Appendix ‘A’ to Policy AF016

Schedule of City Reserves, Obligatory Reserves and Reserve funds

2025

Discretionary Reserves

Cannabis Grant

11-0000-0000-33103

Type of Reserve
Discretionary Reserve

Purpose
To support municipal costs associated with the legalization of cannabis, with a focus on promoting community safety, public health, and local enforcement. This reserve continues to fund initiatives aligned with the City's Community Safety and Well-Being priorities, particularly those involving by-law enforcement and public education.

Typical Source of Funds

Initial funding was provided by the Ontario Cannabis Legalization Implementation Fund (OCLIF), a provincial grant program that distributed revenues to municipalities to offset the impacts of cannabis legalization. No further contributions are anticipated. Staff remain hopeful that the Province will commit to future revenue sharing however in absence of future funds it is recommend that this reserve be closed once all funds have been expended.

Permitted Uses

Funds may be used for activities permitted under the Ontario Cannabis Legalization Implementation Fund (OCLIF), including:

- Increased enforcement related to cannabis legislation (e.g., by-law or police services)
- Public education and awareness related to cannabis use
- Community safety initiatives
- Ongoing administrative costs associated with managing the municipal response to cannabis legalization

The current balance is committed to offsetting the cost of installing security cameras in the downtown.

Interest Bearing
No

Responsible Department
Finance

Target or Minimum Balance
Once depleted, the reserve account will be closed.

2025 Year End Balance **$21,787**

Modernization Grant

11-0000-0000-33103

Type of Reserve

Discretionary Reserve

Purpose

This reserve preserves funding received from the Ontario Municipal Modernization Program (MMP), a provincial initiative designed to support small and rural municipalities in modernizing service delivery, improving efficiency and implementing technology based solutions. For the City of Owen Sound, these funds have enabled key system upgrade including the implementation of SharePoint and service review costs.

Typical Source of Funds

One time grant funds received from the Province of Ontario in 2019, totaling $634,340. Of the original grant, approximately $80,000 remains uncommitted. The balance of funds are committed to website improvements, IT systems, Strategic Vision 2050 and traffic counters.

Permitted Uses

Funds held in the reserve may be used for projects that align with the original intent of the funding – namely to improve service efficiency, streamline operations and modernize municipal services.

Interest Bearing

No

Responsible Department

Finance

Target or Minimum Balance

Once the funds are depleted the reserve will be closed

2025 Year End Balance **$232,000 (Committed Balance: $200,000)**

RT07 Grant

11-0000-0000-33123

Type of Reserve
Discretionary Operating Reserve

Purpose
To hold and manage funds received from Regional Tourism Organization 7 (RT07) for future initiatives that align withRT07’s mandate of supporting and growing the regional tourism economy. The reserve ensures that grant funds not immediately applied to prior-period costs are preserved for eligible projects that enhance Owen Sound’s tourism profile.

Typical Source of Funds

- Grants received from RT07 where the approved funding offset prior period costs and were transferred to reserves
- Any additional RT07 distributions, surpluses, or future tourism related grants directed by Council.

Permitted Uses

Funds should be used to undertake initiatives that meet RT087 guidelines; for example, tourism, experience development, wayfinding signage, product or event development, digital or marketing supports.

Interest Bearing

No

Responsible Department

Community Services

Target or Minimum Balance

There is no minimum balance. Should the reserve be reduced to $0, it is recommend that it be closed.

2025 Year End Balance **$42,500**

Accessibility

11-0000-0000-33103

Type of Reserve
Discretionary Reserve

Purpose
To support initiatives that improve accessibility across City services, infrastructure, and digital platforms. The reserve provides a source of funding for small-scale or preliminary investments that enhance accessibility for residents and staff, particularly where other funding is unavailable.

Typical Source of Funds

Unspent funds originally allocated for accessibility purposes, including surplus funds from related capital projects, grants, or other program-specific funding streams.

Permitted Uses

Funds may be used to offset the cost of accessibility-related consulting services, studies, or minor capital improvements. This includes upgrades to software systems, implementation of accessibility features, or professional services aimed at meeting AODA standards. Once the balance is applied as a funding source, staff will recommend that this reserve be closed.

Interest Bearing

No

Responsible Department

Finance

Target Balance

Once depleted it is recommended this reserve account be closed.

2025 Year End Balance **8,987**

Events and Awards

11-0000-0000-33103

Type of Reserve
Discretionary Reserve

Purpose
To support the delivery of future community events and cultural initiatives by offsetting costs associated with one-time or infrequent events, as well as small capital investments that enhance event delivery. This reserve helps avoid budget fluctuations by providing a funding source outside of the annual operating budget.

Typical Source of Funds

Biannual contributions for the Culture Awards and year-end surpluses from the events operating budget.

Permitted Uses

Funds may be used to cover costs related to one-time or special events, including cultural celebrations and community awards programs, or to purchase minor capital items that support event logistics and programming.

Interest Bearing

No

Related Bank Account

General Bank Account

Responsible Department

Art Gallery, Tourism and Events

Target or Minimum Balance

$40,000 (estimated cost to fund a one time event)

2025 Year End Balance **$77,979**

Festival Lighting

11-0000-0000-33110

Type of Reserve
Discretionary Reserve

Purpose
To provide funding stability for the annual Festival of Northern Lights by supporting unforeseen operational, maintenance, and minor capital costs associated with the event.

Typical Source of Funds

An annual contribution in the operating budget. Currently $20,000

Permitted Uses

Funds may be for:

- Repairs and maintenance of lighting displays in related infrastructure
- Lighting upgrades and electrical box maintenance
- Storage and related logistical costs for festival equipment
- Covering annual operational needs of the Festival

Interest Bearing

No

Responsible Department

Community Services – Parks

Target or Minimum Balance

$20,000

2025 Year End Balance **$45,000**

Scenic City Order of Good Cheer

11-0000-0000-33101

Type of Reserve
Discretionary Capital Reserve

Purpose
To hold funds for future capital projects undertaken in partnership with the Scenic City Order of Good Cheer that will ultimately become assets of the City of Owen Sound.

Typical Source of Funds

Donations received from the public

Permitted Uses

To be used as directed by the Scenic City Order of Good Cheer for a project agreed on in partnership with the City of Owen Sound. This is currently designated for upgrades to the Splash Pad at Kelso Beach Park.

Interest Bearing

No

Responsible Department

Finance in consultation with the Scenic City Order of Good Cheer

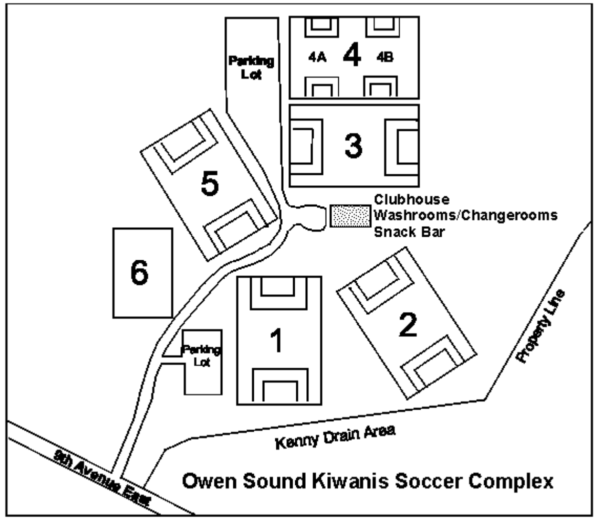
Target Balance

n/a

2025 Year End Balance **$185,000 (Committed to Kelso Playground and Splash Pad)**

Kiwanis Soccer Complex

11-0000-0000-33104



Type of Reserve
Operating Reserve

Purpose
To provide a dedicated source of funds to support the operation, maintenance, and capital renewal of the City's Soccer Complex, which is operated in partnership with Kiwanis and Owen Sound Minor Soccer. The reserve ensures that sufficient resources are available to sustain the facility and programs, and to respond to one-time or emerging needs without requiring unplanned increases to the operating budget.

Typical Source of Funds

20% of revenues generated from summer soccer camps, revenue from Old Timers Soccer facility booking. Other grants and donations specific to the complex. Surplus funds from Soccer complex specific projects.

Permitted Uses

Operating and maintenance costs associated with the Soccer complex that are not accommodated within the annual operating budget and minor capital improvements, upgrades, or equipment purchases that enhance the quality, safety or accessibility of the soccer complex. One-time expenditures that enhance the delivery of soccer programming, training or community use of the facility.

Interest Bearing

No

Responsible Department

Community Services – Parks and Sports fields in consultation with Kiwanis and Owen Sound Minor Soccer

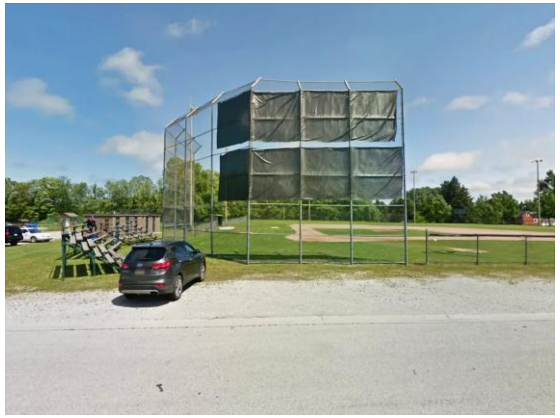
Target or Minimum Balance

None

2025 Year End Balance **$22,000**

Tom Williams Reserve

11-0000-0000-33119



Type of Reserve
Discretionary Operating Reserve

Purpose
To provide a source of funding for projects at the Tom Williams Baseball Field or the Owen Sound Inner Harbour, in accordance with the directions of the Tom Williams estate. The reserve ensures surplus or undesignated contributions from the Tom Williams Fund can be applied flexibly to eligible projects.

Typical Source of Funds

Distributions from Community Foundation related to the Tom Williams Estate fund

Permitted Uses

Funds may be used to offset the one time costs of preparing, updating or completing the city's strategic plan, engage consultants, facilitators or subject matter experts to support Council and community input, support public consultation, communications and implementation tools tied directly to the planning process. The uses are not intended to cover the costs of actions identified in the strategic plan.

Interest Bearing

No

Responsible Department

City Manager

Target or Minimum Balance

The Tom Williams reserve is only expected to hold balances temporarily when there are timing differences between receipt of funds from the Community Foundation and completion of capital projects.

2025 Year End Balance **$9,000**

Tom Thomson Trail

11-0000-0000-33103

Type of Reserve
Operating Reserve

Purpose
The Tom Thomson Trail Reserve was established to support the upkeep and improvement of the Tom Thomson Trail within the boundaries of the City of Owen Sound. The trail, a non-motorized, multi-use corridor for biking, hiking, and horseback riding, showcases the region’s countryside and connects Owen Sound to Meaford. Funds in this reserve ensure that the City can maintain its portion of the trail in a safe, accessible, and enjoyable condition for residents and visitors.

Typical Source of Funds

The reserve is funded primarily through annual donations designated for trail maintenance within Owen Sound. Other contributions, such as grants or surplus funds related to trail improvements, may also be directed to the reserve as appropriate

Permitted Uses

Funds in the Tom Thomson Trail Reserve may be used for regular maintenance of the trail bed, signage and markers, upgrades to trail surfaces and other trail infrastructure.

Interest Bearing

No

Responsible Department

Community Services – Parks in consultation with TT Trail Association

Target or Minimum Balance

There is no minimum balance currently as annual donations are not significant.

2025 Year End Balance $7,000

Doctor Recruitment

11-0000-0000-33103

Type of reserve
Operating Reserve

Purpose
To provide dedicated funding in support of physician recruitment and retention efforts in Owen Sound. The reserve supports the City's ongoing commitment to addressing local healthcare needs by ensuring resources are available to attract and retain qualified medical professionals.

Typical Source of Funds

- Annual or ad hoc grants provided by external agencies or government programs
- Donations and fundraising proceeds received by the Physician Recruitment Committee
- Contributions from the City's operating budget, when approved by Council

Permitted Uses

- Covering costs associated with physician recruitment initiatives including marketing, advertising and promotional materials.
- Supporting community events or initiatives aimed at welcoming and retaining physicians

Interest Bearing
No

Responsible Department
City Manager

Target or Minimum Balance
There in not currently a targeted balance.

2025 Year End Balance **$10,500**

Compost Site

11-0000-0000-33112

Type of reserve
Discretionary Operating Reserve

Purpose
To provide funding for extraordinary maintenance and material processing costs at the City's compost site.

Typical Source of Funds
An annual contribution in the operating budget. Currently $12,500

Permitted Uses
Funds may be used for grinding and removal of large stumps, branches or accumulated organic materials or other maintenance activities at the compost site that exceed the approved annual operating budget.

Interest Bearing
No

Responsible Department
Public Works

Target or Minimum Balance
$25,000

2025 Year End Balance **$25,000**

Tom Thomson Collections

11-0000-0000-33120

Type of Reserve
Discretionary Operating Reserve

Purpose
To ensure long-term financial support for the preservation, growth, and management of the Tom Thomson Art Gallery collection. The reserve provides stability by setting aside annual donation surpluses, so they are available in future years when additional funds are required, for one-time collection-related projects, or for significant strategic initiatives such as gallery expansion.

Typical Source of Funds

- Annual donations to the Gallery that exceed the annual budgeted requirements for collection management
- Larger one-time donations or bequests directed to the collection

Permitted Uses

The reserve is discretionary however typical uses for the funds would be to acquire new works; conserve, restore or other professional services required to maintain the collection. Specialized storage, display, or equipment supporting the care and accessibility of the collections. One time projects or initiatives that advance the gallery's mandate. Future gallery expansion subject to Council approval.

Interest Bearing

No

Responsible Department

Director and Chief Curator of the Tom Thomson Art Gallery

Target or Minimum Balance

The balance must remain above zero.

2025 Year End Balance **$55,000**

Staff Support

11-0000-0000-33121

Type of Reserve
Discretionary Operating Reserve

Purpose
To provide a flexible source of funding for corporate training, professional development, and other staff-supporting initiatives. Originally created during COVID-19 to capture surplus training budgets, the reserve now ensures one-time training events or needs outside of the base operating budget can be supported without creating financial pressures.

Typical Source of Funds

Surplus allocations from annual professional development budgets or other contributions as approved by Council.

Permitted Uses

Funds may be used for:

- One-time corporate training or professional development events;
- Professional development initiatives not included in departmental budgets;
- Other staff supporting costs that strengthen organizational capacity and workforce development.

Interest Bearing

No

Responsible Department

Human Resources

Target or Minimum Balance

$0

2025 Year End Balance **$55,000**

Election Reserve

11-0000-0000-33117

Type of Reserve
Discretionary Operating Reserve

Purpose
To ensure sufficient funds are available to administer municipal elections, which occur every four years, by spreading the cost of the election evenly across each year of the Council term.

Typical Source of Funds

An annual contribution in the operating budget. Currently $20,000

Permitted Uses

Funds may be used to cover all costs directly associated with the administration of a municipal election, including but not limited to election staff, equipment, supplies, technology, communications, and voter engagement initiatives.

Interest Bearing

No

Responsible Department

Clerks

Target or Minimum Balance

The balance is anticipated to reach $80,000 ahead of the one time use.

2025 Year End Balance **$87,000**

Strategic Planning

11-0000-0000-33103

Type of Reserve
Operating Reserve

Purpose
To provide a stable source of funding for the periodic development of the City's strategic plan, undertaken once per term of Council (typically every four years)). This reserve ensures that the costs of consulting, engagement and related activities for Strategic Planning are smoothed over time and do not create one time pressure on the operating budget.

Typical Source of Funds

An annual contribution in the operating budget. Currently $10,000

Permitted Uses

Funds may be used to offset the one time costs of preparing, updating or completing the city's strategic plan, engage consultants, facilitators or subject matter experts to support Council and community input, support public consultation, communications and implementation tools tied directly to the planning process.

The uses are not intended to cover the costs of actions identified in the strategic plan.

Interest Bearing

No

Responsible Department

City Manager

Target or Minimum Balance

The balance is anticipated to reach $40,000 to $50,000 ahead of the one time use.

2025 Year End Balance $70,000

Community Improvement Plan

11-0000-0000-33106

Type of Reserve
Operating Reserve

Purpose
To provide a funding mechanism that supports the delivery of the City's Community Improvement Plan (CIP) grant programs. The reserve ensures that program funding remains stable and predictable from year to year, even when grant demand fluctuates.

Typical Source of Funds

Annual transfers of uncommitted and unspent funds from the CIP program budget (currently $62,500)

Permitted Uses

- To supplement the annual CIP budget in years when applications are oversubscribed, allowing the City to fund eligible and approved projects beyond the base program budget.
- To fund new or expanded CIP program categories as approved by Council in their first year
- To support one time strategic initiatives related to community improvement that align with the intent of the CIP

Interest Bearing

No

Responsible Department

Community Services – Planning and Heritage

Target or Minimum Balance

n/a.

2025 Year End Balance **$85,000**

Community Policing

11-0000-0000-33115

Type of Reserve
Discretionary Capital Reserve

Purpose
To provide a dedicated source of funding for capital purchases by the Owen Sound Police Service that are not covered through the City's capital contribution.

Typical Source of Funds

Annual revenues received from third-party criminal record check services administered by the Owen Sound Police Service.

Permitted Uses

Funds may be used for capital equipment, technology, or other major asset purchases that enhance police operations, provided they are outside of the City's capital budget commitments.

Interest Bearing

No

Responsible Department

Owen Sound Police Board

Target or Minimum Balance

The reserve balance must remain positive

2025 Year End Balance **$414,000 ($266,775 Committed to 2026)**

Sustainable Communities (Formerly Climate Change)

11-0000-0000-33109

Type of Reserve
Discretionary Capital Reserve

Purpose
To accumulate funds dedicated to advancing the implementation of the City of Owen Sound Strategic Vision 2050. This reserve supports projects, initiatives and partnerships that align with the Visions pillars. The reserve provides funding to ensure the Strategic Vision 2050 is actionable and resilient to budgetary fluctuations.

Typical Source of Funds

- The original climate change coordinator budget transferred in 2020
- Council approved transfer of $100,000 in the 2025 budget
- Future contributions as directed by Council to advance Strategic Vision 2050 priorities
- Grants, donations, or other revenues earmarked for sustainability or Vision 2050 initiatives

Permitted Uses

Funds maybe used for capital projects, studies or initiatives that directly advance one or more pillars of the Strategic Vision 2050.

Climate Change adaptation and mitigation projects, environmental improvements or community sustainability initiatives

Pilot projects or one time costs that advance innovation, community resilience or long term sustainability.

Interest Bearing

No

Responsible Department

City Manager

Target or Minimum Balance

The balance cannot be less than zero.

2025 Year End Balance **$220,000 (includes 2025 transfer)**

Owen Sound Attack Ticket Surcharge

11-0000-0000-33108

Type of Reserve
Capital Reserve

Purpose
To accumulate funds received through the Owen Sound Attack's annual ticket surcharge, as outlined in the lease agreement with the City of Owen Sound, for the exclusive purpose of funding future capital upgrades and lifecycle replacements at the Bayshore Community Centre. This reserve ensures that major renewal costs are not borne solely by the tax levy in any given year and supports the long-term sustainability of the facility.

Typical Source of Funds

Annual ticket surcharge revenues as defined in the lease agreement with the Owen Sound Attack plus any additional contributions received from the Attack specifically designated for capital purposes at the Bayshore Community Centre.

Permitted Uses

- Capital Renewal, replacement or enhancement projects at the Bayshore Community Centre that benefit both the Attack as tenant and the broader community users.
- Operating costs, day to day maintenance and event related expenses are not eligible

Interest Bearing

No

Responsible Department

Community Services – Recreation Facilities in consultation with Owen Sound Attack Hockey

Target or Minimum Balance

The balance may be oversubscribed with future anticipated contributions committed to returning the balance to a positive position.

2025 Year End Balance **-$28,000**

Land Sale and Acquisition

11-0000-0000-33113

Type of Reserve
Discretionary Capital Reserve

Purpose
To provide a dedicated source of funding to support the strategic acquisition and disposition of municipal lands. The reserve ensures that the City has the financial flexibility to act on opportunities that align with Council priorities, long-term planning objectives, and community needs.

Typical Source of Funds

Net proceeds from the sale of Municipal Property

Budgeted contributions as approved by Council

Transfers from other funds or reserves as directed by Council for specific land-related purchases

Third party contributions for the purpose of land acquisitions

Permitted Uses

Funds may used for:

- The purchase of land required for municipal purposes
- Costs directly associated with land acquisition and disposal (e.g., legal, appraisal, surveying, environmental assessments or consulting)
- Capital improvements to prepare lands for sale or enhance property value
- Covering interim costs related to land transactions.

Interest Bearing

No

Responsible Department

Finance

Target or Minimum Balance

$100,000

2025 Year End Balance $298,000

Tax Stabilization

11-0000-0000-33102

Type of Reserve
Contingency reserve

Purpose
To stabilize the tax levy by offsetting operating deficits arising from unforeseen events, including significant weather events and years where winter control costs exceed forecasts. The reserve may also be used to manage one-time budget impacts and reduce year-over-year tax volatility.

Typical Source of Funds

Annual Surplus

Permitted Uses

Funds may be used to offset operating deficits, manage one-time or non-recurring expenditures, and respond to unanticipated financial pressures.

Interest Bearing

No

Responsible Department

Finance

Target Balance

5% of prior year's tax levy (approximately $1,750,000)

2025 Year End Balance **$1,910,000**

WSIB Reserve

11-0000-0000-33118

Type of Reserve
Contingency Reserve

Purpose
To provide funding stability for unforeseen Workplace Safety and Insurance Board (WSIB) costs that may arise beyond what is budgeted in any given year. This reserve ensures the City can meet its statutory obligations to employees without creating sudden financial pressures on the operating budget.

Typical Source of Funds

Annual operating contributions as determined through the budget process, as well as any year-end surplus allocations related to WSIB costs

Permitted Uses

Funds may be used to cover unanticipated WSIB-related costs, including but not limited to claims experience fluctuations, retroactive assessments, and other costs associated with workplace injury and disability management that exceed budgeted allocations.

Interest Bearing

No

Responsible Department

Human Resources

Target or Minimum Balance

Total WSIB liability as determined by actuary. Currently $48,000

2025 Year End Balance **$90,000**

Software Contingency

11-0000-0000-33103

Type of Reserve
Contingency Reserve

Purpose
To provide a source of funds to manage the timing and cost impacts associated with software licensing and maintenance contracts. The reserve ensures that first-year maintenance costs for newly acquired software—before they are incorporated into the base operating budget—can be funded without creating unexpected budget pressures. The reserve also supports the City’s ability to respond flexibly to emerging software needs by providing resources for one-time enhancements.

Typical Source of Funds

Initial funding created through the recognition of prepaid software maintenance expenses, with the resulting surplus transferred into the reserve. Future contributions may be considered from unspent software project funds or other identified operating surpluses related to software costs, and unspent capital allocations where the budget for expenses precedes cash outflows.

Permitted Uses

Funds may be used to:

- Offset the cost of first-year software maintenance fees where ongoing costs have not yet been included in the operating budget;
- Fund one-time software enhancements, upgrades or integrations that improve service delivery
- Support transitional costs related to implementing new software solutions, including data migration
- Cover other software-related expenditures that are non-recurring

Interest Bearing

No

Responsible Department

Finance – Information Technology

Target or Minimum Balance

The balance is anticipated to reach $40,000 to $50,000 ahead of the one time use.

2025 Year End Balance **$75,000**

Insurance Contingency

11-0000-0000-33125

Type of Reserve
Contingency Reserve

Purpose
To provide financial stability in managing the City's insurance program by offsetting unexpected increases in premiums, deductibles, or claims costs. The reserve ensures that annual fluctuations in insurance markets do not create undue pressure on the operating budget and that savings in low-cost years are available to buffer high-cost years

Typical Source of Funds

- Annual operating surpluses from insurance budgets, including when actual claims or deductible payments are lower than budget
- Surpluses resulting from budgeted premiums being higher than actual policy costs.
- Planned contributions in years where insurance provider changes or contract renewals result in significant savings which are expected to be reduced as premiums increase in subsequent years.

Permitted Uses

Funds may be used for:

- Covering unanticipated increases in annual insurance premiums
- Funding claim costs or deductibles that exceed budgeted provisions
- Stabilizing the operating budget by smoothing the impact of insurance market cycles

Interest Bearing

No

Responsible Department

Risk Management

Target or Minimum Balance

One year of above average premium escalation. In 2025 this would be approximately $160,000

2025 Year End Balance **$155,000**

Source Separated Organics Contingency

11-0000-0000-33126

Type of Reserve
Operating Reserve

Purpose
To provide funding stability for waste diversion services as the City transitions between service delivery models. Originally established when responsibility for recycling shifted to producer pay, the reserve captured annual recycling costs that were removed from the operating budget. The reserve now supports the phased implementation of the City's source-separated organics program by smoothing levy impacts until the full cost of the service is incorporated into the operating budget.

Typical Source of Funds

The reserve balance was created from recycling costs that were budgeted prior to the transition to producer responsibility, transferred into reserve beginning in 2019 and unused equipment replacement contributions from when the City directly managed waste services.

Permitted Uses

Funds may be used to offset the annual levy increase associated with the introduction of new or expanded waste diversion services, including the source-separated organics program, stabilizing budgetary impacts from contract transitions in solid waste and diversion services, and covering one time or transitional costs related to waste diversion initiatives

Interest Bearing

No

Responsible Department

Environmental Services

Target or Minimum Balance

The balance is expected to be drawn down until it has been fully utilized to smooth transitional costs to Source Seprated Organics, at which time the reserve may be closed.

2025 Year End Balance **$380,000**

Obligatory Reserve Funds

Parkland Dedication Reserve Fund

13-0410-1610-33301

Type of Reserve
Obligatory Reserve (Planning Act, s. 42 & s. 51.1)

Purpose
To hold cash-in-lieu contributions collected under the Planning Act in place of land conveyance for park or other public recreational purposes. The fund ensures that development contributes to the provision of parkland in the community

Typical Source of Funds

Cash-in-lieu payments collected from development applications under the Planning Act where the conveyance of land is not feasible or appropriate

Permitted Uses

As required by the Planning Act, funds may only be used for:

- Acquisition of land for part or other public recreation purposes;
- Development, improvement, or repair of land, buildings, and structures for park or recreational purposes, including the provision of trails, playgrounds, sports fields and related amenities.

Interest Bearing

Yes

Responsible Department

Parks and Greenspaces

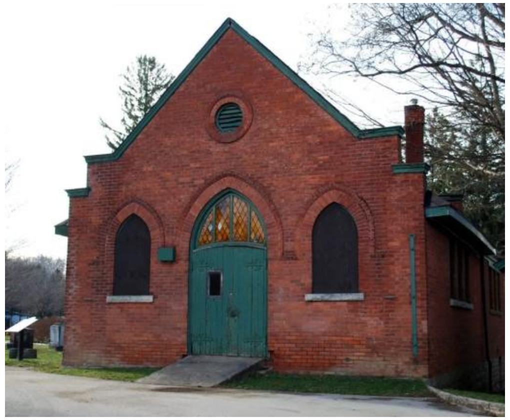
Target or Minimum Balance

There is no minimum balance.

2025 Year End Balance **$430,000**

Obligatory Cemetery Reserve Fund

13-0410-0610-33302



Type of Reserve
Obligatory Reserve (Planning Act, Cemeteries Act)

Purpose
To hold contributions related to cemetery operations as required by legislation. The reserve ensures that funds are available for the ongoing maintenance, care, and improvement of municipal cemeteries.

Typical Source of Funds

- Contributions or charges collected under the cemeteries act and Planning Act provisions;
- Interest accrued on the balance

Permitted Uses

As required by Provincial law, funds may only be used for:

- Capital improvements to cemetery lands, buildings, or structures;
- Compliance with statutory obligations regarding the upkeep and operation of cemeteries.

Interest Bearing

Yes

Responsible Department

Cemetery

Target or Minimum Balance

There is no minimum balance.

2025 Year End Balance $295,000

Obligatory Parking Reserve Fund

13-0410-0610-33310

Type of Reserve
Obligatory Reserve (Planning Act, s.40)

Purpose
To hold cash-in-lieu of parking contributions collected under the Planning Act where onsite parking requirements are not met. The fund ensures that development continues to support municipal parking supply.

Typical Source of Funds

Cash-in-lieu of parking contributions collected from development applications under the Planning Act

Permitted Uses

As required by the Planning Act, funds may only be used for:

- Acquisition of land to provide municipal parking;
- Construction, improvement, or maintenance of municipal parking facilities, including surface lots, structures, and related equipment.

Interest Bearing

Yes

Responsible Department

Engineering

Target or Minimum Balance

There is no minimum balance.

2025 Year End Balance **$49,000**

Provincial Gas Tax Reserve Fund

13-0450-0650-33306

Type of Reserve
Obligatory Reserve (Provincial Funding Agreement)

Purpose
To hold funds received annually from the Ontario Provincial Gas Tax Program. These funds are earmarked to support local public transit services in accordance with program requirements.

Typical Source of Funds

Annual transfers from the Ontario Provincial Gas Tax Program, based on local ridership and population data. Note that the City of Owen Sound currently allocates 100% of the annual grant to the operating budget and as such there are not currently any transfers into this reserve fund.

Permitted Uses

As required by the Provincial transfer payment agreement, funds may only be used for:

- Operating costs of eligible public transit services;
- Capital expenditures that support or improve transit infrastructure, fleet, or facilities.

Interest Bearing

Yes

Responsible Department

Finance

Target or Minimum Balance

There is no minimum balance.

2025 Year End Balance **$205,000**

Canada Community Building Fund (formerly Federal Gas Tax)

13-0440-0640-33305

Type of Reserve
Obligatory Reserve (Federal Funding Agreement)

Purpose
To hold and manage funds received from the federal government under the Canada Community-Building Fund. The reserve provides long-term, stable funding for local infrastructure priorities in alignment with program criteria.

Typical Source of Funds

Semi-annual transfers from the Government of Canada via the Association of Municipalities of Ontario

Permitted Uses

As required by the Federal funding agreement, CCBF funds are dedicated to capital infrastructure and capacity building investments. Eligible project categories include:

Local Roads and Bridges	Public Transit
Drinking Water and Wastewater systems	Solid Waste Facilities
Community Energy Systems	Culture, tourism, recreation and sport
Brownfield redevelopment, resilience, broadband connectivity	

Note that the City of Owen Sound currently allocates 100% of the annual contributions to the annual asphalt and concrete rehabilitation program.

Interest Bearing

Yes

Responsible Department

Finance

Target or Minimum Balance

The balance of the reserve fund must be tracked such that it does not exceed three years of contributions.

2025 Year End Balance **$580,000**

Development Charges Reserve Fund

13-0430-0630-33304

Type of Reserve
Obligatory Reserve (Development Charges Act, 1997)

Purpose
To collect and manage funds from development charges levied under the Development Charges Act, 1997. The reserve ensures growth-related infrastructure costs are paid for by new development rather than existing taxpayers. Separate accounts are maintained for each service category (e.g., roads, water, wastewater, parks).

Typical Source of Funds

Development Charges collected at the time of building permit issuance or otherwise provided in agreements under the Development Charges Act

Permitted Uses

As required by the Development Charges Act, funds may only be used for:

- Growth related capital projects included in the City's approved development charges study;
- Eligible costs of infrastructure and facilities required to service growth
- The City currently only collects DC's to fund roads, water, storm water, waste water and the growth portion of the annual debt repayment related to the Julie McArthur Regional Recreation Centre.

Interest Bearing

Yes

Responsible Department

Finance

Target or Minimum Balance

There is no minimum balance.

2025 Year End Balance $1,997,000

Building Permit and Inspection Reserve Fund

13-0420-0620-33303

Type of Reserve
Obligatory Reserve (Building Code Act, 1992)

Purpose
To hold building permit and inspection fee revenues in accordance with the Building Code Act, ensuring that the municipality's building regulatory services are financially self-sustaining. The reserve provides stability where annual revenues and expenditures differ, and ensures sufficient resources are available for future investments in the delivery of building services.

Typical Source of Funds

Surpluses of building permit fee revenues over related annual expenditures

Permitted Uses

As required by the Building code Act, funds may only be used for:

- Direct costs of administering and enforcing the Building Code Act and Building Code, including plans review and building inspections;
- Indirect support costs reasonably related to delivering building regulatory services
- One time or capital costs that support or improve building service delivery, such as software, vehicles or equipment used by Building Staff.

Interest Bearing

Yes

Responsible Department

Building Inspection

Target or Minimum Balance

The average value of one year's building inspection fees.

2025 Year End Balance $637,000

Ontario Community Infrastructure Reserve Fund (OCIF)

13-0460-0660-33307

Type of Reserve
Obligatory Reserve (Ministry of Infrastructure)

Purpose
To hold and manage funds received through the Ontario Community Infrastructure Fund (OCIF), a provincial program providing stable and predictable funding for municipal infrastructure renewal. The reserve ensures that OCIF funds are preserved for eligible capital investments that address local infrastructure needs and support long-term asset management planning.

Typical Source of Funds

Annual per-capita and formula based transfers from the Province of Ontario

Any additional discretionary allocations received from the Province under OCIF top-up or expanded program intakes

Permitted Uses

As required by the program guidance, funds may only be used for:

- Eligible capital projects that rehabilitate, replace or enhance core municipal infrastructure including roads, bridges, water, wastewater and stormwater systems;
- Capital improvements that extend the useful life of assets or reduce future operating pressures.

Interest Bearing

Yes

Responsible Department

Finance

Target or Minimum Balance

The balance of the reserve fund must be tracked such that it does not exceed three years of contributions.

2025 Year End Balance **$5,890,000** ***note that this balance is committed to the five year capital plan**

Municipal Accommodation Tax (MAT)

13-0470-0670-33309

Type of Reserve
Obligatory Reserve (*Municipal Act, 2001*, S.O. 2001, c. 25, and *Ontario Regulation 435/17 – Municipal Accommodation Tax*)

Purpose
To hold and manage the portion of Municipal Accommodation Tax (MAT) proceeds retained by the City of Owen Sound, ensuring that funds are used in accordance with the City's MAT Allocation Policy and the requirements of *Ontario Regulation 435/17*. The reserve provides a transparent mechanism for funding tourism, cultural, event, and infrastructure initiatives that support and enhance the visitor economy.

Typical Source of Funds

The city's retained portion of Municipal Accommodation Tax Proceeds collected under By-law No. 2023-127;

Unspent annual MAT funds from prior years

Permitted Uses

Funds from the Municipal Accommodation Tax Reserve Fund may be used to:

- Support one-time initiatives or capital projects that promote tourism, culture, and events;
- Fund capital improvements or infrastructure that enhance the visitor experience;
- Offset eligible tourism-related operating costs as defined in the City's MAT Allocation Policy;
- Finance capital reinvestment and maintenance at the Harrison Park Campground using the MAT proceeds collected from campground stays.
- All uses must comply with the intent of the MAT Allocation Policy and the applicable provincial legislation.

Interest Bearing

Yes

Responsible Department

Finance

Target or Minimum Balance

No specific minimum balance is required; however, the reserve must maintain sufficient funds to meet committed or planned project allocations in the current and upcoming fiscal years..

2025 Year End Balance **$150,000** **$25,000 committed in 2026**

Reserve Funds

Capital Reserve Fund

14-0360-0460-33232

Type of Reserve
Reserve Fund

Purpose
To provide a dedicated and sustainable funding source for the City's capital plan, ensuring the renewal, replacement, and expansion of municipal assets other than water and wastewater systems.

Typical Source of Funds

- Annual tax levy contribution equal to a flat base amount plus a dedicated 1% of the total levy;
- 50/50 allocation of annual operating surpluses, once the Tax Stabilization Reserve has achieved its target balance;
- Annual transfers as approved by Council

Permitted Uses

- Capital projects and acquisitions identified in the approved multi year capital plan;
- One-time costs directly tied to capital delivery, such as design, engineering, and land acquisition;
- Covering capital project costs where other funds sources (grants, DCs, donations) are insufficient

Interest Bearing

Yes

Responsible Department

Finance

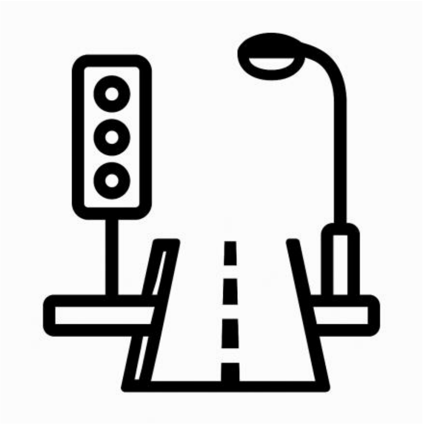
Target or Minimum Balance

The target balance equal to accumulated unspent levy allocations. Surpluses build up when projects come under budget or do not proceed, creating capacity for future capital needs.

2025 Year End Balance $4,806,000 *note that this balance is fully committed

Infrastructure Reserve Fund

14-0300-0400-33124



Type of Reserve
Reserve Fund

Purpose
To provide dedicated funding for the renewal, rehabilitation, and replacement of core municipal infrastructure, including roads, sidewalks, streetlights, and traffic signals. These reserves support the City's asset management objectives by ensuring that critical infrastructure remains safe, reliable, and financially sustainable.

Typical Source of Funds

- Capital contributions and frontage fees from third-party developers;
- Any levy supported contributions or Council-directed transfers in future years
- Recoveries from service agreements where municipal work has already been completed and funded but is subsequently reimbursed by developers

Permitted Uses

- Capital Projects related to the reconstruction, resurfacing, or rehabilitation of municipal roads;
- Replacement or construction of sidewalks, curbs and accessible crossings;
- Installation, replacement or modernization of streetlights;
- Replacement, upgrading, or modernization of traffic signal systems
- Design, engineering or other one time capital costs directly tied to the above infrastructure categories

Interest Bearing

Yes

Responsible Department

Finance

Target or Minimum Balance

No prescribed minimum; balances will fluctuate with development activity, project timing, and capital funding needs.

2025 Year End Balance **$661,000**

Equipment and Fleet Reserve Funds

14-0310-0410-33200

Type of Reserve
Capital Reserve Fund

Purpose
To fund the planned replacement of City-owned equipment, vehicles, and other capital assets, including those used in parks, public works, parking operations, campgrounds, and information technology. This reserve ensures that the City maintains sufficient funding capacity to replace essential equipment as it reaches the end of its useful life.

Typical Source of Funds

Dedicated annual transfers from the operating budget, proceeds from the sale or disposal of equipment, recoveries or surpluses arising from underspent asset management or maintenance budgets

Permitted Uses

Replacement or major refurbishment of equipment, vehicles and related assets funded through the city's equipment lifecycle program.

Equipment and Fleet reserves are not intended to fund the acquis ion of new fleet assets that are not replacing an existing asset.

Interest Bearing

Yes

Responsible Department

Finance

Target or Minimum Balance

Sufficient to fund the planned replacement of all equipment and vehicles identified in the City's Asset Management Plan or capital forecast.

2025 Year End Balance $5,319,000

Facility Reserve Funds

14-0320-0420-33240

Type of Reserve
Capital Reserve Fund

Purpose
To provide a sustainable source of funding for the renewal, rehabilitation, and replacement of City-owned facilities. The reserve supports asset management objectives by ensuring sufficient funding is available for projects that extend the useful life of buildings and facility components, or that replace them at end of life.

Typical Source of Funds

- Dedicated annual transfers from the operating budget;
- A portion of facility booking revenues (approximately 5%)
- Recoveries or surpluses from underspent maintenance budgets

Permitted Uses

- Capital projects that replace, renew or rehabilitate municipal facilities;
- Projects that extend the useful life or improve the efficiency of existing facilities;
- Asset management studies, design or engineering work related to facility renewal
- One time capital costs tied directly to maintaining facility service levels

Interest Bearing

Yes

Responsible Department

Finance

Target or Minimum Balance

Sufficient to fund the planned replacement of all equipment and vehicles identified in the City's Asset Management Plan or capital forecast.

2025 Year End Balance **$1,923,000**

Storm Water Reserve Fund

14-0330-0430-33227

Type of Reserve
Capital Reserve Fund

Purpose
To provide a stable, dedicated funding source for the renewal, rehabilitation, and risk-mitigation of the City's storm water system, culverts, storm sewers, ditches, channels, outfalls, stormwater management ponds, LID features, and related appurtenances, and to support asset management planning. The reserve was established as a foundational mechanism should Council adopt a **storm water rate** in the future, enabling a smooth transition from tax-levy funding to a utility model.

Typical Source of Funds

- Annual tax-levy transfers dedicated to storm water capital and asset management.
- Future storm water **rate** contributions (if/when a utility model is adopted), including any Council-approved rate stabilization transfer
- Recoveries or surpluses from underspent maintenance budgets

Permitted Uses

- Capital projects that renew or replace storm water infrastructure (e.g., culvert/pipe replacements, inlet/outfall works, pond dredging, LID retrofits);
- Flood-risk reduction and resiliency projects (capacity upgrades, conveyance improvements, overland flow routing);
- Asset management activities: condition inspections, CCTV, modeling, master plan updates, inventories, and design/engineering tied to storm projects
- Projects identified in the storm water master plan

Interest Bearing

Yes

Responsible Department

Finance

Target or Minimum Balance

Aligned with the City's Storm Water Master Plan and Asset Management Plan

2025 Year End Balance **$1,019,000 (Committed to Kenny Drain in 2027)**

Landfill Post-Closure Care Reserve Fund

14-0310-0410-33215

Type of Reserve
Capital Reserve Fund
Environmental Protection Act, R.S.O. 1990, c. E.19, and *O. Reg. 222/98 – Landfill Standards*

Purpose
To fund the City's long-term post-closure care obligations related to the closed municipal landfill site, ensuring environmental protection and regulatory compliance in accordance with provincial standards. The reserve provides a sustainable financial mechanism for covering the cost of ongoing maintenance, environmental monitoring, and site improvements required after landfill closure.

Typical Source of Funds

- Annual Transfers from the operating budget
- Surpluses from post closure maintenance accounts
- Recoveries from third part contributions or project specific funding
- Interest earned on the reserve balance or debt instruments

Permitted Uses

- Annual operating and maintenance costs associated with the closed landfill, including environmental monitoring, sampling, and reporting
- Capital projects related to post-closure care, such as monitoring equipment replacement, slope stabilization, and landscaping;
- Major environmental or infrastructure repairs identified through the City's monitoring and maintenance programOne time capital costs tied directly to maintaining facility service levels
- Debt repayment or internal borrowing related to renewable energy initiatives (e.g., solar panel installations) provided that the principal and interest are repaid to the reserve

Interest Bearing

Yes

Responsible Department

Finance

Target or Minimum Balance

The minimum balance should equal the estimated cost of one year of post-closure maintenance and environmental monitoring, as outlined in the City's post-closure care plan

2025 Year End Balance **$1,030,500**

Water Reserve Fund

14-0370-0470-33223

Type of Reserve
Capital and Sustainability Reserve

Legislative Authority: *Municipal Act, 2001*, S.O. 2001, c. 25, and *Ontario Regulation Safe Drinking Water Act 453/07* (Financial Plans for Municipal Drinking Water Systems)

Purpose

To provide a consolidated funding source to support the financial sustainability of the City's drinking water system. The Water Reserve Fund acts as a combined rate stabilization, capital renewal, and asset management reserve, ensuring that the City can maintain and invest in critical water infrastructure while avoiding undue fluctuations in user rates.

Typical Source of Funds

- Annual Surpluses from the water budget
- Sale of Surplus Land or equipment related to the water system
- Dedicated contributions or recoveries tied to Water infrastructure
- Interest earned on account balances

Permitted Uses

- Capital replacement, rehabilitation, or expansion of the municipal drinking water system, including treatment, storage and distribution infrastructure;
- Asset management activities such as studies or condition assessments that support long term system sustainability;
- Rate stabilization to mitigate temporary deficits in operating or capital programs, or to phase in future rate increases;
- Emergency or unforeseen costs related to system integrity, compliance, or public safety;
- One time capital or operational transition costs directly related to regulatory compliance.

Interest Bearing Yes

Responsible Department Water Treatment and Distribution

Target or Minimum Balance

The reserve fund may show a temporary negative balance provided that the five year financial plan required under O.Reg 453-07 demonstrates that the fund is sustainable and that the provision of clean, safe drinking water can continue without tax rate subsidy

The target balance should be sufficient to support planned capital activity and maintain a stable rate structure consistent with the approved financial plan.

2025 Year End Balance **$2,974,726**

Waste Water Reserve Fund

14-0340-0440-33228

Type of Reserve
Capital and Sustainability Reserve
Municipal Act, 2001, S.O. 2001, c. 25, and *O. Reg. 588/17* (Asset Management Planning for Municipal Infrastructure)

Purpose
To ensure the long-term financial stability of the City's wastewater system by providing a consolidated funding source for capital renewal, asset management, and rate stabilization. The reserve supports infrastructure renewal and helps maintain compliance with environmental and legislative requirements for wastewater collection and treatment

Typical Source of Funds

- Annual remaining amount after revenues cover annual operating and capital obligations
- Sale of land or equipment associated with waste water operations
- Dedicated contributions from developers or agreements related to wastewater infrastructure;
- Other Council Approved Transfers

Permitted Uses

- Replacement, rehabilitation or expansion of wastewater collection and treatment infrastructure;
- Asset management activities, system condition assessments or master plans
- Rate stabilization to offset temporary deficits or smooth rate adjustments;
- Emergency or unforeseen capital or operating costs that protect system integrity or regulatory compliance;
- Design and engineering for future wastewater capital projects

Interest Bearing Yes

Responsible Department Waste Water collection and Treatment

Target or Minimum Balance

The reserve fund may show a temporary negative balance provided the five-year financial plan demonstrates that the system is financially sustainable and con continue operating on full cost recovery basis.

The target balance should be sufficient to fund planned capital projects and maintain stable wastewater surcharges consistent with the financial plan.

2025 Year End Balance **$6,072,268**

Parks and Trail Capital Reserve Fund

14-0390-0490-33234

Type of Reserve
Capital Reserve Fund

Purpose
To provide a sustainable funding source for the renewal, rehabilitation, replacement, and enhancement of municipal parks, playgrounds, sports fields, and related outdoor recreational infrastructure. The reserve supports the City's asset management objectives by ensuring funding capacity exists for both planned lifecycle replacement and unanticipated capital needs within the parks system.

Typical Source of Funds

- Annual contributions from the operating budget
- Sale of Parks-related land or non-equipment assets;
- Contributions, donations, grant, or sponsorships designated for parks capital purposes;
- Surpluses from parks related capital projects or maintenance programs, where approved by Council

Permitted Uses

Funds may be for:

- Replacement, rehabilitation, or enhancement of parks, playgrounds, sports fields, trails, splash pads, courts and related outdoor recreational infrastructure;
- Major repairs or lifecycle replacement projects that extend useful life of park assets;
- One time capital initiatives or strategic investments that improve recreation service levels or public accessibility;
- Design, engineering, site preparation, and other capital costs directly associated with parks and infrastructure projects.
- Regular maintenance of the trail bed, signage and markers, upgrades to trail surfaces and other trail infrastructure.

Interest Bearing Yes

Responsible Department Parks Manager

Target or Minimum Balance

The reserve should maintain sufficient funding capacity to accommodate significant unplanned or accelerated parks capital projects without creating undue pressure on the tax levy or annual capital program. At this time, a recommended working balance of approximately **$500,000** is considered appropriate to support asset management flexibility and emerging capital needs.

2025 Year End Balance **$601,322.74 ($255,000 is currently committed)**

Strategic Capital Financing Reserve Fund (GBE Sale reserve)

14-0380-0480-33224

Type of Reserve
Capital Financing Reserve (endowment style)

Purpose

To preserve and prudently manage the proceeds received from the sale of the City's former public utility (GBE) and to utilize investment earnings generated from the reserve to support major municipal capital projects and related debt obligations.

The reserve functions as a long-term strategic financing tool intended to reduce reliance on external debentures and minimize impacts to the tax levy while preserving the original principal balance of the fund.

Historically, the reserve supported financing related to the "Big Dig" downtown reconstruction project and is currently being utilized to offset debt obligations associated with the Julie McArthur Regional Recreation Centre

Typical Source of Funds

- Original proceeds from the sale of the City's former public utility (GBE);
- Undistributed annual investment income retained within the reserve;
- Interest earned through authorized investments including: Internal debenture financing arrangements; Investments consistent with the City's investment policy; Strategic loans approved by Council (i.e. GSCA loan)

Permitted Uses

- Debt repayment associated with significant capital projects;
- Internal financing arrangements for major capita infrastructure projects in lieu of external borrowing;
- Strategic capital financing initiatives approved by Council;
- Investment management costs directly associated with the reserve

The principal balance of the reserve shall generally be preserved and not drawn upon except by specific Council direction under exceptional circumstances.

Interest Bearing Yes

Responsible Department Finance

Target or Minimum Balance
The reserve is intended to remain stable or grow modestly over time through retained investment income, ensuring that sufficient annual earnings continue to be available to support long-term capital financing obligations.

At current investment performance levels, the reserve is expected to continue supporting debt repayment obligations associated with the Julie McArthur Regional Recreation Centre while maintaining the long-term sustainability of the fund.

2025 Year End Balance **$17,880,000 (available to be invested $1.5M)**