


Reserve Policy – Property Purchases Reserve		Corporate Services Department
Policy No: RES- 100035		
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POLICY STATEMENT	This Policy sets out the guidelines for the sources, uses and appropriate target level for the balance in the Property Purchases Reserve.
PURPOSE	To fund the acquisition of properties for civic purposes and to offset capital expenditures (i.e. surveying, due diligence, appraisal reports, site preparation and interim property management, etc.) associated with the sale and purchase of properties.
SCOPE	This Policy applies to all City employees who manage financial resources.
PRINCIPLES	<p>The following principles apply to this Policy:</p> <p>Authority:</p> <ul style="list-style-type: none"> • All transfers from the Property Purchases Reserve (100035) be approved by City Council either by a budget submission, by a separate Council report or by a Council motion. • The General Manager of Finance and Corporate Services has the authority to recommend the use of the Property Purchases Reserve or other reserves to Council to fund expense or revenue shortfalls. <p>The source of funds that are to be transferred to this Reserve include:</p> <ul style="list-style-type: none"> • Net proceeds (after Real Estate recovery fees) from sale or lease of lands and buildings vested in the City of Hamilton. • Year-end operating budget surplus, subject to final approval of the City Administration’s report by Council. • Repayment of principal plus interest for any internal borrowings from the reserve as per policies and procedures. • Remaining balances in reserves approved for closure. • Investment income earned on the reserve’s balance as per policies and procedures. • One time unexpected sources of operating revenues. <p>The use of funds from this Reserve is permitted if other sources of funding are not available. Uses may include:</p> <ul style="list-style-type: none"> • To finance the acquisitions of properties for civic purposes. • To offset expenditures (i.e. staffing recovery amounts, surveying, appraisal reports, due diligence, site preparation and demolition and interim property management and interim building maintenance, etc.) related to the purchase of property. • To fund real estate elements of large capital projects.

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RESERVE BALANCE TARGET LEVEL	The balance in the reserve has a target level %, target level \$ and ceiling as follows: Minimum Target Level: 100% of Annual Real Estate Operating Budget Costs (\$1M for 2018) plus \$2M for a total of \$3M	
GOVERNING LEGISLATION	There is no legislation governing the use of this Reserve.	
RESPONSIBILITY FOR THE POLICY	Corporate Services Department Director of Financial Planning, Administration and Policy	
POLICY HISTORY	This Reserve Policy replaces the general reserve policies that were approved by Council in May 2014 in Report FCS14028.	