

To: David Creery, Chief Administrative Officer

From: Diane Campbell, Director of Administrative Services

Re: Reserves, Reserve Funds, Trust Funds and Reserve for Capital Projects

AIM

To provide Council with the status of the Reserves, Reserve Funds, Trust Funds and Reserve for Capital Projects at December 31, 2024 with projections to the end of 2025.

BACKGROUND

During the budget process, Council was provided with forecasts of a number of the City's reserve and reserve funds as well as the capital reserve. Once the year end audit is complete, a second, more fulsome report, is provided with respect to these accounts. The attached statement includes the year end balances and commitments as well as the 2025 budgeted activity and some current year activity for Council's review.

COMMENTS

During capital budget deliberations, staff discussed the ability of the City to fund the capital program on an ongoing basis. This statement provides an opportunity to review the reserve and reserve fund balances and to identify areas of concern as well as consider options for future contributions. During the 2024 revenue budget deliberations, new contributions of \$850,000 were approved of which \$450,000 is being used to reduce the infrastructure gap while the balance of \$400,000 reduced our reliance on debt financing for road reconstruction work. Continuing into the 2025 revenue budget deliberations, Council approved an additional \$400,000 to fully eliminate our reliance on debt financing for road reconstruction work and also approved one-time contributions totaling \$861,000 to replace the debt financing on two road projects which were added to the capital budget late in the process. In addition, two contributions totaling \$875,000, which will need to continue in 2026, were approved to fund approximately 50% of the indoor turf replacement at Cowan Sportsplex and 50% of the final payment related to the acquisition of 478-484 Dundas St. The total of the non-recurring contributions is \$1,736,000 and should Council approve continuing to raise similar amounts in future budgets, this funding could provide an opportunity for the City to begin to raise funds annually in order to address the infrastructure gap.

The current year of the reserve and reserve fund forecast included with the 2025 preliminary capital budget projected positive balances in all funds as of December 31, 2025. Beginning in 2026, several of the funds were projected to be overspent. The Capital Reserve has since benefitted from the 2024 surplus allocation which will reduce the negative balance in this account while providing the most flexibility with respect to capital funds available. The remainder of the overspent funds within the 2026 forecast include the Municipal Building Reserve, the Parks and Open Spaces Reserve, the Recoverable from Developers Reserve and the Development Charges Reserve Fund for Roads. In each case, upcoming projects will need to be revisited to ensure that funds are available to finance the projects.

Council may also recall that an approval was provided to reclassify several funds from Trust Funds to Reserve Funds during 2024. Trust Funds reclassified included the Art Gallery, Community Complex, Good Beginnings/Gym Club, Lily Telfer and Shanna Larsen as identified by two numbers in the left hand column of the attached report.

ATTACHMENTS

Attachment 1: Statement of Reserves, Reserve Funds, Trust Funds and Reserve for Capital Projects

RECOMMENDATION

That Woodstock City Council receive the Statement of Reserves, Reserve Funds, Trust Funds and Reserve for Capital Projects at December 31, 2024 as information.

Authored by: Diane Campbell, CPA, CA, Director of Administrative Services

Approved by: David Creery, P. Eng, MBA, Chief Administrative Officer