reserve and Reserve Fund Policies.

	Dec 31, 2019 Estimated Balance	Reserve Target	Surplus/ (Shortfall) to Target	Policy Target Definition
Tax Rate Stabilization	\$ 1,605,484	\$ 5,230,278	\$ (3,624,794)	10% of previous years tax levy
Building Rate Stabilization	2,268,994	7,971,445	(5,702,452)	Two (2) years of Building Department Expenses
Total	\$ 3,874,478	\$ 13,201,723	\$ (9,327,246)	

The Tax Rate Stabilization Reserve is forecast to gradually increase over the forecast as additional transfers of \$0.4 million funded from excess investment income per Financial Management – Financial Principles Policy 110 are allocated to this reserve. Ideally, these funds would be transferred to Capital Use reserves as the interest earned is largely attributable to balances within Capital Use reserves; however, allocating these funds to the Tax Rate Stabilization reserve will provide needed stabilization funds to offset any significant fluctuations in future operating budgets. It is important to recognize that although the forecast anticipates the current target balance will be achieved by 2024, the target balance will gradually increase with growth in the tax levy. Once growth is factored into the calculation of the target balance, the reserve will still fall below the future target balance by the end of the forecast.

The Building Rate Stabilization Reserve Fund was established to mitigate fluctuations in building permit revenues and risk associated with an economic downturn and is funded from building permit revenues. Although the projected fund balance at the end of 2019 is anticipated to be \$5.7 million below the target balance, with the rate changes approved through the 2019 User Fee Report, CORS-046-18, combined with an increase in expected permits, the Building Rate Stabilization Reserve balance is anticipated to reach its target by 2021.

Overview

Corporate Use Reserves

Corporate use reserves provide for various contingent and potential future liabilities, generally arising from the operating fund. The balances in corporate use reserves are anticipated to increase throughout 2019 to \$9.1 million primarily driven by increases in the Legal Matters and Per Unit Processing Fees reserves as illustrated in the following table. Contributions from operating to these reserves are budgeted to continue through 2019 to ensure reserve balances are adequate to support future needs. Under the *Workplace Safety and Insurance Act, 1997*, Milton is included under Schedule 2 whereby it self-insures the entire risk of its own WSIB claims and is individually liable for reimbursing WSIB for all costs relating to its workers' WSIB claims. Recent actuarial evaluations have been completed regarding the Town's obligations under the Act, that indicate the current value of the Town's obligation is estimated at \$1.4 million which exceeds the funding available in the WSIB reserve.

Corporate Use Reserves	Dec 31, 2017 Balance	Dec 31, 2018 Estimated Balance	Projected 2019 Activity	Dec 31, 2019 Estimated Balance
Legal Matters	\$ 800,164	\$ 1,051,579	\$ 320,479	\$ 1,372,058
Per Unit Development Processing Fee	1,723,084	1,814,874	590,602	2,405,476
Insurance	1,054,696	1,182,106	127,410	1,309,516
WSIB	813,477	813,477	(121,125)	692,352
Working Funds	1,064,000	1,064,000	-	1,064,000
Training	298,679	298,679	-	298,679
Growth Related Resources	2,083,588	2,015,018	(62,100)	1,952,918
Total Corporate Use Reserves	\$ 7,837,688	\$ 8,239,733	\$ 855,266	\$ 9,094,999

Capital Reserves

Capital reserves are used to fund the annual capital program including both the replacement and rehabilitation of existing infrastructure to maintain assets in a state of good repair and the construction and purchase of infrastructure to support a growing community. The asset base owned and maintained by Milton continues to increase with the growth in the community requiring continued long term investment for their future renewal. As such, the contribution to reserves for capital replacement should be aligned with the future lifecycle costing identified within the Town's asset management plan.

As previously discussed on page 37 of the Capital Budget Summary section, the Town continues to use tools to guide its financial forecasting and planning, including the Town's asset management plan as well as fiscal impact analyses completed to support growth and development of new assets. Through these studies, it has been recognized the Town's contributions to capital reserves will require augmentation through future budgets to ensure sufficient funds are available to adequately finance infrastructure renewal requirements. In addition to annual inflation increases, the 2019 operating budget includes an incremental contribution to the Infrastructure Renewal Reserve of \$1.0 million as a part of the annual infrastructure deficit reduction strategy. An additional \$0.9 million in contributions to various capital replacement reserves has also been included for the future rehabilitation and replacement of both newly constructed and assumed assets.

The budget includes increases in contributions to the Capital Works Reserve of \$0.2 million to increase support for development charge exemptions, \$0.3 million to offset the decrease in anticipated aggregate permit fee revenues and \$0.3 million due to increased investment allocation on the capital fund.

Overview

As illustrated in the following table, the capital reserves are anticipated to decline through 2019 due to investment in growth infrastructure funded by Development Charges in the 2019 capital program as well as commitments in previously approved capital projects for which expenditures have not yet been incurred. Excluding the Development Charge Reserve Funds, the capital reserves are projected to increase by \$6.7 million due to the incremental lifecycle costing contributions to the Infrastructure Renewal reserve as well as developer contributions to the capital provision reserve for future growth related infrastructure investment.

Capital Reserves	Dec 31, 2017 Balance	Dec 31, 2018 Estimated Balance	Projected 2019 Activity	Dec 31, 2019 Estimated Balance
Infrastructure Renewal	\$ 912,651	\$ 2,599,090	\$ 1,965,326	\$ 4,564,416
Municipal Building Components	6,089,020	6,973,408	987,072	7,960,480
Capital Provision	14,726,678	14,488,442	3,384,478	17,872,920
Capital Works	3,474,882	3,750,334	(27,661)	3,722,673
Transit and Transportation	1,247,536	1,399,081	387,339	1,786,420
Computer Requirements	782,477	863,694	161,905	1,025,599
Equipment Replacement	6,979,784	7,208,623	(10,877)	7,197,746
Municipal Buildings Replacement	208,316	290,844	144,422	435,266
Cash-in-lieu of Parkland	7,000,128	6,904,641	322,765	7,227,406
Property Transactions	6,929,543	5,325,591	(332,046)	4,993,545
Cash-in-lieu of Parking	308,799	308,799	6,176	314,975
Cash-in-lieu of Storm Water Management	44,824	44,824	896	45,721
Ontario Lottery Corporation Proceeds	7,813,997	5,825,383	(260,785)	5,564,598
Development Charges	55,457,155	65,989,757	(35,134,961)	30,854,796
Total Capital Reserves	\$ 111,975,789	\$ 121,972,509	\$ (28,405,951)	\$ 93,566,559

Government Funded Reserve Funds

Government funded reserves are obligatory reserve funds established to track the revenues received from the Provincial and Federal Governments through various grant programs. The funds accumulate in the respective reserve funds until such time as they can be used in the Town's budgets in accordance with the guidelines of each program. The balances reflected in the following table include all outstanding commitments.

Government Funded Reserves	Dec 31, 2017 Balance	Dec 31, 2018 Estimated Balance	Projected 2019 Activity	Dec 31, 2019 Estimated Balance
Ontario Community Infrastructure Fund	\$ 2,346	\$ 1,146,986	\$ (534,953)	\$ 612,034
Provincial Gas Tax	482,482	345,142	(94,097)	251,045
Provincial Government Transfer	-	127,014	(127,014)	-
Federal Government Transfer	-	-	-	-
Federal Gas Tax	4,565,005	7,167,816	(5,292,667)	1,875,149
Total Government Funded	\$ 5,049,833	\$ 8,786,958	\$ (6,048,730)	\$ 2,738,228

As previously discussed in the Capital Budget Summary on page 28, Milton no longer qualifies for the Ontario Community Infrastructure Fund (OCIF) grant as the Town's population, as measured by the 2016 census, exceeds 100,000. Milton will receive its final allocation under the existing agreement in 2019. OCIF funding has been used in the capital forecast to support roads infrastructure renewal and the loss of this funding will place increased pressure on the tax levy for infrastructure renewal.

The Provincial Gas Tax reserve fund balance is anticipated to decrease through 2019 as incremental funds are withdrawn to support the phase-in of required increases in transfers to the Equipment Replacement reserve due to the escalating costs of transit buses, as presented through [CORS-056-17](#).

The Federal Gas Tax reserve fund balance is expected to decrease significantly by the end of 2019 as funds are allocated and spent on infrastructure projects within the capital program.

Overview

Two new reserves were established in 2018 for Federal Government Transfers and Provincial Government Transfers to track grant funding from other levels of government that require distinct tracking of interest and expenditure of the funds. The funds in the Provincial Government Transfer reserve fund relate to the Main Street Revitalization Initiative and are anticipated to be fully utilized by the end of 2019. No activity is expected in the Federal Government Transfers reserve fund.

Program Specific Reserves

Program specific reserves are established to accumulate funds for specific programs or contain funding received for a specified purpose as outlined in the reserve and reserve fund policies. Balances for this classification of reserves are summarized in the following table:

Program Specific Reserves	Dec 31, 2017 Balance	Dec 31, 2018 Estimated Balance	Projected 2019 Activity	Dec 31, 2019 Estimated Balance
Perpetual Maintenance	\$ 484,591	\$ 484,591	\$ 1,409	\$ 485,999
Aggregate Permit Fees	1,042,916	395,123	1,000	396,123
Sportsfield Development	123,032	32,418	10,383	42,801
Investment in the Arts	2,865,242	928,390	(87,455)	840,935
Mayor's Legacy Fund	86,701	86,701	1,734	88,435
Total Program Specific	\$ 4,602,482	\$ 1,927,223	\$ (72,929)	\$ 1,854,293

Program specific reserve balances are projected to decline during 2019 as funds are utilized for debenture payments related to the construction of the FirstOntario Arts Centre Milton.

Boards and Committees Reserves

The following table summarizes the reserves that are established for the specific use of the Town boards and committees as well as the expansion of the Milton District Hospital.

Boards and Committees Reserves	Dec 31, 2017 Balance	Dec 31, 2018 Estimated Balance	Projected 2019 Activity	Dec 31, 2019 Estimated Balance
Library Tax Rate Stabilization	\$ 1,697,807	\$ 2,145,784	\$ -	\$ 2,145,784
Library Capital Works	768,553	539,123	147,671	686,794
DBIA Surplus	70,236	59,736	-	59,736
Seniors' Fundraising	77,726	77,726	-	77,726
Milton District Hospital Expansion	502,449	416,802	(67,697)	349,105
Total Boards and Committees	\$ 3,116,770	\$ 3,239,171	\$ 79,974	\$ 3,319,145

Transfers to the Library Capital Works reserve are forecast to increase through 2019 to provide for the future renewal of library collections, shelving and computer equipment at the Sherwood Library Branch.

Overview

Summary of Projected 2019 Activity

Revenues into the Town's reserves and reserve funds are anticipated to amount to \$131.3 million in 2019, largely from growth-related revenues including development charges, cash flow assistance for roads infrastructure and capital provision along with grants from the federal and provincial governments through the Federal Gas Tax and Ontario Community Infrastructure Funds. External funding sources generate significant contributions to the Town's reserves and reserve funds and play a critical role in the Town's long-term financial management.

Significant transfers of \$158.0 million from reserves and reserve funds are anticipated in 2019 to fund the 2019 capital program as well as committed funds not yet transferred from prior year capital budget approvals. Nearly 80% of the transfers are from the development charge reserve funds and will be used support the 2019 growth related capital program as well as numerous previously approved road and facility infrastructure projects to service the ongoing growth in the community. Transfers to the Operating Fund of \$5.2 million are forecast for 2019 to fund debenture principal and interest payments on previously approved reserve fund debt as well as to support the daily operations of the organization. Development charge debenture payments will be funded directly through the reserve fund in the amount of \$1.5 million for previously issued debt.

Reserves and Reserve Funds Forecast

A 10 year reserve and reserve fund forecast has been prepared to illustrate the long-range financial stability of the organization. Many of the balances can be difficult to predict as their use is affected by uncertain future events; however, the following tables illustrate projections based on historical usage patterns, anticipated future needs and the capital budget forecast.

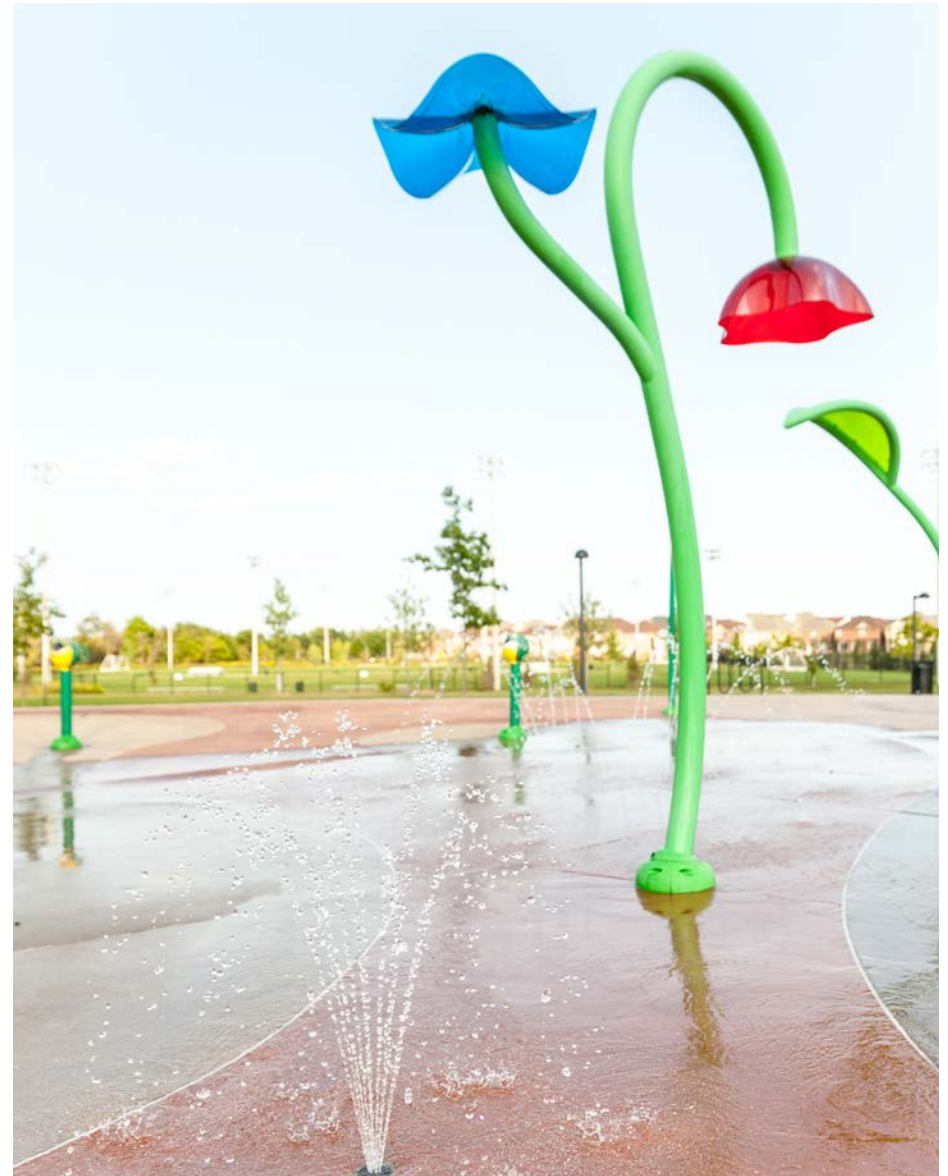
To reflect the recommendations contained within the 2019 operating budget, the asset management plan, the revised financial policies and the fiscal impact study presented through CORS-062-17, balances in various capital asset renewal reserves are projected to steadily increase to reflect the necessary annual contributions to support the long-term financial requirements of infrastructure renewal. Lifecycle renewal contributions have been included in the reserve forecast for all growth infrastructure assets included in the 10 year capital forecast as well as an annual contribution for assumed developer-built assets. As previously discussed, the incremental \$1.0 million annual contribution to the Infrastructure Renewal Reserve has been fully utilized to fund the capital forecast. In addition, additional contributions from operating to the Capital Works reserve to support development charge exemptions have been extended from the original four year phase-in to a 10 year phase-in to reflect the projections included in the recent fiscal impact study. These annual increases through operating contributions are critical to the long-term financial stability of the Town and although it appears the reserve balances will experience substantial increases over their current position, it is important to understand these increases are required to address the current infrastructure funding deficit and provide funds for the future rehabilitation requirements of assets being constructed throughout the forecast period. Should funding strategies, such as the \$1 million per year in additional tax funding to address the infrastructure deficit or the addition of capital lifecycle reserve contributions, not be implemented, both the reserve and capital project forecasts would require reductions.

Overview

The Town's asset base continues to grow and at the end of 2017, the Town's tangible capital asset net book value reached nearly \$1 billion. Although the capital reserve balances are projected to increase over the forecast, the balances remain smaller than the assets that have been amortized/consumed, as measured by accumulated amortization which is currently \$395 million in historical cost (\$667 million in 2017 dollars) as presented through the Budget Call Report, CORS-047-18. As the Town further develops its asset management planning framework, the intent is to transition this form of analysis further towards lifecycle costing.

Developer funded reserves, including Development Charge reserve funds and the Capital Provision reserve, will experience a gradual decline toward the end of the forecast as the funds are used for growth infrastructure supporting the Boyne and Sherwood secondary plan areas. It is anticipated the withdrawals from the Roads Development Charge Reserve Fund will exceed projected revenues and draws from the cash flow assistance agreements with developers will be required in 2019. These funds are projected to be needed until at least 2023, at which time they are forecast to be gradually returned to the developers before the end of the 10 year forecast.

Reserves and reserve funds are part of the Town's long-term financial planning and are used in conjunction with debenture financing which was discussed in the Capital Forecast Summary section on pages 369 to 371. A review of the Town's current treasury policies is scheduled for 2019 as noted in [CORS-041-18](#).



Schedule of Movement - Reserves

Reserves	Dec 31, 2017 Balance	Dec 31, 2018 Estimated Balance	Projected 2019 Activity						Dec 31, 2019 Estimated Balance
			Interest Earned	Contribution from Revenue	Other Revenue	Transfer to Capital	Transfer to Revenue	Debt Payments	
Reserves									
Tax Rate Stabilization	\$ 2,048,418	\$ 1,453,791	\$ -	\$ 470,914	\$ -	\$ -	\$ (319,221)	\$ -	\$ 1,605,484
Infrastructure Renewal	912,651	2,599,090	-	3,965,326	-	(2,000,000)	-	-	4,564,416
Library Tax Rate Stabilization	1,697,807	2,145,784	-	-	-	-	-	-	2,145,784
Library Capital Works	768,553	539,123	-	579,556	-	(431,885)	-	-	686,794
Legal Matters	800,164	1,051,579	-	320,479	-	-	-	-	1,372,058
Per Unit Development Processing Fee	1,723,084	1,814,874	-	1,138,018	-	-	(547,416)	-	2,405,476
Election	254,361	94,676	-	186,518	-	-	-	-	281,194
Winter Control	1,109,307	1,245,821	-	139,517	-	-	-	-	1,385,338
Insurance	1,054,696	1,182,106	-	127,410	-	-	-	-	1,309,516
WSIB	813,477	813,477	-	-	-	-	(121,125)	-	692,352
Municipal Building Components	6,089,020	6,973,408	-	1,708,854	-	(721,782)	-	-	7,960,480
Capital Provision	14,726,678	14,488,442	-	5,507,723	-	(391,424)	(1,731,821)	-	17,872,920
Capital Works	3,474,882	3,750,334	-	6,071,116	-	(6,098,777)	-	-	3,722,673
Transit and Transportation	1,247,536	1,399,081	-	508,177	-	(120,838)	-	-	1,786,420
Computer Requirements	782,477	863,694	-	478,966	-	(317,061)	-	-	1,025,599
Equipment Replacement	6,979,784	7,208,623	-	3,855,735	-	(3,866,612)	-	-	7,197,746
Working Funds	1,064,000	1,064,000	-	-	-	-	-	-	1,064,000
Aggregate Permit Fees	1,042,916	395,123	-	1,000	-	-	-	-	396,123
DBIA Surplus	70,236	59,736	-	-	-	-	-	-	59,736
Seniors' Fundraising	77,726	77,726	-	-	-	-	-	-	77,726
Training	298,679	298,679	-	-	-	-	-	-	298,679
Growth Related Resources	2,083,588	2,015,018	-	-	-	(62,100)	-	-	1,952,918
Municipal Buildings Replacement	208,316	290,844	-	427,394	-	(282,972)	-	-	435,266
Total Reserves	\$ 49,328,355	\$ 51,825,027	\$ -	\$ 25,486,703	\$ -	\$ (14,293,451)	\$ (2,719,583)	\$ -	\$ 60,298,697

Note: The above table incorporates the capital funding strategy for asset management outlined herein, including the \$1.0 million incremental annual contribution to the Infrastructure Renewal Reserve. Also, the Tax Rate Stabilization Reserve balance presented does not include the potential impact of the 2019 Decision Packages items. These items, if approved by Council, could reduce the December 31, 2019 balance by as much as \$508,898.

Schedule of Movement - Reserve Funds

Reserve Funds	Dec 31, 2017 Balance	Dec 31, 2018 Estimated Balance	Projected 2019 Activity						Dec 31, 2019 Estimated Balance
			Interest Earned	Contribution from Revenue	Other Revenue	Transfer to Capital	Transfer to Revenue	Debt Payments	
Reserve Funds									
Ontario Community Infrastructure Fund	\$ 2,346	\$ 1,146,986	\$ 11,810	\$ -	\$ 3,032,297	\$ (3,579,060)	\$ -	\$ -	\$ 612,034
Provincial Gas Tax	482,482	345,142	5,903	-	932,073	-	(1,032,073)	-	251,045
Perpetual Maintenance	484,591	484,591	9,709	1,700	-	-	(10,000)	-	485,999
Provincial Government Transfer	-	127,014	(0)	-	0	(127,014)	-	-	-
Cash-in-lieu of Parkland	7,000,128	6,904,641	139,753	-	200,000	(16,988)	-	-	7,227,406
Building Rate Stabilization	4,200,555	2,530,347	42,407	165,472	-	(469,232)	-	-	2,268,994
Property Transactions	6,929,543	5,325,591	102,170	384,981	-	(501,975)	(317,222)	-	4,993,545
Milton District Hospital Expansion	502,449	416,802	7,287	350,000	-	-	(424,984)	-	349,105
Cash-in-lieu of Parking	308,799	308,799	6,176	-	-	-	-	-	314,975
Cash-in-lieu of Storm Water Management	44,824	44,824	896	-	-	-	-	-	45,721
Sportsfield Development	123,032	32,418	745	9,638	-	-	-	-	42,801
Investment in the Arts	2,865,242	928,390	17,518	-	-	-	(104,973)	-	840,935
Federal Gas Tax	4,565,005	7,167,816	38,001	-	3,340,869	(8,671,537)	-	-	1,875,149
Federal Government Transfer	-	-	-	-	-	-	-	-	-
Mayor's Legacy Fund	86,701	86,701	1,734	-	-	-	-	-	88,435
Ontario Lottery Corporation Proceeds	7,813,997	5,825,383	121,683	5,500,000	-	(5,250,000)	(632,468)	-	5,564,598
Development Charges	55,457,155	65,989,757	213,888	-	91,151,905	(125,042,207)	-	(1,458,546)	30,854,796
Total Reserve Funds	\$ 90,866,847	\$ 97,665,202	\$ 719,679	\$ 6,411,791	\$ 98,657,144	\$ (143,658,013)	\$ (2,521,720)	\$ (1,458,546)	\$ 55,815,537

Reserves and Reserve Funds Forecast

Reserves	Dec 31, 2017 Balance	Dec 31, 2018 Estimated Balance	Dec 31, 2019 Estimated Balance	Dec 31, 2020 Estimated Balance	Dec 31, 2021 Estimated Balance	Dec 31, 2022 Estimated Balance	Dec 31, 2023 Estimated Balance	Dec 31, 2024 Estimated Balance	Dec 31, 2025 Estimated Balance	Dec 31, 2026 Estimated Balance	Dec 31, 2027 Estimated Balance	Dec 31, 2028 Estimated Balance
Reserves												
Tax Rate Stabilization	\$ 2,048,418	\$ 1,453,791	\$ 1,605,484	\$ 3,140,860	\$ 3,640,453	\$ 4,155,033	\$ 4,685,051	\$ 5,230,969	\$ 5,793,265	\$ 6,372,430	\$ 6,968,970	\$ 7,583,406
Infrastructure Renewal	912,651	2,599,090	4,564,416	7,724,724	12,832,503	19,290,274	27,287,836	36,726,767	47,649,081	60,249,615	74,121,279	89,537,398
Library Tax Rate Stabilization	1,697,807	2,145,784	2,145,784	2,145,784	2,145,784	2,145,784	2,145,784	2,145,784	2,145,784	2,145,784	2,145,784	2,145,784
Library Capital Works	768,553	539,123	686,794	532,834	723,270	896,227	1,051,828	1,207,629	1,356,674	1,685,347	2,126,034	2,634,552
Legal Matters	800,164	1,051,579	1,372,058	1,702,151	2,042,147	2,042,147	2,042,147	2,042,147	2,042,147	2,042,147	2,042,147	2,042,147
Per Unit Development Processing Fee	1,723,084	1,814,874	2,405,476	2,405,476	2,405,476	2,405,476	2,405,476	2,405,476	2,405,476	2,405,476	2,405,476	2,405,476
Election	254,361	94,676	281,194	436,180	595,002	163,586	163,586	337,135	515,891	184,118	184,118	379,449
Winter Control	1,109,307	1,245,821	1,385,338	1,329,040	1,277,054	1,229,508	1,186,536	1,148,274	1,114,865	1,086,453	1,063,189	1,045,227
Insurance	1,054,696	1,182,106	1,309,516	1,440,748	1,575,918	1,575,918	1,575,918	1,575,918	1,575,918	1,575,918	1,575,918	1,575,918
WSIB	813,477	813,477	692,352	692,352	692,352	692,352	692,352	692,352	692,352	692,352	692,352	692,352
Municipal Building Components	6,089,020	6,973,408	7,960,480	8,350,822	10,185,704	11,835,748	12,763,825	15,278,038	15,964,375	16,728,076	20,108,338	23,437,499
Capital Provision	14,726,678	14,488,442	17,872,920	20,825,366	22,113,738	18,563,210	12,645,826	7,065,647	9,902,612	7,942,690	6,044,901	5,869,629
Capital Works	3,474,882	3,750,334	3,722,673	3,086,175	3,694,323	2,512,140	2,900,781	4,446,658	6,122,363	8,131,385	10,656,129	14,077,504
Transit and Transportation	1,247,536	1,399,081	1,786,420	1,990,284	861,547	16,846	38,803	27,920	34,710	34,703	28,447	16,502
Computer Requirements	782,477	863,694	1,025,599	1,187,502	1,380,518	1,617,973	1,900,398	2,229,943	2,601,735	3,017,040	3,477,165	4,028,222
Equipment Replacement	6,979,784	7,208,623	7,197,746	6,969,621	10,089,294	8,235,364	9,519,177	9,744,256	9,897,210	10,482,878	10,130,895	11,506,554
Working Funds	1,064,000	1,064,000	1,064,000	1,064,000	1,064,000	1,064,000	1,064,000	1,064,000	1,064,000	1,064,000	1,064,000	1,064,000
Aggregate Permit Fees	1,042,916	395,123	396,123	2,123	3,123	4,123	5,123	6,123	7,123	8,123	9,123	10,123
DBIA Surplus	70,236	59,736	59,736	59,736	59,736	59,736	59,736	59,736	59,736	59,736	59,736	59,736
Seniors' Fundraising	77,726	77,726	77,726	77,726	77,726	77,726	77,726	77,726	77,726	77,726	77,726	77,726
Training	298,679	298,679	298,679	298,679	298,679	298,679	298,679	298,679	298,679	298,679	298,679	298,679
Growth Related Resources	2,083,588	2,015,018	1,952,918	1,906,343	1,906,343	1,875,293	1,875,293	1,844,243	1,844,243	1,813,193	1,813,193	1,782,143
Municipal Buildings Replacement	208,316	290,844	435,266	742,433	1,169,827	1,653,239	2,185,204	2,043,289	3,076,777	4,428,151	5,323,813	5,991,821
Total Reserves	\$ 49,328,355	\$ 51,825,027	\$ 60,298,697	\$ 68,110,959	\$ 80,834,516	\$ 82,410,381	\$ 88,571,084	\$ 97,698,708	\$ 116,242,739	\$ 132,526,018	\$ 152,417,409	\$ 178,261,846

Note: The above table incorporates the capital funding strategy for asset management outlined herein, including the \$1.0 million incremental annual contribution to the Infrastructure Renewal Reserve. Also, the Tax Rate Stabilization Reserve balance presented does not include the potential impact of the 2019 Decision Packages items. These items, if approved by Council, could reduce the December 31, 2019 balance by as much as \$508,898.

Reserves and Reserve Funds Forecast

Reserve Funds	Dec 31, 2017 Balance	Dec 31, 2018 Estimated Balance	Dec 31, 2019 Estimated Balance	Dec 31, 2020 Estimated Balance	Dec 31, 2021 Estimated Balance	Dec 31, 2022 Estimated Balance	Dec 31, 2023 Estimated Balance	Dec 31, 2024 Estimated Balance	Dec 31, 2025 Estimated Balance	Dec 31, 2026 Estimated Balance	Dec 31, 2027 Estimated Balance	Dec 31, 2028 Estimated Balance
Reserve Funds												
Ontario Community Infrastructure Fund	\$ 2,346	\$ 1,146,986	\$ 612,034	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Provincial Gas Tax	482,482	345,142	251,045	256,066	261,187	266,411	271,739	277,174	282,717	288,372	294,139	300,022
Perpetual Maintenance	484,591	484,591	485,999	487,436	488,902	490,397	491,922	493,478	495,064	496,682	498,333	500,017
Provincial Government Transfer	-	127,014	-	-	-	-	-	-	-	-	-	-
Cash-in-lieu of Parkland	7,000,128	6,904,641	7,227,406	937,998	1,464,023	2,000,569	2,505,959	3,063,344	3,631,876	4,169,892	4,760,556	5,363,032
Building Rate Stabilization	4,200,555	2,530,347	2,268,994	6,175,762	9,853,462	9,868,476	9,905,904	9,950,247	9,995,476	10,041,610	10,060,387	10,107,819
Property Transactions	6,929,543	5,325,591	4,993,545	5,187,509	5,656,599	1,843,616	341,412	608,612	486,258	361,458	234,161	6,366,319
Milton District Hospital Expansion	502,449	416,802	349,105	291,461	244,120	203,358	169,458	142,710	123,414	111,878	108,422	113,372
Cash-in-lieu of Parking	308,799	308,799	314,975	321,274	327,700	334,254	138,939	15,467	15,777	16,092	16,414	16,742
Cash-in-lieu of Storm Water Management	44,824	44,824	45,721	46,635	47,568	48,519	49,490	50,479	51,489	52,519	53,569	54,641
Sportsfield Development	123,032	32,418	42,801	53,391	64,194	75,212	86,450	97,914	109,607	121,533	133,698	146,106
Investment in the Arts	2,865,242	928,390	840,935	860,535	880,583	(0)	(0)	(0)	(0)	(0)	(0)	(0)
Federal Gas Tax	4,565,005	7,167,816	1,875,149	778,156	771,975	862,286	849,974	363,573	355,275	165,090	36,751	32,016
Federal Government Transfer	-	-	-	-	-	-	-	-	-	-	-	-
Mayor's Legacy Fund	86,701	86,701	88,435	90,204	-	-	-	-	-	-	-	-
Ontario Lottery Corporation Proceeds	7,813,997	5,825,383	5,564,598	5,290,845	5,001,019	4,694,481	4,374,317	4,040,104	3,691,408	3,327,784	2,948,774	2,553,908
Development Charges	55,457,155	65,989,757	30,854,796	31,295,396	30,969,000	55,634,396	48,609,035	33,361,843	61,548,505	47,190,545	42,622,993	26,505,128
Total Reserve Funds	\$ 90,866,847	\$ 97,665,202	\$ 55,815,537	\$ 52,072,668	\$ 56,030,331	\$ 76,321,974	\$ 67,794,599	\$ 52,464,943	\$ 80,786,865	\$ 66,343,456	\$ 61,768,197	\$ 52,059,122

