



Town of Newmarket  
395 Mulock Drive P.O. Box 328,  
Newmarket, Ontario, L3Y 4X7

If you require this document in an alternative format email at [clerks@newmarket.ca](mailto:clerks@newmarket.ca) or call 905-895-5193.

## **2025 Reserves and Reserve Funds Budget**

### **Staff Report to Council**

Report Number: 2025-39

Department(s): Financial Services

Author(s): Anita Gibson, Supervisor, Financial Reporting & Analysis

Meeting Date: September 8, 2025

### **Recommendations**

1. That the report entitled 2025 Reserves and Reserve Funds Budget dated September 8, 2025, be received; and,
2. That the 2025 Reserves and Reserve Funds Budget, as set out in the attachment, be approved; and,
3. That Staff be authorized and directed to do all things necessary to give effect to this resolution.

### **Executive Summary**

Following the final approvals of the 2025 Operating and Capital budgets, there is a requirement for Council to approve the contributions to the Reserves and Reserve Funds.

The 2025 Reserves and Reserve Funds Budget is a consolidation of the transfers approved in the 2025 Operating and Capital Budgets and estimated revenues.

At the beginning of 2025, Reserves and Reserve Funds had a combined balance of \$183.0 million and are budgeted to end the year with a balance of \$155.7 million, a decrease of \$27.3 million.

### **Purpose**

The purpose of this report is to seek Council approval of the 2025 Reserves and Reserve Funds Budget.

### **Background**

The majority of the Reserves and Reserve Funds budget has already been established through the previous adoption of the 2025 Operating and Budgets on December 9, 2024. The projected revenues, i.e., interest earned, contributions from developers,

items paid directly to the reserve and reserve funds, etc., are based upon a blend of historical trends and future projections.

## Discussion

At the beginning of 2025, Reserves and Reserve Funds had a combined balance of \$183.0 million and are budgeted to end the year with a balance of \$155.7 million, a decrease of \$27.3 million.

The 2025 budgeted revenues for reserves and reserve funds are \$45.1 million, including \$31.9 million from the operating budget, \$11.9 million in contributions from developers (84% development charges), and \$1.3 million in interest.

Category	Beginning Balance 2025	Revenues	Expenses	Ending Balance 2025	Change over 2024
Reserve Funds	\$ 115,020,951	\$ 31,159,558	\$ 34,219,838	\$ 111,960,671	(\$ 3,060,279)
Reserves	\$ 36,169,418	\$ 2,081,722	\$ 6,937,467	\$31,313,673	(\$ 4,855,745)
Obligatory Reserve Funds	\$ 31,817,758	\$ 11,904,351	\$ 31,311,871	\$ 12,410,238	(\$ 19,407,519)
<b>TOTAL</b>	<b>\$183,008,126</b>	<b>\$45,145,632</b>	<b>\$72,469,175</b>	<b>\$155,684,583</b>	<b>(\$27,323,544)</b>

The 2025 budgeted expenditures for reserves and reserve funds are \$72.5 million, including \$69.3 million for the 2025 capital program, of which \$24.9 million will be from development charges. This accounts for the significant decrease projected for the Obligatory Reserve Funds balance.

The details of the 2025 reserves and reserve funds budget are attached. The Reserve and Reserve Fund categories are summarized below.

### Asset Management Reserves and Reserve Funds

Characteristics:

- Savings accounts to ensure that there are funds available for renewals, replacements, and rehabilitation when needed.
- Primary funding is from budgeted contributions.
- Projected funding is compared to anticipated mid-term (10-year) and long-term (50-year) requirements.
- Budget driver is a combination of one-time increases and ongoing increases.

Category	Beginning Balance 2025	Revenues	Expenses	Ending Balance 2025	Change over 2024
Core assets, tax-supported	(\$ 734,219)	\$ 1,363,047	\$ 8,978,376	(\$ 8,349,549)	(\$ 7,615,329)
Core assets, rate-supported	\$ 94,932,090	\$ 18,014,200	\$ 25,000	\$ 112,921,291	\$ 17,989,200
Non-core assets	\$ 9,655,731	\$ 5,999,980	\$ 10,925,000	\$4,730,712	(\$4,925,020)
<b>TOTAL</b>	<b>\$ 103,853,602</b>	<b>\$ 25,377,227</b>	<b>\$ 19,928,376</b>	<b>\$ 109,302,453</b>	<b>\$ 5,448,851</b>

## Stabilization Reserves and Reserve Funds

### Characteristics:

- Offset annual fluctuations in expenses and/or revenues.
- Primary funding is from budgetary surplus, which can be applied to any future budgetary deficit.
- Relative to fluctuations of actual expenses from the budget, based upon historic trends.
- The main budget driver is one-timers.
- Example reserves:
  - General, rate stabilization – tax, water, wastewater, stormwater
  - Specific stabilization - maintenance, winter control, legal
  - Cyclical – planning studies, election

Category	Beginning Balance 2025	Revenues	Expenses	Ending Balance 2025	Change over 2024
General	\$ 19,840,038	\$ 2,030,222	\$ 6,414,947	\$ 15,455,313	(\$ 4,384,725)
Specific	\$ 16,120,196	\$ 234,745	\$ 1,339,520	\$ 15,015,421	(\$ 1,104,775)
Cyclical	\$ 2,268,653	\$ 744,399	\$0	\$ 3,013,052	\$ 744,399
<b>TOTAL</b>	<b>\$ 38,228,887</b>	<b>\$ 3,009,366</b>	<b>\$ 7,754,467</b>	<b>\$ 33,483,786</b>	<b>(\$ 4,745,101)</b>

## Growth and Development Reserves and Reserve Funds

### Characteristics:

- Savings to support the needs for growth and provide for enhancements (e.g. Mulock Park Reserve).
- Most funding is from external sources, such as developers.
- Compare to projected funding requirements
  - Some reserves are for unspecified future opportunities (e.g. Land Purchase) and do not yet have a Council-approved target.
  - Some have external restrictions (e.g. Development Charge, Parkland Contributions).

Category	Beginning Balance 2025	Revenues	Expenses	Ending Balance 2025	Change over 2024
Regulated	\$ 18,359,962	\$ 11,215,895	\$ 25,822,840	\$ 3,753,018	(\$ 14,606,944)
Capital	\$ 30,928,574	\$ 3,726,575	\$ 17,460,106	\$ 17,195,043	(\$ 13,733,531)
DAAP	\$ 3,164,585	\$ 608,476	\$ 1,296,514	\$ 2,476,546	(\$ 688,038)
Other	\$ 3,473,115	\$ 488,849	\$ 206,872	\$ 3,755,092	\$ 281,977
<b>TOTAL</b>	<b>\$ 55,926,236</b>	<b>\$ 16,039,796</b>	<b>\$ 44,786,332</b>	<b>\$ 27,179,700</b>	<b>(\$ 28,746,537)</b>

- Regulated includes Development Charges and Parkland Contributions
- Capital is for general and specific (e.g., Mulock Park, land, etc.) purposes.
- DAAP (Development Applications Approval Process) includes building permits, planning fees, etc.

### Consolidated Summary:

Category	Beginning Balance 2025	Revenues	Expenses	Ending Balance 2025	Change over 2024
Asset Management	\$ 103,853,602	\$ 25,377,227	\$ 19,928,376	\$ 109,302,453	\$ 5,448,851
Stabilization	\$ 38,228,887	\$ 3,009,366	\$ 7,754,467	\$ 33,483,786	(\$ 4,745,101)
Growth & Development	\$ 55,926,236	\$ 16,039,796	\$ 44,786,332	\$ 27,179,700	(\$ 28,746,537)
<b>TOTAL</b>	<b>\$ 198,008,725</b>	<b>\$ 44,426,389</b>	<b>\$ 72,469,175</b>	<b>\$ 169,965,939</b>	<b>(\$ 28,042,787)</b>
Cash and investments	\$ 183,008,126	\$ 45,145,632	\$ 72,469,175	\$ 155,684,583	(\$ 27,323,544)
Internal Loans	\$ 15,000,599	(\$ 719,243)	\$0	\$ 14,281,356	(\$ 719,243)
<b>TOTAL</b>	<b>\$ 198,008,725</b>	<b>\$ 44,426,389</b>	<b>\$ 72,469,175</b>	<b>\$ 169,965,939</b>	<b>(\$ 28,042,787)</b>

### Consultation

The 2025 Reserves and Reserve Funds Budget has been created from the 2025 Capital and Operating Budgets which were developed by staff and have undergone extensive review by the public and Council.

## **Conclusion**

The majority of the Reserves and Reserve Funds budget has already been established through the previous adoption of the 2025 Operating and Capital Budgets.

## **Council Priority Association**

This report aligns with the following Council Priority: Financial Sustainability

## **Human Resource Considerations**

Not applicable to this report.

## **Budget Impact**

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

There is no direct impact on the Capital Budget. All transfers to the Capital Budget were previously approved by Council.

The investment income budget remains unchanged; however, the actuals are subject to market performance.

## **Attachments**

Appendix A – 2025 Reserves and Reserve Funds Budget

## **Approval for Submission**

Andrea Tang CA CPA  
Director, Financial Services/Treasurer

Esther Armchuk, LL.B  
Commissioner, Corporate Services

## **Report Contact**

For more information on this report, contact [info@newmarket.ca](mailto:info@newmarket.ca).