

Reserve Review – Appendix D: Recommended Minimum and Maximum Reserve Limits

The recommended minimum and maximum reserve limits. If approved, changes will be made to the Bylaw to update the existing reserve limits.

Reserves	Current Minimum Limit	Current Maximum Limit	Recommended Minimum Limit	Recommended Maximum Limit	2017 Balance	Transfer Required	Methodology
Reserves with Increases to Their Limits (\$000s)							
Solid Waste Reserve (Note 1)	\$300	\$13,000	\$28,000	\$48,500	\$41,382	\$0	Min - Landfill liability plus MFOA best practice (20% of total expenses) Max - based on minimum balance plus peak year capital expenditures
Asset Revitalization Reserve	\$0	\$10,000	\$500	\$30,000	\$19,988	\$0	Min - based on past history Max - based on 5 year capital plan plus 1% capital contingency
General Utility Reserve	\$30,000	\$80,000	\$25,000	\$90,000	\$94,143	\$0	Min - MFOA best practices (20% of total expenses) Max - Peak year capital expenditures
Fleet Replacement Reserve	\$5,200	\$10,000	\$1,700	\$14,300	\$10,137	\$0	Min - Capital contingency of 1% of original fleet asset costs Max - Peak year capital expenditures
Planning & Sustainability Stabilization Reserve	\$500	\$7,000	\$1,700	\$13,000	\$3,826	\$0	Min - MFOA best practice (20% of total expenses) Max - Common practices (150% of total expenses)
Reserves with Decreases to Their Limits (\$000s)							
Employer-Provided Parking Reserve	\$400	\$6,000	\$200	\$3,500	\$1,712	\$0	Min - MFOA best practices (20% of total expenses) Max - Total cash flow for 5 year capital plan plus 1% capital contingency
Technology Reserve	\$400	\$3,000	\$100	\$1,000	\$792	\$0	Min and Max - Past history and risk
Winter Road Maintenance Reserve (Note 2)	\$3,500	\$3,900	\$1,000	\$2,000	\$8,690	\$4,690	Min- GFOA best practices (8% of 5 year average expenses) Max - GFOA (25% of 5 year average expenses)
Asphalt Plant Reserve	\$300	\$1,500	\$200	\$1,300	\$2,077	\$777	Min - MFOA best practices (20% of total expenses) Max - Total cash flow for 5 year capital plan plus 1% capital contingency
Facility Reserve	\$100	\$750	-	-	\$260	\$0	Recommended for closure in 2019
Reserves with Minor/No Changes to Their Limits (\$000s)							
General Fund Reserve (Note 3)	\$22,000	\$44,000	\$22,000	\$44,000	\$27,464	\$0	Min- GFOA best practices adjusted for past history, common practices (5% of budgeted general operating expenses); Max - 10% of budgeted general operating expenses

Reserves	Current Minimum Limit	Current Maximum Limit	Recommended Minimum Limit	Recommended Maximum Limit	2017 Balance	Transfer Required	Methodology
Election and Property Reassessment Reserve	\$0	\$800	\$0	\$800	\$642	\$0	Max - Based on expected elections and reassessment costs
Community Investments Grants Reserve	\$0	\$350	\$0	\$350	\$284	\$0	Min and max limits are based on past history
Golf Course Reserve	\$500	\$2,000	\$250	\$2,000	\$2	\$0	Min - MFOA best practices (20% of total expenses) Max - Total cash flow for 5 year capital plan plus 1% capital contingency
Cemetery Reserve	\$0	\$625	\$100	\$800	\$446	\$0	Min - MFOA best practices (20% of total expenses) Max - Total cash flow for 5 year capital plan plus 1% capital contingency
Land Development Reserve	\$2,000	\$12,000	\$2,000	\$12,000	(17,143)	\$0	Recommend to develop a long term financial model of revenue and expenses
Pest Management Reserve	\$0	\$700	-	-	\$520	\$520	Recommended for closure in 2018
Regina Police Service General Reserve	\$400	\$4,000	\$400	\$4,000	\$403	\$0	N/A
Regina Police Service Radio Equipment Reserve	\$100	\$6,000	\$100	\$6,000	\$218	\$0	N/A
RRI Stadium Reserve (Note 4)	N/A	N/A	N/A	N/A	\$6,441	\$0	N/A
Social Development Reserve (Note 5)	N/A	N/A	N/A	N/A	\$7,638	\$0	N/A
Total	\$65,700	\$205,625	\$83,150	\$273,550	\$209,923	\$5,987	

Notes:

1. The minimum and maximum limit of the Solid Waste Reserve will be recalculated annually based on changes to the present value of the landfill closure and post-closure liability. Only the portion of the limit related to the landfill closure and post-closure liability will be recalculated.
2. Council approved a transfer of \$2 million (CR17-138) from the Winter Road Maintenance Reserve (WRMR) to the SDR for the 2018 funding commitments for the Housing Incentives Policy program. This transfer was done in 2018 leaving the current balance of the WRMR at \$6.69 million.
3. The minimum and maximum limit of the General Fund Reserve will be recalculated annually as follows:
 - A minimum limit equal 5% of the City's actual annual general operating expenditures for the previous year.
 - A maximum limit equal to 10% of the City's actual annual general operating expenditures for the previous year.

4. Additional work will be done by Administration to review the updated stadium financial model in order to determine an appropriate limit for the RRI Stadium Reserve.
5. Limits are not established for Social Development Reserve at this time as there is no sustainable funding source for this reserve.