

STAFF REPORT: Financial & Information Services



REPORT TO: Finance & Administration
MEETING DATE: April 20, 2010
REPORT NO.: FIS.10.29
SUBJECT: General Reserves Consolidation
PREPARED BY: Robert Cummings, Director of
Financial & Information Services

A. Recommendations

THAT Council receive Staff Report FIS.10.29, "General Reserves Consolidation"; and,

THAT Council authorize Staff to proceed with the implementation of a single reserve named the General Administration Reserve for general administrative purposes.

B. Background

The Town has a few reserves in place to fund expenditures that relate to general administrative and miscellaneous needs. These reserves were created in the expectation that they would be used in the short-term to provide for a number of different but admin-related purposes. However, not all of these reserves have been used in the short-term. Also, these reserves are similar in that they serve the purpose of supporting the Town's general administrative needs such as: budget variances on non-discretionary levies, human resources, or build-up funding for future administrative projects.

Town Staff has the opportunity to improve the administration efficiency by consolidating the number of general purpose reserves. This will simplify the tracking, accounting and reporting related to these reserves. As part of the 2009 year-end process, 3 reserves will be consolidated into a General Administration Reserve. The attached chart illustrates the existing reserves, their original purpose and the 2009 beginning balance and the future consolidated reserve balance and name.

The General Administration Reserve will be an operating reserve used to fund administrative expenditures related to studies; the replacement, enhancement, and acquisition of capital assets; and future projects for Town purposes. The 2009 beginning balance of the General Administration Reserve will be \$160,363. Through the 2009 year-end process, this reserve will be partially used. A report on the recommended unbudgeted reserve use will be forthcoming.

C. The Blue Mountains' Strategic Plan

"Providing a strong, well managed municipal government".

D. Environmental Impacts

No significant impact at this time.

E. Budget Impact

No significant impact at this time.

F. Attached

General Reserves Consolidation

Respectfully submitted,

Signature

For more information, please contact:

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**The Blue Mountains
General Reserves Consolidation
14-Apr-10**

FIS.10.29

Existing Reserve	Purpose	2009 Opening Balance	New Reserve
Reserves - General	Discretionary Operating Use	\$155,626	General Administration Reserve
Reserves - Property	Not used since prior to 2004.	\$1,612	General Administration Reserve
Reserves - Conservation Authority	Set up for budgeting variances -- not used since 2004. Budgeting variances will be funded from the new General Administration Reserve or Working Capital if required.	\$3,125	General Administration Reserve
Total Water Reserve Funds		\$160,363	

Proposed Reserves

General Administration Reserve	Fund expenditures related to studies and the replacement, enhancement, construction and acquisition of capital assets for the treatment, storage and distribution of water.	\$160,363	
Total Water Reserves & Reserve Funds		\$160,363	