



Town of Newmarket

AGENDA

SPECIAL COMMITTEE OF THE WHOLE

Monday, April 22, 2013 at 1:30 p.m.
Council Chambers, 395 Mulock Drive

PRESENTATION

1. SPECIAL COMMITTEE OF THE WHOLE – APRIL 22, 2013 – ITEM POWERPOINT PRESENTATION - 2014 BUDGET

The Director of Financial Services/Treasurer to provide a PowerPoint presentation with respect to the 2014 budget.

PowerPoint Presentation to be distributed at meeting.

ITEMS

2. SPECIAL COMMITTEE OF THE WHOLE – APRIL 22, 2013 – ITEM CORPORATE SERVICES REPORT – FINANCIAL SERVICES 2013-09 2012 RESERVES AND RESERVE FUNDS CONTINUITY

Corporate Services Report – Financial Services 2013-09 dated April 15, 2013 regarding 2013 Reserves and Reserve Funds Continuity.

The Commissioner of Corporate Services and the Director of Financial Services/Treasurer recommend:

THAT Corporate Services Report – Financial Services 2013-09 dated April 15, 2013 regarding the 2013 Reserves and Reserve Funds Continuity be received.

3. SPECIAL COMMITTEE OF THE WHOLE – APRIL 22, 2013 – ITEM CORPORATE SERVICES REPORT – FINANCIAL SERVICES 2013-10 2013 RESERVES AND RESERVE FUNDS BUDGET

Corporate Services Report – Financial Services 2013-10 dated April 15, 2013 regarding 2013 Reserves and Reserve Funds Budget.

The Commissioner of Corporate Services and the Director of Financial Services/Treasurer recommend:

THAT Corporate Services Report – Financial Services 2013-10 dated April 15, 2013 regarding 2013 Reserves and Reserve Funds Budget be received and the following recommendation be adopted:

THAT the projected revenues for the 2013 Reserves and Reserve Funds Budget, as set out in the attachment, be approved.

4. **SPECIAL COMMITTEE OF THE WHOLE – APRIL 22, 2013 – ITEM**
CORPORATE SERVICES REPORT – FINANCIAL SERVICES 2013-11
2012 CAPITAL CARRY-OVERS REPORT

Corporate Services Report – Financial Services 2013-11 dated April 15, 2013 regarding the 2013 Capital Carry-Overs Report.

The Commissioner of Corporate Services and the Director of Financial Services/Treasurer recommend:

THAT Corporate Services Report – Financial Services 2013-11 dated April 15, 2013 regarding the 2012 Capital Carry-Overs Report be received for information purposes.

5. **SPECIAL COMMITTEE OF THE WHOLE – APRIL 22, 2013 – ITEM**
CORPORATE SERVICES REPORT – FINANCIAL SERVICES 2013-15
2014 BUDGET SCHEDULE

Corporate Services Report – Financial Services 2013-15 regarding the 2014 Budget Schedule.

Report to be distributed at or prior to meeting.

RESOLUTION TO CONVENE INTO A CLOSED SESSION:

THAT the Special Committee of the Whole resolve into a closed session for the purpose of discussing: Personal matters about an identifiable individual, including municipal employees or local board employees. (Verbal Report of the CAO)

ADJOURNMENT



**Mike Mayes, Director
Financial Services**

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TOWN OF NEWMARKET
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April 15, 2013

CORPORATE SERVICES REPORT - FINANCIAL SERVICES 2013-09

TO: Mayor Tony Van Bynen and Members of Council
Committee of the Whole

SUBJECT: 2012 Reserves and Reserve Funds Continuity

ORIGIN: Senior Financial Analyst

RECOMMENDATIONS

THAT Corporate Services Report – Financial Services 2013-09 dated April 15, 2013 regarding the 2012 Reserves and Reserve Funds Continuity be received.

COMMENTS

Purpose

The purpose of this report is to advise on the continuity of the 2012 reserves and reserve funds.

Budget Impact

This report is for information purposes and has no direct impact on the Operating and Capital budget.

Summary

2012 reserves and reserve funds, including obligatory reserve funds, increased by \$12.9 million over the beginning balance. The main reasons for the increase were higher than projected contributions from developers and lower funding of capital projects during 2012. These are both timing differences and do not impact the ongoing capital program.

Additional general background information on the Town's Reserves and Reserve Funds, terminology and categorization is provided by Corporate and Financial Services Report – Finance 2008-18, Guidelines for the Use of Reserves and Reserve Funds. This report is available in hardcopy at the Municipal Offices or online at: <http://www.newmarket.ca/en/townhall/otherreports.asp>

Background

Reserves and reserve funds, including obligatory reserve funds (for development charges and parkland contributions), had a combined balance of \$49.6 million at the beginning of 2012 and a balance of \$62.5 million at the end of 2012. The increase of \$12.9 million is primarily due to lower spending on capital and higher than expected contributions from developers for development charges.

All transfers to and from the reserves and reserve funds have been previously approved by Council through the budget process, delegation of authority or specific requests. Staff is merely seeking a consolidated confirmation of these previous approvals. Also, the continuity provides information on contributions and interest earned.

Total reserves and discretionary reserve funds stood at 46.4% of operating expenses in 2012 (38.9% in 2011). The increased level of reserves and reserve funds improves the Town's capacity to deal with financial sustainability, potential fluctuations in the tax rate, and unforeseen events.

The following highlights the activities of reserves and reserve funds by group in 2012.

1. Reserves and reserve funds for capital purposes

These reserves and reserve funds were set up to fund future capital projects. As of December 31, 2012, the balance of capital reserves was 8.6% of the accumulated amortization of capital assets (2011 – 7.6%).

Category	Beginning Balance 2012	Revenues	Expenses	Ending Balance 2012	Change over 2011
General Capital	1,904,781	1,067,505	7,076	2,965,210	1,060,429
Loan to Capital	(3,254,452)	320,179	-	(2,934,273)	320,179
Designated Capital	3,908,452	3,362,870	1,723,625	5,547,697	1,639,245
Asset Replacement Funds	13,786,762	13,744,071	13,773,481	13,757,352	(29,410)
TOTAL	16,345,543	18,494,625	15,504,182	19,335,986	2,990,443

Revenues for General Capital funds were mainly transfers from the operating fund. Revenues for Designated Capital funds included \$2.3 million in gas tax grants, a \$349,875 contribution from developers for SWM Pond maintenance, and a \$372,000 transfer from the operating fund for environmental land purchase. Revenues for Asset Replacement Funds were budgeted contributions from operating. Expenses were mainly for capital financing which were much lower than budgeted, due to lower capital spending.

Almost all of the balance in the Asset Replacement Fund has been committed to projects that will be carried over into 2013. In fact, only \$4.3 million of the total reserves and reserves funds for capital purposes is not committed to project budgets. This will be detailed further in the 2012 Capital Carry-overs (Corporate Services Report – Financial Services 2013-11) and 2013 Reserve & Reserve Funds Budget (Corporate Services Report - Financial Services - 2013-10) reports.

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2. Reserves and reserve funds for operating purposes

These reserves were set up for rate stabilization and operational contingencies. As of December 31, 2012, the balance is 11.7% of tax revenues (2011 – 10.4 %).

Category	Beginning Balance 2012	Revenues	Expenses	Ending Balance 2012	Change over 2011
Cash Flow	1,101,458	-	-	1,101,458	-
Operational Contingencies	1,306,646	787,333	121,758	1,972,221	665,575
Cyclical Expenses	348,889	174,071	-	522,960	174,071
Discretionary Operating	1,602,084	88,757	246,681	1,444,160	(157,924)
Operational Carry-overs	254,854	241,668	53,122	443,400	188,546
TOTAL	4,613,931	1,291,829	421,561	5,484,199	870,268

Transfers to operational contingencies (revenues) included \$100,000 to the new Waste Management Reserve, \$90,000 to a Corporate Contingency Reserve (approved by Council in Financial Services Report 2013-04), \$240,000 to the Winter Control Reserve (to a more comfortable level of \$500,000 which is 1/3rd of the annual budget), and \$275,323 to Insurance Reserves (from savings in insurance premiums due to a change in carrier).

3. Obligatory reserves and reserve funds

These include cash in lieu contributions for parkland from developers, development charges and the unused portion of the Investing in Ontario grant received in 2007. They have statutory restrictions.

Category	Beginning Balance 2012	Revenues	Expenses	Ending Balance 2012	Change over 2011
Parkland	1,323,979	455,956	250,000	1,529,935	205,956
Development Charges	13,063,087	6,829,012	2,530,192	17,361,907	4,298,820
Investing In Ontario	154,055	2,601	59	156,597	2,542
TOTAL	14,541,121	7,287,569	2,780,251	19,048,439	4,507,318

Contributions from developers were \$3.9 million over budgeted levels, while contributions taken out were \$345,000 under the level budgeted as the associated capital costs were not incurred.

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4. Other reserves and reserve funds

These are reserves and reserve funds not included in the above groups.

Category	Beginning Balance 2012	Revenues	Expenses	Ending Balance 2012	Change over 2011
Development Related Revenues	3,092,152	2,039,633	611,488	4,520,297	1,428,145
Restricted Operating	8,977,312	2,924,530	402,822	11,499,020	2,521,708
Growth Funds	1,989,258	1,708,464	1,112,747	2,584,975	595,717
TOTAL	14,058,722	6,672,627	2,127,057	18,604,292	4,545,570

Development related revenues included \$1,215,691 for engineering administration, design review & field monitoring of developments and \$538,745 for planning application fees. Revenues for Restricted Operating included \$670,065 in transfers to the LTD Reserve, \$508,765 in transfers to the CYFS Reserve Fund, and \$1,352,534 to the Building Reserve from operating. Revenues for Growth Funds consisted of \$1,279,500 in voluntary trail contributions from developers and \$364,029 from the RAS surcharge.

A detailed list of all the reserves and reserve funds' activities in 2012 is attached to this report.

Our new auditors, BDO, are recommending some changes to our classification of reserves and reserve funds. This matter has not been finalized yet and is not reflected in this report. If and when appropriate, an amendment or revision to this report will be issued.

BUSINESS PLAN AND STRATEGIC PLAN LINKAGES

This report links to Newmarket's key strategic directions in being Well Managed through fiscal responsibility.

CONSULTATION

The 2012 Reserves and Reserve Fund Budget was created from the 2012 Capital and Operating Budgets which were developed by staff and have undergone extensive review by the public and Council. Transfers to and from the reserves and reserve funds require Council's direct or delegated approval.

BUDGET IMPACT

Operating Budget (Current and Future)

This report is for information purposes and has no direct impact on the Operating Budget.

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Capital Budget

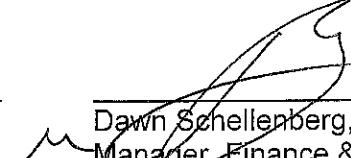
This report is for information purposes and has no direct impact on the Capital Budget.

CONTACT

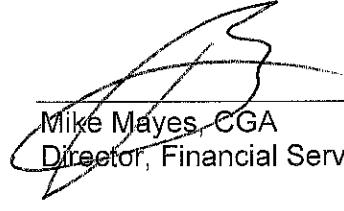
For more information on this report, please contact Frank Wu at 905-953-5300, ext.2105 or fwu@newmarket.ca.



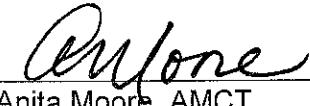
Frank Wu, MBA
Senior Financial Analyst



Dawn Schellenberg, CPA, CA
Manager, Finance & Accounting



Mike Mayes, CGA
Director, Financial Services/Treasurer



Anita Moore, AMCT
Commissioner, Corporate Services

FW/nh

Attachment

2012 RESERVES AND RESERVE FUNDS CONTINUITY SCHEDULE

Reserve/Fund Account	Balance Forward Jan. 1/12	Bank & Investment Interest	REVENUES	EXPENDITURES	Balance @ Dec. 31 \$
			From General Fund	To General Fund	Total Expenditures
			Other	Capital Fund	Other

RESERVE FUNDS:

Reserve Funds for Development-Related Revenues

	Budget	Actual	From General Fund	To General Fund	Total Expenditures
Tree Planting	432300		3,672	83,121	86,793
Perpetual Maintenance	442170		16,660		16,660
Engineering Admin - Subdivision	469991		22,743	10,000	32,743
Planning Application Subdivision Fees	468110		10,391	300,000	310,391

Reserve Funds for Cyclical Expenses

	Budget	Actual	From General Fund	To General Fund	Total Expenditures
Election	413706		2,740	80,000	82,740
Inauguration	413707		1,547	19	19

Discretionary Operating Reserve Funds

	Budget	Actual	From General Fund	To General Fund	Total Expenditures
NEER Support	410907		249,193	5,436	249,193

Restricted Operating Reserve Funds

	Budget	Actual	From General Fund	To General Fund	Total Expenditures
CYFS Reserve Fund	421240		122,343	2,529	503,765
LTD - Town	410227		5,541,326	72,601	560,000

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2012 RESERVES AND RESERVE FUNDS CONTINUITY SCHEDULE

Reserve Fund Account	Account #	Balance Forward Jan/1/12 \$	REVENUES			EXPENDITURES			Balance @ Dec. 31 \$
			Bank & Investment Interest \$	Contributions \$	From General Fund \$	Other \$	Total Revenue \$	To Capital Fund \$	
LTD - Library	455107	Budget 227,476	2,981		21,974		24,955		- 252,431
		Actual 227,476	4,037		22,124		26,161		- 253,637
McLarty Fund	457790	Budget 2,714		34			34		- 2,748
L.A.C.A.C.-Heritage Fund	458321	Budget 21,073	46				46		- 2,760
		Actual 21,073	263				263		- 21,336
Fire Training Costs	421230	Budget 96,814	361	350	1,715		2,426		- 23,499
		Actual 96,814	1,118				1,118	14,817	- 83,115
			1,610				1,610	3,883	- 94,542

General Capital Reserve Funds

Capital Contingency Fund	410901	Budget 150,239	REVENUES			EXPENDITURES			Balance @ Dec. 31 \$
			Bank & Investment Interest \$	Contributions \$	From General Fund \$	Other \$	Total Revenue \$	To Capital Fund \$	
Capital Financing Fund	410908	Budget 248,090	5,056		312,776		317,832		- 152,117
		Actual 248,090	6,892		312,776		319,668		- 152,776
Designated Capital Fund	410903	Budget 1,382,898	14,349				14,349	469,900	- 565,922
		Actual 1,382,898	23,331	7,373	327,700	89,485	448,489	7,076	- 567,753
Loan to Capital Fund	410900	Budget (3,254,452)	(147,517)		467,696		320,179		- 927,347
		Actual (3,254,452)	(147,517)		467,696		320,179		- 1,824,311
								(2,934,273)	- (2,934,273)

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2012 RESERVES AND RESERVE FUNDS CONTINUITY SCHEDULE

Reserve Fund Account #	Balance Forward Jan. 1/12	REVENUES			EXPENDITURES			Balance @ Dec. 31 \$
		Bank & Investment Interest	Contributions	From General Fund	Total Revenue	To Capital Fund	To General Fund	
Designated Capital Reserve Funds								
Gas Tax	432250	Budget 542,583	4,302	2,278,999	2,283,301	2,675,766		2,675,766 150,118
Road Reconstruction	432215	Actual 542,583	16,327	2,278,999	2,295,326	1,085,046	2,564	1,087,610 1,750,269
Purchase of Municipal Easement	432217	Budget -	237,514	4,011	2,969			- 240,463
Sidewalks	432170	Actual -	-	176	17,870	4,011		- 241,525
Pony Drive	432214	Budget -	298,487	2,900	18,045	2,900	133,000	- 18,045
Dawson Manor Blvd.	432216	Budget 65,538	298,487	4,856	7,440	12,296	101,972	- 101,972 208,811
Insurance Proceeds Barn	410905	Actual 12,175	12,175	152	152			- 66,357
Public Art	457215	Budget -	260,063	206	206			- 66,645
Theatre CJF Fund	457352	Actual 546,405	546,405	1,756	1,756	239,113	239,113	- 12,327
Theatre	457351	Budget -	27,394	4,392	4,392			- 12,381
Museum Board	457531	Actual 7,718	7,718	332	142,900	143,232		- 264,455
		Budget -	6,986	75,000	81,986	50,000	50,000	- 22,708
		Actual 9,602	9,602	57,375	66,977	21,058	21,058	- 592,324
		Budget 463	463	342	342			- 27,736
		Budget 96	96					- 27,857
		Actual 130	130					- 7,814
								- 7,848

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2012 RESERVES AND RESERVE FUNDS CONTINUITY SCHEDULE

Reserve/ Reserve Fund Account	Account #	Balance Forward Jan. 1/12 \$	REVENUES			EXPENDITURES			Balance @ Dec. 31 \$
			Bank & Investment Interest \$	Contributions \$	From General Fund \$	Total Revenue \$	To Capital Fund \$	To General Fund \$	
Museum Conservation	457532	Budget 10,059			126	126			10,185
		Actual 10,059			174	513			- 10,746
Museum Exhibit	457533	Budget 8,248			103				- 8,351
		Actual 8,248			139				- 8,387
SVM Pond Maintenance	442183	Budget 542,178			6,387	349,875	6,387	62,423	486,142
		Actual 542,178			12,157		362,032		- 904,210
Downstream Storm Drainage	442182	Budget 3,942			49				- 3,991
		Actual 3,942			67				- 4,008
Stormwater Erosion	442181	Budget 5,707			71				- 5,778
		Actual 5,707			96				- 5,803
Environmental Green Fund	410960	Budget 35,000			438				- 35,438
		Actual 35,000			591				- 35,591
Environmental Land Purchase	410971	Budget 645,104			5,971	372,000	377,971	425,386	706,875
		Actual 645,104			11,676	372,000	383,676	281,489	316,200
All Our Kids Playpark	457840	Budget 2,629			33				- 2,662
		Actual 2,629			44				- 2,674
Playground Equipment	457881	Budget 190,992			2,387				- 193,379
		Actual 190,992			3,225				- 194,218
Fence	432132	Budget 8,935			112				- 8,047
		Actual 8,935			151				- 9,086
Secondary Planning Study	468000	Budget 298,060			2,134	2,134	254,679	254,679	45,515
		Actual 298,060							-
Official Plan	468115	Budget 122,129			1,495	60,000	65,000	65,000	118,624
		Actual 122,129			2,504	60,000	62,504	53,385	131,248

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2012 RESERVES AND RESERVE FUNDS CONTINUITY SCHEDULE

Reserve Reserve Fund Account	Account #	Balance Forward Jan. 1/12.	REVENUES			EXPENDITURES			Total Expenditures \$
			Bank & Investment interest \$	Contributions \$	From General Fund \$	To Capital Fund \$	To General Fund \$	Total Transfers/Other \$	
Parking Purposes	422717	Budget 180,170	2,220			2,220	5,200		5,200
		Actual 180,170	3,405	16,223	21,000	40,828			- 220,798
Downtown Parking	422710	Budget 25,971	325			325			- 26,296
Holland River Walkway	457861	Budget 129,214	544	6,450	1,500	8,494			- 34,464
Trail Contribution-Eden Oak	462150	Budget 28,937	1,615			1,615			- 130,829
NW Quad.-Trail	457818	Budget 0	2,182			2,182			- 131,396
Sale of Property	410970	Budget 1,526,067	10,621			10,621	1,487,695	15,000	1,502,655
Stickwood-Walker Property	410973	Budget 1,032,285	25,897		(67,000)	(41,103)		15,000	14,63,964
Rawlik Property	410972	Budget 1,032,285	7,563			7,563	854,445		854,445
Fiddlefest	457893	Budget 3,366	(2,843,609)	17,065		17,055	56,545		185,403
Festival of Lights	457892	Actual 3,366	(2,843,609)	(16,184)	3,200,000	3,183,816	85,385		992,865
			(44,860)			(44,860)			254,872
									(2,88,468)
									5,089
									5,111
									3,408
									3,423

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2012 RESERVES AND RESERVE FUNDS CONTINUITY SCHEDULE

Reserve / Reserve Fund Account #	Balance Forward Jan. 1/12 \$	REVENUES			EXPENDITURES			Total Expenditures \$	Balance @ Dec. 31 \$
		Bank & Investment Interest	Contributions	From General Funds	To Capital Fund	To General Fund	Total Transfers / Other		
Asset Replacement Funds									
CYFS	471117	Budget	1,399,513	4,409	355,499	359,908	2,449,056	2,449,056	(689,635)
		Actual	1,399,513	13,665	355,499	369,164	1,478,471	1,478,471	290,207
IT	473628	Budget	1,882,872	18,713	790,204	808,917	1,561,923	1,561,923	1,129,866
		Actual	1,882,872	35,121	790,204	825,325	477,079	477,079	2,231,118
Roads	482267	Budget	4,939,848	36,439	3,846,107	3,882,546	7,368,284	527,550	7,895,834
		Actual	4,939,848	100,588	3,962,448	4,063,036	3,492,827	643,382	4,136,209
Water	482437	Budget	14,670,053	187,191	2,340,537	2,527,728	1,487,953	262,100	1,730,053
		Actual	14,670,053	265,929	9	2,340,537	2,606,476	26,687	15,467,728
Sewer	482477	Budget	8,662,684	118,840	2,650,528	2,769,368	645,961	315,600	961,561
		Actual	8,662,684	165,106	2,736,235	2,901,341	829,040	304,461	1,133,502
Parks	482817	Budget	(5,917,256)	(86,986)	760,259	673,273	1,493,778	1,349,670	2,843,448
		Actual	(5,917,256)	(103,763)	760,259	656,496	896,579	1,185,327	(8,087,431)
Other	482917	Budget	1,888,624	21,492	649,501	670,993	286,917	598,206	2,081,906
		Actual	1,888,624	34,840	664,511	699,351	321,971	185,586	(7,342,666)
Library	485127	Budget	825,071	3,352	223,550	226,902	1,337,323		1,337,328
		Actual	825,071	15,478	223,550	239,028	77,518		77,518
Fire	487717	Budget	154,495	(336)	15,738	15,402	378,548		378,548
		Actual	154,495	1,350	157,847	258,732	417,928	231,534	(208,651)
Facilities	487767	Budget	{14,719,141}	(215,671)	1,119,425	903,754	4,958,733	1,199,808	6,188,541
		Actual	{14,719,141}	(256,748)	1,225,674	965,926	2,175,458	1,025,543	(20,003,928)
								3,201,000	(16,954,216)

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2012 RESERVES AND RESERVE FUNDS CONTINUITY SCHEDULE

Reserve Fund Account #	Balance Forward Jan 1/12 \$	REVENUES			EXPENDITURES			Balance @ Dec. 31 \$
		Bank & Investment Interest \$	Contributions \$	Total General Fund \$	To Capital Fund \$	To General Fund \$	Total Internal Transfers \$	
		6,983			6,983	580,408	101,981	682,389
Growth Fund	Budget	899,828			14,631	58,477	55,241	113,718
	Actual	899,828						800,742
Recommending A Strategy	Budget	31,055	232	375,000		375,232	400,000	6,287
	Actual	31,055	715	364,029		364,744	395,000	799
Trait Voluntary Levies	Budget	973,008	8,067	600,000		608,067	1,255,374	325,701
	Actual	973,008	24,323	1,279,500		1,303,828	604,030	604,030
	Budget	27,104,776	136,006	3,553,999	14,829,394	3,350,000	21,869,399	1,672,806
	Actual	27,104,776	441,144	6,021,513	16,715,986	43,485	23,222,128	12,370,609
TOTAL RESERVE FUND								32,628,649

RESERVES:

Working Funds	Budget	1,101,458	-			1,101,458
	Actual	1,101,458	-			

Reserves for Operational Contingencies

Legal Services	Budget	201,204						201,204
	Actual	201,204						234,964
HR Reserve	Budget	58,610						58,610
	Actual	58,610						106,860
Corporate Consulting	Budget	143,193						143,193
	Actual	143,193						143,193
Waste Management	Budget	-						-
	Actual	-						100,000
								100,000

2012 RESERVES AND RESERVE FUNDS CONTINUITY SCHEDULE

Reserve/ Reserve Fund Account#	Balance Forward Jan/112 \$	REVENUES			EXPENDITURES			Balance @ Dec. 31 \$
		Bank & Investment Interest \$	Contributions	From General Fund \$	To Capital Fund \$	To General Fund \$	Total Expenditures/ Other \$	
Strategic Planning	327910	Budget 68,119	-	-	-	-	-	68,119
		Actual 68,119	-	-	-	-	-	68,119
Streetlighting	323730	Budget 296,758	-	-	-	175,000	-	121,758
		Actual 296,758	-	-	-	-	-	121,758
Winter Control	323832	Budget 260,000	-	-	-	-	-	260,000
		Actual 260,000	-	-	-	-	-	260,000
Reserves - Energy	325010	Budget 145,000	-	-	-	240,000	-	500,000
		Actual 145,000	-	-	-	-	-	500,000
Corporate Contingency	327210	Budget -	-	-	-	-	-	-
		Actual -	-	-	-	-	-	-
Insurance Claims	325413	Budget 133,761	-	-	-	-	-	133,761
		Actual 133,761	-	-	-	-	-	133,761
				275,323		275,323		409,084
Reserves for Development-Related Revenues								
Street Signs	322230	Budget 67,220	-	-	-	-	-	67,220
		Actual 67,220	-	-	-	-	-	67,220
Finance Admin. Of Developments	324314	Budget 461,853	-	-	-	50,000	-	411,893
		Actual 461,853	-	-	-	-	-	411,893
Anti-Tampering Devices	325162	Budget 17,786	-	-	-	50,000	-	528,554
		Actual 17,786	-	-	-	-	-	528,554
				24,256		24,256		42,041

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2012 RESERVES AND RESERVE FUNDS CONTINUITY SCHEDULE

Reserve / Reserve Fund Account #	Reserve / Reserve Fund Account #	Balance Forward Jan. 1/12	Bank & Investment Interest \$	REVENUES	To Capital Fund \$	Balance @ Dec. 31 \$
Customer Survey	3222313	Budget 25,000	-	From General Fund 10,000	To General Fund 10,000	35,000
	Actual	25,000		Other 10,000	Fina 10,000	
Wages and Benefits	3222810	Budget 187,494	-	From General Fund 81,305	To General Fund 81,305	268,799
	Actual	187,494		Other 81,305	Fina 81,305	
Computer Incentive Program	3242110	Budget 13,530	-	From General Fund -	To General Fund -	13,530
	Actual	13,530		Other -	Fina -	

Reserves for Cyclical Expenses

Reserve / Reserve Fund Account #	Reserve / Reserve Fund Account #	Budget	Actual	From General Fund	To General Fund	Total Expenditures
Customer Survey	3222313	Budget 25,000	Actual 25,000	From General Fund 10,000	To General Fund 10,000	35,000
Wages and Benefits	3222810	Budget 187,494	Actual 187,494	From General Fund 81,305	To General Fund 81,305	268,799
Computer Incentive Program	3242110	Budget 13,530	Actual 13,530	From General Fund -	To General Fund -	13,530

Discretionary Operating Reserves

Reserve / Reserve Fund Account #	Reserve / Reserve Fund Account #	Budget	Actual	From General Fund	To General Fund	Total Expenditures
Continuous Improvement	3240111	Budget 44,000	Actual 44,000	From General Fund -	To General Fund -	44,000
Hydro Dividend Reserve	3291110	Budget 261,000	Actual 261,000	From General Fund -	To General Fund -	44,000
Corporate Rate Stabilization Fund	3252110	Budget 826,526	Actual 826,526	From General Fund -	To General Fund -	261,000
Efficiency / Enhancement Fund	3253110	Budget 221,365	Actual 221,365	From General Fund -	To General Fund -	826,526

Reserves for Operational Carry-Overs

Reserve / Reserve Fund Account #	Reserve / Reserve Fund Account #	Budget	Actual	From General Fund	To General Fund	Total Expenditures
NIDDC Incentive	323268	Budget 56,043	Actual 56,043	From General Fund 96,276	To General Fund 96,276	56,043
HR Consulting	3233110	Budget 120,750	Actual 120,750	From General Fund -	To General Fund -	108,943
IT	3231113	Budget -	Actual -	From General Fund 24,000	To General Fund 24,000	120,750

Reserve / Reserve Fund Account #	Reserve / Reserve Fund Account #	Budget	Actual	From General Fund	To General Fund	Total Expenditures
IT	3231113	Budget -	Actual -	From General Fund 50,000	To General Fund 50,000	50,000

2012 RESERVES AND RESERVE FUNDS CONTINUITY SCHEDULE

Reserve/Reserve Fund Account	Account #	Balance Forward Jan. 1/12 \$	REVENUES			EXPENDITURES			Balance @ Dec. 31 \$
			Bank & Investment Interest \$	Contributions	From General Fund \$	Total Revenue \$	To Capital Fund \$	To General Fund \$	
Grants	324414	Budget 6,640	-	-	-	-	6,048	-	6,048
		Actual 6,640	-	-	-	-	991	-	991
Financial Services	324614	Budget 3,000	-	-	-	-	-	-	5,649
		Actual 3,000	-	-	-	-	-	-	3,000
Reserve - Communications	324710	Budget 25,000	-	-	-	-	-	-	3,000
		Actual 25,000	-	-	-	-	-	-	25,000
Operational Carry-Overs	328710	Budget 40,545	-	-	-	-	-	-	23,412
		Actual 40,545	-	-	-	-	-	-	40,545
Wellness Reserve	328210	Budget -	-	-	-	-	-	-	104,863
		Actual -	-	-	-	-	-	-	-
Charity - Golf Donations	328310	Budget 2,376	-	-	-	-	-	-	1,824
		Actual 2,376	-	-	-	-	-	-	848
ERIC	324513	Budget 500	-	-	-	-	-	-	460
		Actual 500	-	-	-	-	-	-	500
Restricted Operating Reserves									
Fire Services	3277821	Budget -	-	-	-	-	-	-	-
		Actual 0	-	-	-	-	-	-	0
Building Permits	324116	Budget 2,484,433	-	-	-	-	75,000	574,883	1,834,550
		Actual 2,484,433	-	-	-	-	-	-	4,352
Main St. BlA	326110	Budget 4,352	-	-	-	-	-	-	6,433
		Actual 4,352	-	-	-	-	-	-	-
NEAC	327168	Budget (0)	-	-	-	-	-	-	(0)

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2012 RESERVES AND RESERVE FUNDS CONTINUITY SCHEDULE

Reserve / Reserve Fund Account #	Balance Forward Jan. 1/12 \$	REVENUES					EXPENDITURES			Balance @ Dec. 31 \$
		Bank & Investment Interest \$	Contributions \$	From General Fund \$	Other \$	Total Revenue \$	To Capital Fund \$	To General Fund \$	Internal Transfers / Other \$	
Library	325591	Budget	427,035	-	-	-	35,000	-	35,000	392,085
		Actual	427,035	-	-	-	-	-	-	427,085
Library-Fund Raising	325592	Budget	3,315	-	-	-	-	-	-	3,315
Library-Strat. Plan Implemntn	325596	Actual	3,315	20,133	-	20,133	-	-	-	23,448
Library-Strategic Plan	325594	Budget	-	-	-	-	-	-	-	-
		Actual	30,000	-	-	-	-	-	-	30,000
Library-Insurance	325595	Budget	10,000	-	-	-	-	-	-	10,000
		Actual	10,000	-	-	-	-	-	-	10,000
YNCIVIA-Library	325091	Budget	6,306	-	-	-	-	-	-	6,306
		Actual	6,306	-	-	-	-	-	-	-
Water Rate Stabilization Fund	327642	Budget	-	-	-	-	-	-	-	-
		Actual	-	-	-	-	-	-	-	-
Sanitary Sewer Rate Stabilization Fund	327744	Budget	76	-	-	-	-	-	-	76
Apprenticeship Grants	329010	Actual	76	12,894	12,894	12,894	76	76	76	12,894
Youth Reserve	329274	Budget	-	-	-	-	-	-	-	-
		Actual	-	12,600	1,489	1,489	14,089	14,089	14,089	-
Public Works Services	329332	Budget	-	-	30,000	30,000	-	-	-	30,000
		Actual	-	-	30,000	30,000	-	-	-	30,000

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2012 RESERVES AND RESERVE FUNDS CONTINUITY SCHEDULE

		REVENUES			EXPENDITURES			Balance @ Dec. 31 \$		
		Bank & Investment Interest	Contributions	From General Fund	Total Revenue	Other	To Capital Fund	To General Fund	Internal Transfers / Other	Total Expenditures
Reserve / Reserve Fund Account	Account #	\$	\$	\$	\$	\$	\$	\$	\$	\$
General Capital Reserves										
								28,901		28,901
Unexpended Capital	341010	Budget	123,553	-	-	-				94,652
		Actual	123,553			296,811				420,364
Designated Capital Reserves										
									(101,835)	(101,835)
Minor Capital	323610	Budget	(101,835)	-	-	-			(101,835)	-
		Actual	(101,835)		16,500	16,500			(101,835)	(101,835)
Digital Initiative	328913	Budget	50,000		-	-			-	50,000
		Actual	50,000		-	-			-	50,000
Community Service Group	323552	Budget	2,000		-	-			-	2,000
		Actual	2,000		-	-			-	2,000
Growth Reserves										
Historic Downtown Centre	328410	Budget	10,784	-	-	-				10,784
		Actual	10,784		4,337	4,337				15,122
Regional Healthcare Centre	3228510	Budget	53,410	-	-	-				53,410
		Actual	53,410		4,769	4,769				58,179
Regional Urban Centre	3228610	Budget	21,172	-	-	-				21,172
		Actual	21,172		16,154	16,154				37,326
Budget	7,913,422	-	-	91,305	-	91,305	399,777	624,883	(101,835)	922,825
Actual	7,913,422	-	91,829	2,847,314	297,811	3,236,954	1,916	454,465	(101,835)	354,546
TOTAL RESERVES										10,795,830

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2012 RESERVES AND RESERVE FUNDS CONTINUITY SCHEDULE

Reserve/Reserve Fund Account	Account #	Balance Forward Jan. 1/12		REVENUES		EXPENDITURES				Balance @ Dec. 31 \$
		Bank & Investment Interest \$	Contributions \$	From General Fund \$	From Other Funds \$	Total Revenue \$	To Capital Fund \$	To General Fund \$	Internal Transfers/ Other \$	
SUMMARY BY FUNCTION										
Budget		1,101,458	-	-	-	-	-	-	-	1,101,458
Cash Flow	Actual	1,101,458	-	-	-	-	-	-	-	1,101,458
Budget		1,306,645	-	-	-	220,000	-	-	220,000	1,086,645
Operational Contingencies	Actual	1,306,646	-	787,333	-	787,333	-	121,758	-	1,972,221
Budget		3,092,154	30,208	300,000	73,600	403,808	104,000	576,855	-	680,855
Development-Related Revenues	Actual	3,092,152	51,159	1,333,088	635,406	-	2,031,633	-	611,488	4,520,298
Budget		348,890	2,035	-	171,305	-	173,340	-	-	522,230
Cyclical Expenses	Actual	348,889	2,766	-	171,305	-	174,071	-	-	522,960
Budget		1,602,084	2,865	-	-	2,865	33,300	40,000	-	73,300
Discretionary Operating	Actual	1,602,084	5,436	83,321	-	86,757	-	246,681	-	246,681
Budget		254,854	-	-	-	-	7,576	-	-	7,576
Operational Carry-Overs	Actual	254,854	-	-	241,668	-	241,668	1,916	51,205	-
Budget		8,977,313	78,152	-	636,974	-	715,126	229,717	611,383	-
Restricted Operating	Actual	8,977,312	106,475	67,924	2,749,131	1,000	2,924,550	68,875	333,947	-
Budget		(1,349,672)	(126,234)	-	786,472	-	654,238	498,801	-	402,822
General Capital	Actual	(1,349,671)	7,373	1,108,172	386,296	1,387,684	7,076	-	-	7,076
Budget		3,908,452	46,255	2,278,999	507,000	3,350,000	61,182,254	6,273,092	361,489	(101,835)
Designated Capital	Actual	3,908,452	81,224	2,820,271	507,375	(46,000)	3,362,870	1,473,022	352,438	(101,835)
Budget		13,786,765	87,443	-	12,751,348	-	12,638,791	21,978,481	4,253,934	101,835
Asset Replacement Funds	Actual	13,786,762	268,566	157,856	13,317,649	-	13,744,071	10,007,162	3,664,484	101,835
Growth Funds	Actual	1,989,258	39,674	1,643,529	25,291	-	1,708,464	662,507	450,241	-
TOTAL RESERVE FUNDS AND RESERVES	Budget	35,018,198	136,006	3,553,999	14,920,699	3,350,000	21,960,704	31,180,749	6,345,642	-
	Actual	35,018,199	441,144	6,113,342	19,563,300	341,296	26,459,032	12,220,558	5,832,242	(0)
										18,052,800

2012 DEFERRED REVENUE CONTINUITY SCHEDULE

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Reserve / Reserve Fund Account #	Balance Forward Jan 1/11 \$	REVENUES:			EXPENDITURES:			Balance @ Dec. 31 \$
		Bank & Investment Interest \$	Contributions General Fund \$	Other \$	To Capital Fund \$	To General Fund \$	Other \$	
Community Services								
Parkland	Budget	1,323,979	11,162	100,000		111,162	712,000	250,000
Parkland	Actual	1,323,979	22,462	433,494		455,956	250,000	250,000
Development Charges								
General Government	Budget	159,131	1,568	100,000		101,568		
General Government	Actual	159,131	3,537	178,856		182,393		
Library	Budget	1,105,145	7,864	250,000		257,864	253,098	110,000
Library	Actual	1,105,145	20,086	452,547		472,634	25,336	110,000
Fire	Budget	234,752	1,491	100,000		101,491	330,925	
Fire	Actual	234,752	832	227,092		227,974	319,423	
Recreation Facilities	Budget	3,960,104	30,312	1,100,000		1,130,312		
Recreation Facilities	Actual	3,960,104	70,536	2,054,341		2,124,927		
Outdoor Recreation	Budget	4,235,904	57,675	800,000		857,675	43,750	
Outdoor Recreation	Actual	4,235,904	76,832	1,716,417		1,793,249	1,128,816	
Yards & Fleet	Budget	24,177	927	100,000		100,927		
Yards & Fleet	Actual	24,177	1,571	244,532		246,103		
Town-Wide Engineering	Budget	2,633,172	33,218	500,000		533,218	443,392	8,000
Town-Wide Engineering	Actual	2,633,172	52,128	1,071,004		1,123,132	1,483	8,000
Dev. Charges-Parking	Budget	306,199	4,452	100,000		104,452	-	
Dev. Charges-Parking	Actual	306,199	6,124	200,620		206,744		
Area Specific DC - Rotundo	Budget	61,277	766			766		
Area Specific DC - Rotundo	Actual	61,277	1,035			1,035		

2012 DEFERRED REVENUE CONTINUITY SCHEDULE

Reserve/ Reserve Fund Account #	Balance Forward Jan 1/11 \$	REVENUES:				EXPENDITURES:				Balance @ Dec. 31 \$
		Bank & Investment Interest \$	Committee \$	From General Fund \$	Other \$	To General Fund \$	Capital Fund \$	Other \$	Total Expenditures \$	
Area Specific DC - Rawlik Farm	Budget 6,736	84			84				-	6,530
	Actual 6,736	114			114				-	6,550
Area Specific DC - Block 9	Budget 17,126	128			128				-	17,254
	Actual 17,126	289			289				-	17,415
Area Specific DC - Walker Farm	Budget 18,565	232			232				-	18,797
	Actual 18,565	314			314				-	18,878
Area Specific DC - Goldstein	Budget 300,800	3,760			3,760				-	304,560
	Actual 300,800	8,558	441,567		450,105				-	750,905
	Budget 13,063,088	142,477	3,050,000	-	3,192,477	1,071,165	1,055,140	-	2,126,305	14,129,260
	Actual 13,063,087	242,055	6,586,977	-	6,829,012	1,475,052	1,055,140	-	2,530,192	17,361,308
Investing In Ontario										
Investing In Ontario	Budget 154,055	1,693			1,693	37,247			37,247	118,501
	Actual 154,055	2,601			2,601	59			59	156,597
	Budget 14,541,122	155,332	3,150,000	-	3,305,332	1,320,412	1,305,140	-	3,125,552	14,720,502
	Actual 14,541,121	267,098	7,020,471	-	7,287,569	1,475,111	1,305,140	-	2,780,251	19,048,439
	TOTAL DEFERRED REVENUE								Increase/Decrease in Deferred Revenue Fund	179,780
									Increase/Decrease in Deferred Revenue Fund	4,507,318
	TOTAL RESERVE FUND & RESERVES & DEFERRED REVENUE								Budget	34,173,413
	Budget 49,559,320	291,338	6,703,999	14,920,699	3,350,000	25,266,036	33,001,161	7,650,782	-	40,651,943
	Actual 49,559,320	708,242	13,133,313	19,553,300	341,296	33,746,651	13,695,968	7,137,382	(0)	20,833,051
									Increased/(Decreased) RF & RD/Def Revenue Fund	(15,385,907)
									Increased/(Decreased) RF & RD/Def Revenue Fund	12,913,601

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**Mike Mayes, Director
Financial Services**

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April 15, 2013

CORPORATE SERVICES REPORT - FINANCIAL SERVICES-2013-10

TO: Mayor Tony Van Bynen and Members of Council
Committee of the Whole

SUBJECT: 2013 Reserves & Reserve Funds Budget

ORIGIN: Senior Financial Analyst

RECOMMENDATIONS

THAT Corporate Services Report - Financial Services - 2013-10 dated April 15, 2013 regarding 2013 Reserves & Reserve Funds Budget be received and the following recommendation be adopted:

THAT the projected revenues for the 2013 Reserves and Reserve Funds Budget, as set out in the attachment, be approved.

COMMENTS

Purpose

The purpose of this report is to seek Council approval of the projected 2013 Reserves and Reserve Funds Budget.

Budget Impact

This report has no direct impact on the operating and capital budgets for which the transfers have been previously approved.

Summary

The 2013 budgeted revenues for reserves and reserve funds, including obligatory reserve funds, are \$26.3 million. They include \$15.8 million in transfers from the operating budget, \$3.3 million in land sales, \$2.3 million from the gas tax grant, and \$3.1 million in Development Charges.

The projected December 31, 2013 balance of the reserves and reserve funds is a decrease of \$16.6 million. This is mainly due to budgeted financing from the Asset Replacement Funds exceeding the budgeted annual ARF contributions from the operating fund. \$11.5 million of this is for funding capital carry-overs (Corporate Services Report – Financial Services 2013-11).

Additional general background information on the Town's Reserves and Reserve Funds, terminology and categorization is provided by Corporate and Financial Services Report – Finance 2008-18, Guidelines for the Use of Reserves and Reserve Funds. This report is available in hardcopy at the Municipal Offices or online at: <http://www.newmarket.ca/en/townhall/otherreports.asp>

3.2

Background

The Reserves and Reserve Funds Budget has been developed based upon the following:

1. The 2013 Capital Budget including carryovers – approved funding requirements
2. The 2013 Operating Budget – approved contributions and funding requirements
3. Interest earned on projected Reserve Fund balances
4. Estimated Reserve Fund revenues – land sales, developer contributions, etc.
5. Application of the Reserve and Reserve Fund Guidelines approved by Council

The majority of this budget has already been established through the previous adoption of the 2013 Operating and Capital budgets. Reserves and reserve funds, including obligatory reserve funds (for Development Charges and parkland contributions), had a combined balance of \$62.5 million at the beginning of 2013, and are projected to have a balance of \$45.9 million at the end of 2013.

Total reserves and discretionary reserve funds are projected to be \$26.8 million at the end of 2013, or 26.6% of 2013 budgeted operating expenses (46.4% in 2012). The 2013 reserves and reserve funds budget by group is summarized below.

1. Reserves and reserve funds for capital purposes

These reserves and reserve funds were set up for funding future capital projects. If all budgeted capital projects are completed, the projected balance of capital reserves will be 1.2% of the accumulated amortization of capital assets at the year end of 2013 (2012 – 8.6%). Comparing capital reserves to accumulated amortization (aka accumulated depreciation or the write down of assets over time) is a measure of the adequacy of capital reserves.

Category	Beginning Balance 2013	Revenues	Expenses	Ending Balance 2013	Change over 2012
General Capital	2,965,210	390,100	1,109,523	2,245,787	(719,423)
Loan to Capital	(2,934,273)	336,348	-	(2,597,925)	336,348
Designated Capital	5,547,697	6,188,662	7,900,176	3,836,183	(1,711,514)
Asset Replacement Funds	13,757,352	12,939,248	26,009,345	687,255	(13,070,097)
TOTAL	19,335,986	19,854,358	35,019,044	4,171,300	(15,164,686)

Revenues in the Designated Capital reserve funds include \$3.3 million in net proceeds from land sales of the Rawluk property and the gas tax grant of \$2.3 million.

The budgeted balance of the Asset Replacement Funds is projected to decrease by \$13.1 million. This is mainly due to budgeted financing from the Asset Replacement Funds exceeding the budgeted annual ARF contributions from the operating fund. \$11.5 million of this is for funding capital carry-overs (Corporate Services Report – Financial Services 2013-11).

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2. Reserves and reserve funds for operating purposes

These reserves were set up for rate stabilization and operational contingencies. The projected balance will be 10.7% of tax revenues at the end of 2013 (2012 – 11.7%).

Category	Beginning Balance 2013	Revenues	Expenses	Ending Balance 2013	Change over 2012
Cash Flow	1,101,458	-	-	1,101,458	-
Operational Contingencies	1,972,221	-	225,000	1,747,221	(225,000)
Cyclical Expenses	522,960	174,375	-	697,335	174,375
Discretionary Operating	1,444,160	3,474	211,320	1,236,314	(207,846)
Operational Carry-overs	443,400	-	6,048	437,352	(6,048)
TOTAL	5,484,199	177,849	442,368	5,219,680	(264,519)

3. Obligatory reserves and reserve funds

These include cash in lieu contributions for parkland from developers, development charges and the unused portion of the Investing in Ontario grant received in 2007. They have statutory restrictions.

Category	Beginning Balance 2013	Revenues	Expenses	Ending Balance 2013	Change over 2012
Parkland	1,529,935	113,737	962,000	681,672	(848,263)
Development Charges	17,361,907	3,271,630	2,312,995	18,320,542	958,635
Investing In Ontario	156,597	1,745	33,919	124,423	(32,174)
TOTAL	19,048,439	3,387,112	3,308,914	19,126,637	78,198

Revenue estimates are extrapolated from the trends of the preceding three years.

4. Other reserves and reserve funds

These are reserves and reserve funds not included in the above groups.

Category	Beginning Balance 2013	Revenues	Expenses	Ending Balance 2013	Change over 2012
Development Related Revenues	4,520,297	419,094	909,550	4,029,841	(490,456)
Restricted Operating	11,499,020	1,411,660	882,148	12,028,532	529,512
Growth Funds	2,584,975	997,976	2,247,552	1,335,399	(1,249,576)
TOTAL	18,604,292	2,828,730	4,039,250	17,393,772	(1,210,520)

A detailed list of all the reserves and reserve funds budget is attached to this report.

3.4

BUSINESS PLAN AND STRATEGIC PLAN LINKAGES

This report links to Newmarket's key strategic directions in being Well Managed through fiscal responsibility.

CONSULTATION

The 2013 Reserves and Reserve Funds Budget has been created from the 2013 Capital and Operating Budgets which were developed by staff and have undergone extensive review by the public and Council.

BUDGET IMPACT

Reserve and Reserve Funds Budget

Projected reserve and reserve fund revenues, being interest earned, developer contributions, land sales and other items paid directly to the reserves and reserve funds, are being added to the consolidated budget.

Operating Budget (Current and Future)

This report has no direct impact on the Operating Budget. All transfers to or from the Operating Budget were previously approved by Council.

Capital Budget

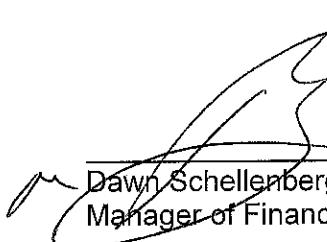
This report has no direct impact on the Capital Budget. All transfers to the Capital Budget were previously approved by Council.

CONTACT

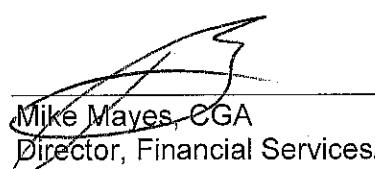
For more information on this report, contact: Mike Mayes at 905-953-5300, ext. 2102 or via e-mail at mmayes@newmarket.ca



Frank Wu, MBA
Senior Financial Analyst



Dawn Schellenberg, CPA, CA
Manager of Finance & Accounting



Mike Mayes, CGA
Director, Financial Services/Treasurer



Anita Moore, AMCT
Commissioner, Corporate Services

2013 RESERVES AND RESERVE FUNDS BUDGET

3.5

Reserve Reserve Fund Account	Balance Forward Jan. 1/13	REVENUES			EXPENDITURES			Balance @ Dec. 31 \$
		Bonds & Investment Interest	Contributions	From General Fund	To Capital Fund	To General Fund	Total Expenditures	
RESERVE FUNDS:								
Reserve Funds for Development-Related Revenues								
Tree Planting	432300	259,315	2,591			2,591	104,000	104,000
Perpetual Maintenance	442170	1,360,756	15,353			15,353	250,000	265,000
Engineering Admin.-Subdivision	469891	1,623,722	19,166	300,000		319,166	490,550	490,550
Planning Application Subdivision Fees	468110	638,689	8,444		73,600	82,044		720,733
Reserve Funds for Cyclical Expenses								
Election	413706	204,059	3,051		80,000	83,051		287,110
Inauguration	413707	1,573	20			20		1,593
Discretionary Operating Reserve Funds								
NEER Support	410907	297,950	3,474			3,474	40,000	40,000
Restricted Operating Reserve Funds								
CYFS Reserve Fund	421240	568,644	7,277		55,000	62,277	27,948	27,948
LTD - Town	410227	5,978,033	78,054		577,540	655,594	45,000	45,000
LTD - Library	455107	253,637	3,312		22,613	25,925		279,562
McCarthy Fund	457790	2,760	35			35		2,795
L.A.C.A.C.-Heritage Fund	458321	23,499	294			294		23,793
Fire Training Costs	421230	94,542	1,126			1,126	8,890	8,890
General Capital Reserve Funds								
Capital Contingency Fund	410901	152,776	753			753	185,000	185,000
Capital Financing Fund	410908	567,759	6,946	312,716		319,722	336,923	336,923
Designated Capital Fund	410903	1,824,310	19,625	50,000		69,625	463,659	558,699
Loan to Capital Fund	410900	(2,934,273)	(131,346)	467,696		336,348		(2,597,925)

2013 RESERVES AND RESERVE FUNDS BUDGET

3.6

Reserve/Reserve Fund Account	Balance Forward Jan 1/13 \$	REVENUES			EXPENDITURES			Balance @ Dec. 31 \$
		Bank & Investment Interest \$	Contributions \$	From General Fund \$	To Capital Fund \$	To General Fund \$	Total Expenditures \$	
Designated Capital Reserve Funds								
Gas Tax	432250	1,750,299	11,305	2,278,999		2,290,304	3,970,720	69,883
Road Reconstruction	432215	241,525	3,019			3,019		244,544
Purchase of Municipal Easement	432217	18,045	226			226		18,271
Sidewalks	432170	208,811	2,610			2,610		211,421
Pony Drive	432214	66,645	833			833		67,478
Dawson Manor Blvd.	432216	12,381	155			155		12,536
Insurance Proceeds Barn	410905	264,455	1,811			1,811	239,113	27,153
Public Art	457215	143,232	1,790			1,790		145,022
Theatre CIF Fund	457352	592,324	7,692		75,000	28,942	28,942	646,074
Theatre	457351	27,857	348			348		28,205
Museum Board	457531	7,848	98			98		7,946
Museum Conservation	457532	10,746	134			134		10,880
Museum Exhibit	457533	8,387	105			105		8,492
SWM Pond Maintenance	442183	904,210	8,037			8,037	522,423	389,824
Downstream Storm Drainage	442182	4,008	50			50		4,058
Stormwater Erosion Environmental Green Fund	442181	5,803	73			73		5,876
Environmental Land Purchase	410960	35,591	445			445		36,036
All Our Kids Playpark	457840	2,674	33			33		2,707
Playground Equipment	457851	194,218	2,428			2,428		196,646
Fence	432132	9,086	114			114		9,200
Secondary Planning Study	468000	93,595	787			787	61,231	33,152

2013 RESERVES AND RESERVE FUNDS BUDGET

Reserve / Reserve Fund and Account #	Balance Forward Jan/113	REVENUES			EXPENDITURES			Balance @ Dec. 31 \$
		Bal & Interest	Contributions	From General Fund	Other	Total Revenue	To Capital Fund	
Official Plan	468115	131,248	2,453	130,000		132,453	5,200	263,701
Parking Purposes	422717	220,798	2,727			2,727		218,325
Downtown Parking	422710	34,464	431			431		34,895
Holland River Walkway	457861	131,396	1,642			1,642		133,038
Trail Contribution-Eden Oak	462150	29,426	368			368		29,794
NW Quad-Trail	457818	-				-		-
Sale of Property	410970	1,469,964	8,983			8,983		1,502,665
Stickwood-Walker Property	410973	992,805	7,550			7,550		777,645
Rawlik Property	410972	(2,858,468)	(16,169)			3,275,229	3,259,060	85,385
Fiddlefest	457833	5,111	64			64		5,175
Festival of Lights	457892	3,423	43			43		-3,466

Asset Replacement Funds								
CYFS	471117	290,207	(4,009)	600,000	565,991	1,821,805		1,821,805
IT	473628	2,231,118	22,763	790,204	812,967	1,610,409		1,610,409
Roads	482267	4,866,675	28,187	3,846,107	3,874,294	8,501,566	568,021	9,069,587
Water	482437	16,929,665	209,152	2,340,537	2,549,689	2,422,987	302,571	2,735,558
Sewer	482477	10,430,524	142,998	2,650,528	2,793,526	255,778	376,071	631,849
Parks	482817	(7,342,686)	(102,420)	760,259	657,839	1,073,164	1,389,000	2,462,164
Other	482917	1,978,584	22,731	503,182	525,913	224,164	559,206	823,370
Library	485127	986,581	8,106	223,550	231,056	898,781		898,781
Fire	487717	340,890	(4,949)	15,738	10,789	1,489,343		1,489,343
Facilities	487767	(16,954,216)	(232,841)	1,119,425	886,584	3,264,471	1,291,008	4,465,479

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2013 RESERVES AND RESERVE FUNDS BUDGET

Reserve / Reserve Fund Account #	Balance Forward Jan. 1/13	REVENUES			EXPENDITURES			Balance @ Dec. 31 \$
		Bank & Investment Interest	Contributions	From General Fund	Other	Total Received	To Capital Fund	
Growth Reserve Funds								
Growth Fund	490949	800,742	5,391			5,391	608,916	130,031
Recommending A Strategy	457306	799	(146)	375,000		374,854	400,000	400,000
Trial Voluntary Levies	462100	1,672,806	17,731	600,000		617,731	1,108,605	1,108,605
TOTAL RESERVE FUND	32,628,650	208,240	3,553,999	15,065,755	3,275,229	22,103,223	32,271,189	5,947,894
								38,219,083
RESERVES:								
Cash Flow Reserves								
Working Funds	321110		1,101,458		-			1,101,458
Reserves for Operational Contingencies								
Legal Services	322110	234,964						-
HR Reserve	322510	105,860					5,000	101,860
Corporate Consulting	322710	143,193						-
Waste Management	323442	100,000						143,193
Strategic Planning	327910	68,119						-
Streetfighting	323730	175,000					175,000	100,000
Winter Control	323832	500,000						-
Reserves - Energy	328010	145,000					45,000	63,119
Corporate Contingency	327210	90,000						-
Insurance Claims	325413	409,084						-
Reserves for Development-Related Revenues								
Street Signs	322230	67,220						67,220
Finance Admin. Of Developments	324314	525,554						478,554
Anti-Tampering Devices	325162	42,041						42,041

3.8

2013 RESERVES AND RESERVE FUNDS BUDGET

Reserve Fund Account #	Balance Forward Jan. 1/13	REVENUES			EXPENDITURES			Balance @ Dec. 31 \$
		Bank & Investment Interest	Contributions	Other	Total Revenue	To Capital Fund	% General Fund	
Reserves for Cyclical Expenses								
Customer Survey	322313	35,000			10,000		10,000	
Wages and Benefits	322810	268,798			81,305		81,305	
Computer Incentive Program	324210							
Discretionary Operating Reserves								
Continuous Improvement	324011	44,000						
Hydro Dividend Reserve	329110	261,000						
Corporate Rate Stabilization Fund	325210	619,845						
Efficiency / Enhancement Fund	325310	221,365						
Reserves for Operational Carry-Overs								
NDDC Incentive	323268	108,943						108,943
HR Consulting	323310	144,750						144,750
IT	323113	50,000						50,000
Grants	324414	5,649						(399)
Financial Services	324614	3,000						6,048
Reserve - Communications	324710	23,412						23,412
Operational Carry-Overs	328710	104,883						104,863
Wellness Reserve	328210	1,824						1,824
Charity - Golf Donations	328310	460						460
ERIC	324513	500						500

3.9

2013 RESERVES AND RESERVE FUNDS BUDGET

		REVENUES			EXPENDITURES			Balance @ Dec. 31 \$		
Reserve Fund Account #	Balance Forward Jan. 1/13 \$	Bank & Investment Interest \$	Contributions \$	From General Fund \$	Other \$	Total Revenue \$	To Capital Fund \$	To General Fund \$	Internal Transfers/ Other \$	Total Expenditures \$
Restricted Operating Reserves										
Fire Services	327,821	-	-	-	-	-	-	-	-	-
Building Permits	324,116	3,836,967	-	-	-	-	75,000	725,310	-	3,036,657
Main St. BIA	326,110	6,433	-	-	-	-	-	-	-	6,433
NEAC	327,168	-	-	-	-	-	-	-	-	-
Library	326,591	427,985	-	-	-	-	-	-	-	427,085
Library-Fund Raising	325,592	23,448	-	-	-	-	-	-	-	23,448
Library-Strat. Plan Implementation	325,596	83,445	-	-	-	-	-	-	-	83,445
Library-Strategic Plan	325,594	5,255	-	-	-	-	-	-	-	5,255
Library-insurance	325,595	10,000	-	-	-	-	-	-	-	10,000
YNCAVA-Library	325,091	11,147	-	-	-	-	-	-	-	11,147
Water Rate Stabilization Fund	327,642	116,144	-	-	432,123	-	-	-	-	548,267
Sanitary Sewer Rate Stabilization Fund	327,744	12,894	-	-	234,287	234,287	-	-	-	247,181
Apprenticeship Grants	329,010	1,000	-	-	-	-	-	-	-	1,000
Youth Reserve	329,274	14,089	-	-	-	-	-	-	-	14,089
Public Works Services	329,332	30,000	-	-	-	-	-	-	-	30,000
General Capital Reserves										
Unexpended Capital	341,010	420,364	-	-	-	-	28,901	-	28,901	-
Designated Capital Reserves										
Minor Capital	323,610	16,500	-	-	-	-	-	-	-	16,500
Digital Initiative	328,913	50,000	-	-	-	-	-	-	-	50,000
Community Service Group	323,552	2,000	-	-	-	-	-	-	-	2,000

3.10

381,463

2013 RESERVES AND RESERVE FUNDS BUDGET

Reserve / Reserve Fund Account #	Balance Forward Jan/13 \$	REVENUES			EXPENDITURES			Balance @ Dec. 31 \$
		Bank & Investment Interest \$	Contributions \$	From General Fund \$	To Capital Fund \$	To General Fund \$	Total Transfers / Other \$	
Growth Reserves								
Historic Downtown Centre	323410	15,122	-	-	-	-	-	15,122
Regional Healthcare Centre	328510	58,179	-	-	-	-	-	58,179
Regional Urban Centre	328610	37,326	-	-	-	-	-	37,326
TOTAL RESERVES	10,795,831	-	757,715	-	757,715	438,269	843,310	-
SUMMARY BY FUNCTION								
Cash Flow	1,101,458	-	-	-	-	-	-	1,101,458
Operational Contingencies	1,972,220	-	-	-	-	220,000	5,000	-
Development-Related Revenues	4,520,297	45,494	300,000	73,680	-	419,694	354,000	555,550
Cyclical Expenses	522,961	3,070	-	171,305	-	174,375	-	-
Discretionary Operating	1,444,160	3,474	-	-	-	3,474	108,320	103,000
Operational Carry-overs	443,401	-	-	-	-	-	6,046	-
Restricted Operating	11,499,022	90,067	-	1,321,533	-	1,411,660	111,838	770,310
General Capital	30,936	(104,024)	-	880,472	-	726,448	1,014,523	95,000
Designated Capital	5,547,700	57,434	2,278,999	577,000	3,275,229	6,188,662	7,603,740	296,436
Asset Replacement Funds	13,757,352	89,718	-	12,849,530	-	12,939,248	21,573,468	4,435,877
Growth Funds	2,584,974	22,976	975,000	-	-	997,976	1,717,521	530,031
TOTAL RESERVE FUNDS AND RESERVES	43,424,481	208,240	3,553,999	15,823,470	3,275,229	22,860,938	32,709,458	6,791,204
								39,500,662
								26,784,757

3.11

2013 DEFERRED REVENUE BUDGET

		REVENUES:			EXPENDITURES:			Balance @ Dec. 31	
Reserve/Reserve Fund Account #	Bank & Investment Interest \$	From Contributions \$	From General Fund \$	Total Revenue \$	To Capital Fund \$	To General Fund \$	Other Expenditures \$	Total Expenditures \$	\$
Community Services									
Parkland	457815	1,529,935	13,737	100,000		113,737		712,000	250,000
									962,000
									681,672
Development Charges									
General Government	460100	341,523	4,600	100,000				104,600	47,000
Library	460200	1,442,448	17,482	250,000				267,482	227,768
Fire	460300	143,304	2,381	100,000				102,381	5,675
Recreation Facilities	460400	5,147,891	65,367	1,100,000				1,165,367	937,140
Outdoor Recreation	460500	4,900,337	66,254	800,000				866,254	—
Yards & Fleet	460600	270,280	4,004	100,000				104,064	—
Town Wide Engineering	460700	3,746,821	43,801	500,000				543,801	977,442
Dev. Charges-Parking	460800	512,943	7,037	100,000				107,037	—
Area Specific DC - Ronundo	460101	62,312	779					779	—
Area Specific DC - Rawluk Farm	460102	6,850	86					86	—
Area Specific DC - Block 9	460103	17,415	218					218	—
Area Specific DC - Walker Farm	460104	18,878	236					236	—
Area Specific DC - Goldstein	460105	750,905	9,386					9,386	—
Total DC's	17,361,907	221,630	3,050,000	-		3,271,630		1,257,855	1,055,140
									2,312,995
									18,320,542

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2013 DEFERRED REVENUE BUDGET

3.13

		REVENUES:			EXPENDITURES:			Balance @ Dec. 31	
		Bank & Investment Interest	Contributions	From Central Fund	Other	Total Revenue	To Capital Fund	To General Fund	Total Expenditures
Reserve Reserve Fund Account #	Jan 1/13	\$	\$	\$	\$	\$	\$	\$	\$
Investing In Ontario									
Investing in Ontario	470100	156,597	1,745			1,745	33,919		33,919
TOTAL DEFERRED REVENUE	19,048,439	237,112	3,150,000	-	-	3,387,112	2,005,774	1,305,140	-
TOTAL RESERVE FUND & RESERVES & DEFERRED REVENUE	62,472,920	445,352	6,703,999	15,823,470	3,275,229	26,243,050	34,713,232	8,096,344	-
								42,809,576	45,911,394
							Increase/(Decrease) R&D Revenue Fund	Budget	(16,561,526)



**Mike Mayes, Director
Financial Services**

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April 15, 2013

CORPORATE SERVICES REPORT - FINANCIAL SERVICES-2013-11

TO: Mayor Tony Van Bynen and Members of Council
Committee of the Whole

SUBJECT: 2012 Capital Carry-overs Report

ORIGIN: Senior Financial Analyst

RECOMMENDATIONS

THAT Corporate Services Report – Financial Services 2013-11 dated April 15, 2013 regarding the 2012 Capital Carry-overs Report be received for information purposes.

COMMENTS

Purpose

This report is to advise on the 2012 capital carry-overs to 2013.

Budget Impact

A total amount of \$25,540,608 is to be carried over into 2013. Funding is available for these carry-overs according to the original budget.

Summary

2012 capital expenditures totaled \$14,286,006 or 33.7% of the budget amount of \$42,422,974. A total amount of \$25,540,608 is to be carried over into 2013. The attached spreadsheet is a summary of the carryover amount by each business area. A net amount of \$2,596,359 is not being carried over due to cancelled projects and project savings.

Background

The 2012 capital expenditures totaled \$14,286,006, representing 33.7% of the full year capital budget of \$42,422,974. A total amount of \$25,540,608 is to be carried over into 2013.

Carryovers are the transfer of the unspent portion of budgets allocated to capital budgets, to the following year. As such, the expenditures and financing already have Council approval. The budget amounts carried over are combined with the "new" budget amounts and are reported on the financial statements.

Capital projects may be incomplete for a number of reasons, such as:

- 1) A multi-year project may have all of its budget allocated to one year
- 2) There can be delays in getting approvals, external funding, or in awarding tenders
- 3) Re-prioritization

Major carryover projects include:

- Old Town Hall restoration - \$4,917,996;
- Property acquisition and extension of trail along the Holland River - \$3,099,080;
- Platform truck replacement - \$1,199,620;
- Road rehabilitation program - \$1,590,720;
- Cedar St. reconstruction - \$937,770;
- Tom Taylor Trail – Davis Drive Underpass - \$800,765;
- Andrew/William/Ellen St. Watermain Replacement - \$700,000;
- Community Centre Land project - \$719,367;
- Library building maintenance/upgrades - \$467,175.

The cancelled amount is mainly for Inflow/Infiltration Reduction Program. The total budgeted amount for this project was \$3.2 million. This project was primarily the Region's project and the Town's share was \$239,000. The remaining budget was therefore cancelled from the Town's accounts.

The Library reprioritized its capital projects and canceled a budget amount of \$485,829.

BUSINESS PLAN AND STRATEGIC PLAN LINKAGES

This report links to Newmarket's key strategic directions in being Well Managed through fiscal responsibility.

CONSULTATION

The 2012 capital carry-over amounts are proposed by the departments that have capital projects.

BUDGET IMPACT

Operating Budget (Current and Future)

Not Applicable.

Capital Budget

A total amount of \$25,540,608 is to be carried over into 2013.

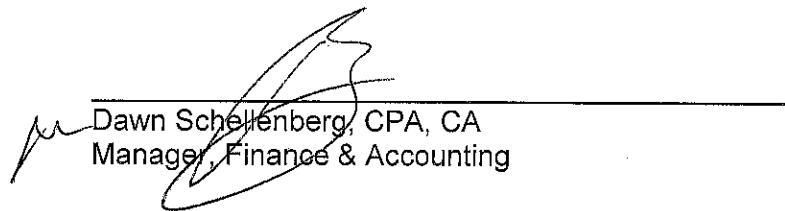
4.3

CONTACT

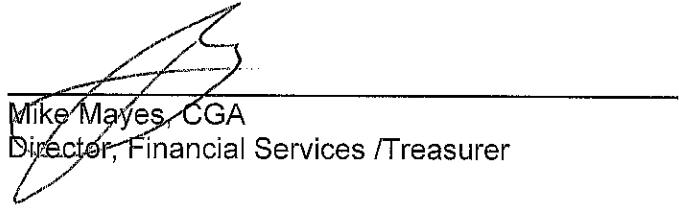
For more information on this report, please contact Frank Wu at 905-953-5300, ext.2105 or fwu@newmarket.ca.



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Senior Financial Analyst



Dawn Schellenberg, CPA, CA
Manager, Finance & Accounting



Mike Mayes, CGA
Director, Financial Services /Treasurer



Anita Moore, AMCT
Commissioner, Corporate Services

FW/nh
Attachment

4.4

Town of Newmarket 2012 Capital Variances & Carry-overs Summary

Commission / Department / Area	2012 Budget (\$)	2012 Actual (\$)	Variance (\$)	Amount Cancelled / (Offset by other project savings)	Carry-over Amount (\$)
General Government					
Total	3,316,219	84,812	3,231,407	(19,760)	3,251,166
Corporate Services					
Information Technology	1,791,865	480,386	1,311,479	(0)	1,311,479
Legislative Services	75,757	48,799	26,958	(23,013)	49,971
Total	1,867,622	529,185	1,338,437	(23,013)	1,361,450
Community Services					
Recreation & Culture Services	193,653	37,521	156,132	-	156,132
Total	193,653	37,521	156,132	-	156,132
Development & Infrastructure					
Planning & Building	985,567	706,288	279,279	(18,418)	297,698
Roads	10,247,332	5,003,022	5,244,310	378,112	4,866,198
Water	4,443,608	251,480	4,192,128	2,975,486	1,216,642
Waste Water	1,960,350	640,341	1,320,009	(173,675)	1,493,684
Facilities	8,222,674	1,951,870	6,270,804	(213,478)	6,484,282
Parks	2,773,404	2,082,845	690,559	(971,938)	1,662,497
Trails	1,465,415	447,393	1,018,022	101,010	917,012
Other	1,208,064	107,396	1,100,668	(2,956)	1,103,624
Total	31,306,414	11,190,634	20,115,780	2,074,143	18,041,637
Library Services					
Total	1,855,433	107,855	1,747,578	485,829	1,261,749
Central York Fire Services					
Total	3,883,633	2,335,999	1,547,634	79,160	1,468,474
GRAND TOTAL	42,422,974	14,286,006	28,136,967	2,596,359	25,540,608