

<b>Reserve Policy– General Facility Capital Reserve</b>	 Hamilton	<b>Corporate Services Department</b>
Policy No: 108039		
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<b>POLICY STATEMENT</b>	This Policy sets out the guidelines for the sources, uses and appropriate target level for the balances in the General Facility Capital Reserve (108039).
<b>PURPOSE</b>	To ensure the long-term viability of the City’s capital assets which fall under the Facilities portfolio.
<b>SCOPE</b>	<p>This Policy applies to all City employees that manage financial resources.</p> <p>The Reserve provides Council and Administration with the opportunity to replace, improve, and / or maintain assets where funding from the City’s capital budget or other sources, including funding from senior levels of government, is insufficient.</p>
<b>PRINCIPLES</b>	<p>The following principles apply to this Policy:</p> <p><b>Authority:</b></p> <ul style="list-style-type: none"> <li>• All transfers from the General Facility Capital Reserve (108039) are to be approved by City Council either by a budget submission, a separate Council report or a Council motion.</li> <li>• The General Manager of Finance and Corporate Services has the authority to recommend the use of the General Facility Capital Reserve or other reserves to fund expenditure or revenue shortfalls.</li> </ul> <p>The <b>source of funds</b> that are to be transferred to this Reserve include but are not limited to:</p> <ul style="list-style-type: none"> <li>• Provision for reserve contribution from the City Operating Budget, subject to final approval from the General Manager of Finance and Corporate Services.</li> <li>• Investment income earned on the reserve’s balance as per policies and procedures.</li> </ul> <p>The <b>use of funds</b> from this Reserve to support the viability of the City’s facility capital assets are permitted if other sources of funding are not available. Uses may include:</p> <ul style="list-style-type: none"> <li>• To fund replacement of existing facility infrastructure.</li> <li>• To fund improvements to existing facility infrastructure.</li> <li>• To fund maintenance of existing facility infrastructure.</li> </ul>

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<b>RESERVE BALANCE TARGET LEVEL</b>	The balance in the Reserve has a target level of 2% (\$30M 2018) of the City’s facilities asset replacement value less the City’s annual facilities block allocation in the City’s Capital Budget Plan.		
<b>GOVERNING LEGISLATION</b>	N/A		
<b>RESPONSIBILITY FOR THE POLICY</b>	Corporate Services Department Director of Financial Planning, Administration and Policy		
<b>POLICY HISTORY</b>	This Reserve Policy replaces the general reserve policies that were approved by Council in May 2014 in Report FCS14028.		