OFFICE CONSOLIDATION

This is a consolidation of the Town's by-law to Consolidate Reserve Funds being By-law 2020-104 as amended by By-law 2021-046, 2022-033, 2022-046, 2024-097, 2025-090 and 2026-070. The following consolidation is an electronic reproduction made available for information purposes only and is not an official version of the by-law. Official versions of all by-laws can be obtained from the Town Clerk by calling (905) 584-2272. If there are any discrepancies between this consolidation and By-laws 2020-104 and 2021-046, 2022-033, 2022-046, 2024-097, 2025-090 and 2026-070 the by-laws shall prevail.

THE CORPORATION OF THE TOWN OF CALEDON

BY-LAW NO. 2020-104

Consolidated Reserve Funds By-law

WHEREAS Section 11(2) of the Municipal Act, 2001, c.25, as amended, provides that a municipality may pass by-laws respecting the financial management of the municipality;

AND WHEREAS Section 417 of the Municipal Act, 2001, S.O 2001, c.25 and amendments thereto, allows a municipality to provide for the establishment or maintenance of reserve funds for any purpose for which it has authority to spend money;

AND WHEREAS The Corporation of the Town of Caledon is operating a number of Reserves and Reserve Funds;

AND WHEREAS the authority for such Reserve Funds and the purpose for which they are established is to be clear in all cases;

AND WHEREAS it is deemed expedient to consolidate the authority for all Reserve Funds into one by-law;

AND WHEREAS the Council of The Corporation of the Town of Caledon deems it expedient to establish consistent principles, standards and guidelines for the maintenance, management and accounting of reserves and reserve funds;

NOW THEREFORE the Council of The Corporation of the Town of Caledon ENACTS AS FOLLOWS:

Part 1 - General

1.1 The Reserves and Reserve Funds as set out in Schedule "A" attached hereto are hereby ratified and confirmed as Reserve Funds under the provisions of section 417 of the Municipal Act 2001, SO. 2001, C.25.

1.2 The Delegated authority as set out in Schedule "A" attached hereto is hereby approved by Council.

Part 2 - Transition

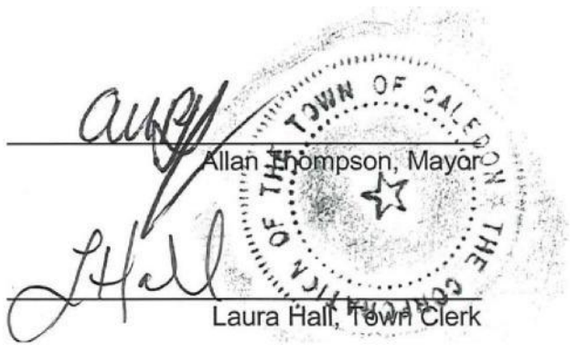
2.1 By-law's 80-57, 90-76, 99-129, 2003-160, 2005-170, 2008-11, 2010-029, 2010-074, 2011-092, 2011-017, 2013-042, and all amendments thereto are hereby repealed.

2.2 Any other by-laws or provisions in other by-laws found to be inconsistent with this By- law are hereby deemed to be repealed.

Enactment

This By-law shall come into full force and effect on the day of its passing.

Enacted by the Town of Caledon Council this 24th day of November, 2020.



Allan Thompson, Mayor

Laura Hall, Town Clerk

Reserve	Source of Funding	Purpose	Optimum Balance/Rationale for Levels Established	Rules of Use/Other Considerations
Reserves for Operating Purposes				
Reserves				
Administrative Monetary Penalty System (AMPS) Reserve	Contributions are received from the AMPS operating budget surplus.	To finance road safety initiatives.	No minimum balance is required for this reserve.	Council Resolution is required to draw from the reserve.
Caledon Public Library Board Donation and Bequests Reserve Fund	Contributions are received from cash donations and funds raised as part of the Caledon Library Board's fundraising strategy.	The Reserve Fund was established to receive and hold donations and bequests received by the Caledon Public Library until utilized to support special programs or initiatives outside of the annual operating budget.	No minimum balance is required for this reserve, the reserve will be utilized to support special programs or initiatives.	To be used in accordance with the Library Reserves Policy CPL-20-27 or Council Resolution.
Election Reserve	Contributions are received from Legislative Services Operating Budget	To finance future Town costs to administer municipal election	No minimum balance is required for this reserve as there are annual budgeted contributions to replenish and to mitigate the impact on the tax base.	Council Resolution is required to draw from the reserve.
Firefighter Post- Retirement Benefits Reserve	Contributions are received from operating surplus.	This reserve fund has been set up as per Staff Report 2018-025 to award post-retirement employment benefits to eligible full-time firefighters up-to age 65.	Minimum balance equal to most recent actuarial estimate is required. Reserve will be utilized to reduce impact on tax base in any given year.	Council Resolution is required to draw from the reserve.
Library Equipment Replacement Reserve	Contributions are received from net proceeds of sale of library equipment.	This reserve was established to provide funding for future replacement of library equipment without requesting additional funding from the tax base.	No minimum balance is required for this reserve.	To be used in accordance with the Library Reserves Policy CPL-20-27 or Council Resolution.
Library Reserve Fund	Funded through annual operating surplus for the library.	To augment any future budgetary shortfalls to reduce the impact on the taxpayer for any future library requests.	No minimum balance is required for this reserve.	To be used at the request of the Library Board.
Physician Recruitment and Retention Reserve Fund	Allocations, surpluses, or contributions approved by Council. Monetary donations, grants, or contributions received from external public or private partners specifically designated for physician recruitment.	To support multi-year strategic initiatives, partnerships, and financial incentive programs aimed at attracting and retaining family physicians and medical specialists within the Town of Caledon	No minimum balance is required for this reserve.	Commissioner of Planning and Development and Chief Financial Officer (CFO) are authorized to draw from reserve.
Stormwater Reserve	Developers pay the Town cash-in-lieu for stormwater maintenance and monitoring as a condition of subdivision approval.	In accordance with provincial regulation, to ensure the Town is maintaining and monitoring its stormwater infrastructure, the Town requires the developer to maintain and monitor stormwater facilities. If they cannot complete these duties, they have the opportunity to pay cash-in-lieu to the Town. The Town would then use this money to maintain and monitor.	No minimum balance is required for this reserve.	Treasurer is authorized to draw from this reserve, allocating the funds in accordance with the subdivision agreements.
Tax Funded Contingency Reserve	No annual contributions. Contributions are received through savings on tax funded capital projects, as well as through annual operating surplus.	To be used to meet cash flow requirements, funding for replacement of Town capital infrastructure and unforeseen contingencies throughout the year. Reserve may also be used to stabilize tax rate increase.	Target level is 5%-10% of the tax levy to provide for cash flow requirement plus amount sufficient to fund emergencies, asset replacement, unforeseen events or unrealized revenue and to stabilize tax program	Council Resolution is required for draw from reserve.
Tax Stabilization Reserve	No annual contributions. Funded through annual operating surplus.	To be used to meet cash flow requirements and unforeseen contingencies throughout the year. Reserve may also be used to stabilize tax rate increase.		Council Resolution is required for draw from reserve.
Discretionary				
Development Approvals Stabilization	Contributions are received through annual surplus from the Planning process when available	Established in 2011 for the purpose of providing funds for the processing of residential and non-residential subdivisions and condominiums by the municipal development staff.	In line with the Fee review presented to Council (Staff Report 2025-0192) the reserve fund target is equal to 1.5 times the annual costs associated with processing annual applications.	Treasurer is authorized to draw from reserve to offset the Planning and Development deficit in any given year and be subsequently reported to council in a yearend operating report.
Development Charge Exemptions & Discounts	Contributions are received through annual surplus from Development Charge Exemption & Discounts	Established as part of the 2014 operating budget for the Town's top-up of development charge reserves for future exemptions and discounts.	No minimum balance is required for this reserve as it is to be used for noncritical purpose and to mitigate the impact on Tax needs.	Treasurer is authorized to draw from reserve to offset deficit in any given year and be subsequently reported to council in the yearend council report.

Reserve	Source of Funding	Purpose	Optimum Balance/Rationale for Levels Established	Rules of Use/Other Considerations
Development Engineering Stabilization	Contributions are received through annual surplus from the Development Engineering Department.	Established in 2021 for the purpose of providing funds for the processing of residential and non-residential subdivisions and condominiums by Development Engineering Department. Fees are collected for subdivision development services and activities that span multiple years and is highly sensitive to economic trends. The reserve is established to set aside fees collected, which are reallocated to operations when associated work is performed to more accurately match revenues with expenses.	In line with the Fee review presented to Council (Staff Report 2025-0192) the reserve fund target is equal to 1.5 times the annual Development Engineering Application service expenditures in 10 years' time.	Treasurer is authorized to draw from reserve to offset the Development Engineering deficit in any given year and subsequently reported to council in a year-end operating variance report.
Group Benefit Stabilization	Surplus from Group Benefit Plan budget when available and as provided	This reserve was established in 2011 to mitigate higher health and dental claim payments that may occur in a future year. The Town is self-insured for its benefit plans meaning that it funds the plans at a pre-determined rate based on historical claim patterns. In a given year if we have a large spike in actual claims, this reserve is used to fund these initiatives.	No minimum balance is required for this reserve as it is to be used for noncritical purpose and to mitigate the impact on Tax needs.	Treasurer is authorized to draw from reserve to offset deficit in benefit expenses in any given year and be subsequently reported to council in a year-end council report. Reserve will continue to be funded by surplus from the Group Benefit Plan budgets when available.
Winter Maintenance	Contributions are received from annual operating budget as well any surplus from Winter Maintenance Operating Budget	This reserve has been set up per Council direction to provide winter maintenance funding as needed to offset unusual/severe winter maintenance costs.	Minimum balance of this reserve to be based on 5 years of average winter control cost is required to manage unforeseen needs.	Treasurer is authorized to draw from reserve to be used to offset deficit in the Winter Maintenance Operating Budget in any given year and be subsequently reported to council in the year-end council report.
Obligatory				
Building Permit Stabilization	Contributions are received through annual surplus from Building Services	This reserve was established from the 2005 implementation of the Building Code Statute Law Amendment Act (Bill 124). The purpose of the reserve is to allow a municipality to stabilize slow years in terms of building activity and permit revenue.	In line with the Fee review presented to Council (Staff Report 2025-0192) the reserve fund target is equal to 1.5 times the total yearly building code service expenditures by 2029.	The Treasurer is authorized to draw from reserve to offset deficit in Building Services division in any given year and be subsequently reported to council in a year-end council report.
Deferred Grant Funds	Contributions are received from unspent grant funds received by the Town	The Reserve Fund was established to receive and hold unspent grant funds received by the Town until utilized to according to the provisions of the applicable grant.	No minimum balance is required for this reserve, the reserve will be utilized according to the applicable grant provisions.	The Treasurer is authorized to draw from reserve to utilize the funds according to the grant provisions in any given year and be subsequently reported to council in a year-end council report.
Heritage Property	Contributions are received through unspent grant monies in annual budget regarding Designated Heritage Property Grant	Established in 2010 for the purpose of accumulating unspent grant monies in annual budgets relating to Designated Heritage Property Grant program and to supplement when required, grants relating to the Designated Heritage Property Grant program exceeding the current year's approved operating budget.	No minimum balance is required for this reserve as it is to be used for noncritical purpose and to mitigate the impact on Tax needs.	Council Resolution is required to draw from the reserve.
Reserves for Infrastructure Purposes				
Accessibility (previously tax rate stabilization)	Contributions are received from Corporate Accounts Operating Budget.	The balance of the funds in this reserve relate to accessibility contributions and will be used for accessibility issues.	No minimum balance is required for this reserve as it is to be used for noncritical purpose and to mitigate the impact on Tax needs.	Council Resolution is required to draw from the reserve.
Animal Shelter	Will be funded from Animal Shelter's Operating Budget and donations from the public.	This reserve was established by the Town to carry out the requirements to manage the funds received for the Shelter being held for future animal care.	No minimum balance is required for this reserve as it is to be used for noncritical purpose and to mitigate the impact on Tax needs	Council Resolution is required to draw from the reserve.
Building & Equipment Reserve	Contributions are received from divisional operating budgets such as Facilities, Engineering, Recreation and Corporate Account	Reserve will be used to provide funding for Building and equipment to mitigate impact on Tax base as estimated by Town's Asset Management Plan	No minimum balance is required for this reserve as there are annual budgeted contributions to replenish and to mitigate the impact on the tax base.	Council Resolution is required to draw from the reserve.
Corporate Energy	Contributions are received from Microfit revenue and repayment from various Operating Budgets in regards to retrofit project resulting in energy savings.	Established in 2008 to be used for Town Hall energy Efficiency retrofits.	Minimum balance of $50,000 is required for this reserve for potential repair and decommission of solar panels in 2032. Reserve is to be used to support the Town in meeting the aggressive energy and greenhouse gas emissions reduction targets as outlined in the Council approved Corporate Greenhouse Gas Reduction Framework.	Council Resolution is required to draw from the reserve.
Fitness Equipment Replacement	Contributions are received from 5.5% of Fitness membership revenue.	This reserve was established to provide funding for future replacement of fitness equipment without requesting additional funding from the tax base.	No minimum balance is required for this reserve as it is to be used for noncritical purpose and to mitigate the impact on Tax needs	Council Resolution is required to draw from the reserve.

Reserve	Source of Funding	Purpose	Optimum Balance/Rationale for Levels Established	Rules of Use/Other Considerations
Fleet Equipment	Contributions are received from Roads & Fleets Operating Budget and proceeds from sale of any Town equipment	Established in 1980 for equipment replacement related to capital fleet equipment.	No minimum balance is required for this reserve as it is to be used for noncritical purpose and to mitigate the impact on Tax needs.	Council Resolution is required to draw from the reserve.
Ice Resurfacer Reserve	Contributions are received through 3% of arena ice rental revenue.	To provide funding for Recreation Equipment	Minimum Balance targeted to replacement of 1 Ice Resurfacer is required to manage unforeseen needs.	Council Resolution is required to draw from the reserve.
Land Sales Reserve	Contributions are received from net proceeds of Sale of Town Property	For the Purchase of Town properties, the acquisition of lands, including an interest in lands other than the fee simple interest, for the provision of municipal capital facilities for Caledon and to assist Council in determining whether it is in the public interest to declare Caledon lands as surplus, and to prepare Caledon lands for sale where Council determines that it is in the public interest that the lands be declared to be surplus.	No minimum balance is required for this reserve as it is to be used for noncritical purpose and to mitigate the impact on Tax needs.	Council Resolution is required to draw from the reserve. Treasurer is authorized to deposit into the reserve fund all and any net funds received by Caledon as a results of the sale of any lands owned by Caledon and sold as surplus lands, and to authorize expenditures which would assist Council in determining whether it is in the public interest to declare Caledon lands as surplus and expenditures which would prepare Caledon lands for sale where Council determines that it is in the public interest that the lands be declared as surplus lands.
Tree Planting Reserve	Developers pay the Town cash-in-lieu for the removal of trees on their lands as a condition of approval.	To ensure the Town is maintaining its tree canopy, the Town either requires the developer to plant compensation trees on their lands for the trees identified for removal. If they cannot plant these trees on their property, they have the opportunity to pay CIL to the Town. The Town would then use this money to plant trees on public property.	No minimum balance is required for this reserve.	Council Resolution is required to draw from the reserve.
Discretionary				
Capital Asset Replacement Fund (previously Caledon Hydro)	Contributions are received from annual operating budget allocations for repayment of infrastructure repairs and replacement	This reserve was established are to be used for infrastructure repairs and replacements, the shortfall in the Debt Retirement Reserve Fund and to cash flow the capital program.	Targeted balance is equal to gap between previous year's tax capital and proposed target as result of preliminary Asset Management Plan. Reserve will be utilized to stabilize tax program.	Council resolution is required to draw from reserve and reserve will continue to be funded through annual operating budget. Draws above and beyond the annual contributions will be repaid so that the reserve is not depleted.
Cash in Lieu of Parking	Contributions are received from Payments in lieu of parking fees	This reserve was established per Council direction to provide funds to address the issue of parking in downtown Bolton.	No minimum or maximum balance is identified, reserve will be utilized to reduce impact on tax base in any given year.	Council resolution is required to draw from reserve. The use and collection of this reserve fund is restricted by By-law 2002-151.
Comprehensive Adaptive Management Plan (CAMP) Agreement	Contributions are received from CAMP Fees	This reserve was established for purpose of providing funds for equipment, services, and the environmental monitoring to be performed by Caledon as required by the Comprehensive Adaptive Management Plan for Mayfield West Phase 1.	No minimum or maximum balance is identified, to be used for annual CAMP monitoring.	Council Resolution is required to draw from the reserve.
Infrastructure Levy	Contributions received are based on annual infrastructure levy approved by Council.	This levy was established in 2024 in response to the identified funding gap related to the State of Good Repair (SOGR) requirements for town owned Capital assets and the available budget. The SOGR funding gap was determined from the Asset Management Plan, as part of O.Reg. 588/17. The SOGR funding requirements are based on approved levels of services, determined by the Town and the condition/performance of the capital assets.	Targeted balance is the annual gap as determined by a review of asset management infrastructure requirements.	Council resolution is required to draw from reserve.

Reserve	Source of Funding	Purpose	Optimum Balance/Rationale for Levels Established	Rules of Use/Other Considerations
Northwest Caledon Indoor Recreation Facility	Contributions are received from annual operating contribution from recreation	This reserve fund was established in 2014 as per Council resolution 2014-100. This is a capital reserve fund for the building of an indoor recreation facility in northwest Caledon to meet community needs resulting from the closure of the Caledon Central Pool.	No minimum or maximum balance is identified, reserve will be utilized to reduce impact on tax base in any given year.	Council Resolution is required to draw from the reserve.
Roads Capital	Contributions are received from Heavy Truckload Fees	This reserve was established for the purpose of providing funds for the repair and rehabilitation of Caledon roads resulting from the use of the roads for repeated delivery of fill for private purposes by heavy trucks.	Minimum Balance targeted to replacement of 1 km of Urban Reconstruction is required to mitigate pressure on Tax base and to provide emergency repair/replacement of Town's Road.	Council Resolution is required to draw from the reserve.
Obligatory				
Canada Community- Building Fund (previously Federal Gas Tax)	Contributions are received as per agreement with Association of Municipalities of Ontario and Region of Peel	This reserve fund was established as per the agreement between the Town and The Association of Municipalities of Ontario for transfer unspent/uncommitted Canada Community-Building Fund (previously Federal Gas Tax) Revenues to reserve and to be used for future capital work.	No minimum or maximum balance is identified, reserve will be utilized to reduce impact on tax base in any given year.	Council Resolution is required to draw from the reserve.
Development Charges	This reserve funds are comprised of development charges received through registered plans of subdivision and through individual land severances.	The reserve funds have been set up as per the Development Charges Act, 1997 (DCA) and it is restricted to its use	No minimum or maximum balance is identified, reserves are utilized for capital projects identified in the Development Charges Background Study.	The uses for these reserve funds are restricted by the Town of Caledon town-wide development charges by-law, Town area specific development charge by-laws and the Development Charges Act. The Treasurer is authorized to issue payments from these reserves for the utilization of credits if Development Charges were received from the applicable developer to the Town in advance of the Development Charge claims being approved by the Town as per the Development Charge Credit agreement.
Payment In Lieu of Parkland	Contributions are received from Payment in Lieu of Parkland Fees	This reserve fund has been set up as per Provincial legislation and it is restricted to its use by Provincial legislation, to be used for purchase of land used for recreational purposes, expenditures to fund the development of newly acquired lands for parkland and recreational use, to support the redevelopment of existing parks and recreational facilities, and to fund the non-growth component of growth-related capital projects for Parks Development and Recreation Facilities identified in the Town's Development Charges Background Study.	No minimum or maximum balance is identified, reserve will be utilized to reduce impact on tax base in any given year.	Council resolution is required to draw from reserve and reserve will continue to be funded through Payment In Lieu of Parkland fees less appraisal cost. The use and collection of this reserve fund is restricted by the Town Parkland Conveyance By- law.
Provincial Gas Tax - Transit	Contributions are received as per agreement with the Province of Ontario.	This reserve fund was established as per the agreement between the Town and The Province of Ontario for transfer unspent/uncommitted Federal Gas Tax Revenues to reserve and to be used for future transit work.	No minimum or maximum balance is identified, reserve will be utilized to reduce impact on tax base in any given year.	Council Resolution is required to draw from the reserve.

Interest will be allocated to Obligatory reserves as required and then all other Reserves pending the Town's year-end surplus.
Town will not go into deficit due to reserve interest allocation.
Remaining surplus after Interest allocation will be allocated to underfunded reserves as recommended by Town Treasurer.