



THE CORPORATION OF THE CITY OF VERNON

MEMORANDUM

TO: Patti Bridal, Chief Administrative Officer **FILE:** 1830-02 (2024)
PC: Elma Hamming, Director, Financial Services **DATE:** March 27, 2024
FROM: Terry Martens, Manager, Financial Planning & Reporting
SUBJECT: 2024 PROJECTED RESERVE BALANCES

Administration reported on the 2023 year-end results at the March 25, 2024 regular Council meeting and indicated the 2024 projected reserve balances would be provided at the next Council meeting.

As of December 31, 2023, after consideration for the 2023 to 2024 Carryovers there was a total balance of \$76,799,994 available.

The 2024 budget included \$2,753,330 transferred from reserves for operating purposes, \$17,008,076 transferred to reserves, and \$30,302,239 transferred from reserves for one-time projects, leaving a remaining total reserve balance of \$60,752,501 available for future expenditures prior to inclusion of amendments.

This balance is approximately \$19.1 million higher than the projected total balance presented when the proposed 2024 budget was presented to Council in December. This is due to some year-end transfers to reserves being higher than expected; 2023 DCC additions; interest being applied to the Gas Tax Reserve, Statutory Reserves and DCC's; projects completed under budget – releasing some reserve commitments; and the postponement of the Kin Race Track Park project.

Subsequent to the Financial Plan bylaw adoption, there were Council resolutions up to the meeting of March 25, 2024 resulting in budget amendments. As of March 25, 2024, net budget amendments totalled \$16,044,057, leaving a remaining total reserve balance of \$44,708,444 which is comprised of the following:

- General Reserves \$22,130,793
- Sewer Reserves \$ 5,384,152
- Statutory Reserves \$ 5,865,015
- Deferred Revenue \$11,328,514

RECOMMENDATION:

THAT Council receive for information the memorandum titled "2024 Projected Reserve Balances" dated March 27, 2024 and respectfully submitted by the Manager, Financial Planning & Reporting.

Respectfully submitted:



Attachment 1 – Reserve Accounts Continuity Projections

Approved for the Agenda by the CAO



ATTACHMENT 1

RESERVE ACCOUNTS CONTINUITY PROJECTIONS

	ACTUAL		AVAILABLE BALANCES	2024 APPROVED BUDGET		PROJECTED BALANCE		PROJECTED BALANCE	
	RESERVE BALANCES DEC 31/23	CARRYOVERS 2023 TO 2024		OPERATING		PROJECTS TRANSFERS OUT	BEFORE AMENDMENTS DEC 31/24	YTD AMENDMENT TOTAL	WITH YTD AMENDMENTS DEC 31/24
				TRANSFERS OUT	TRANSFERS IN				
OPERATING GROUP									
Abandoned Camp Reserve	10,661		10,661				10,661	0	10,661
Emergency Planning	24,004		24,004				24,004	0	24,004
Mural Maintenance	119,429	(92,163)	27,266	(10,000)	10,000		27,266	0	27,266
Arts and Culture	20,982		20,982				20,982	0	20,982
	175,076	(92,163)	82,913	(10,000)	10,000	0	82,913	0	82,913
TAX EQUALIZATION GROUP									
Insurance Proceeds	534,740		534,740				534,740	(534,740)	(0)
Snow Removal	540,960		540,960				540,960	0	540,960
Development Excess Revenue	3,831,957	(436,222)	3,395,735	(528,921)			2,866,814	(1,273,413)	1,593,401
RCMP Contingency	2,075,740		2,075,740	(512,806)			1,562,934	0	1,562,934
Election	61,185		61,185		30,000		91,185	0	91,185
Legal Fees	200,000		200,000				200,000	0	200,000
Salary	763,820		763,820				763,820	0	763,820
COVID-19 Safe Restart Grant	244,352	(73,000)	171,352	(141,079)			30,273	(30,000)	273
	8,252,754	(509,222)	7,743,532	(1,182,806)	30,000	0	6,590,726	(1,838,153)	4,752,573
CAPITAL GROUP									
Data Processing	306,177	(306,177)	0				0	0	0
Civic Buildings	296,189		296,189		30,465		326,654	0	326,654
Casino Grant	4,165,462	(3,048,137)	1,117,325		1,950,000	(1,960,000)	1,107,325	(511,637)	595,688
Vehicles & Equipment	2,972,788	(1,320,665)	1,652,123		884,796	(788,000)	1,748,919	0	1,748,919
Fire Apparatus Reserve	816,271		816,271		360,500	(1,200,000)	(23,229)	0	(23,229)
Fire Equipment Reserve	367,338	(60,000)	307,338		107,464	(105,000)	309,802	0	309,802
Infrastructure Reserve	7,202,078	(6,593,339)	608,739		7,219,373	(7,327,416)	500,696	0	500,696
Polson Park Reserve	89,291		89,291				89,291	0	89,291
IS Equipment Reserve	943,883	(191,759)	752,124		324,165	(428,650)	647,639	0	647,639
MFA Refund Res - General	109,080	(109,080)	0				0	0	0
Fortis BC Gas LILO Bylaw	102,996		102,996				102,996	0	102,996
RCMP Building Reserve	2,171,504	(98,849)	2,072,655				2,072,655	(2,000,000)	72,655
Ice Plant Equipment	53,858		53,858		12,000		65,858	0	65,858
Hesperia Landfill Reserve	397,993		397,993		100,000		497,993	0	497,993
Recreation IT Equipment	30,385		30,385	(21,842)	21,755		30,298	0	30,298

RESERVE ACCOUNTS CONTINUITY PROJECTIONS

	ACTUAL		AVAILABLE BALANCES	2024 APPROVED BUDGET		PROJECTED BALANCE		PROJECTED BALANCE	
	RESERVE	CARRYOVERS 2023 TO 2024		OPERATING		PROJECTS	BEFORE	YTD	WITH YTD
	BALANCES			TRANSFERS	TRANSFERS	TRANSFERS	AMENDMENTS	AMENDMENT	AMENDMENTS
	DEC 31/23		OUT	IN	OUT	DEC 31/24	TOTAL	DEC 31/24	
Rec Vehicle & Equipment	328,074	(260,000)	68,074		25,500		93,574	0	93,574
CWF Gas Tax	8,019,525	(3,933,762)	4,085,763		1,902,817	(3,357,829)	2,630,751	0	2,630,751
Kin Race Track Park reserve	9,497,138		9,497,138				9,497,138	(4,000,000)	5,497,138
Airport Reserve	268,548		268,548				268,548	0	268,548
Cemetery Development Reserve	214,007		214,007				214,007	0	214,007
	38,352,584	(15,921,768)	22,430,816	(21,842)	12,938,835	(15,166,895)	20,180,914	(6,511,637)	13,669,277
SPECIAL PURPOSE & LEGACY GROUP									
Affordable Housing	452,475		452,475		75,000		527,475	(32,822)	494,653
Emergency Response	27,526	(27,526)	0				0	0	0
Transit Expansion	1,948,751		1,948,751			(87,000)	1,861,751	(1,000,000)	861,751
Hotel Tax	1,080,818		1,080,818	(337,455)	25,000		768,363	0	768,363
Provincial Climate Action Deferred	396,075		396,075		208,000	(103,000)	501,075	(379,000)	122,075
Climate Action Revolving Fund	803,339		803,339				803,339	0	803,339
Ammonia Chloride Reserve	59,867		59,867	(1,200)			58,667	0	58,667
Fortis BC Gas Lease Legacy	90,458		90,458				90,458	0	90,458
Parks Reserve	168,902		168,902				168,902	0	168,902
Extreme Wildfire	45,325		45,325				45,325	0	45,325
Unexpended Uncommitted Balance	6,154,194	(508,612)	5,645,582	(220,000)		(756,000)	4,669,582	(3,765,395)	904,187
Temporary Internal Borrowing (ALC)	(5,539)		(5,539)	(748,100)			(753,639)	0	(753,639)
	11,222,191	(536,138)	10,686,053	(1,306,755)	308,000	(946,000)	8,741,298	(5,177,217)	3,564,081
BUDGET CARRYOVERS									
Budget Carry-Over General	654,152	(654,152)	0				0	0	0
Heritage Program	22,439		22,439				22,439	0	22,439
Special Projects	39,480		39,480				39,480	0	39,480
	716,071	(654,152)	61,919	0	0	0	61,919	0	61,919
TOTAL GENERAL RESERVES	58,718,676	(17,713,443)	41,005,233	(2,521,403)	13,286,835	(16,112,895)	35,657,770	(13,527,007)	22,130,763
SEWER									
MFA Refund Reserve - Sewer	1,070,934		1,070,934			(435,000)	635,934	0	635,934
Sewer General	11,027,284	(4,212,568)	6,814,716		2,677,241	(5,354,160)	4,137,797	0	4,137,797
RDNO Dump Site	53,016		53,016				53,016	0	53,016

RESERVE ACCOUNTS CONTINUITY PROJECTIONS

	ACTUAL		AVAILABLE BALANCES JAN 01/24	2024 APPROVED BUDGET			PROJECTED BALANCE		PROJECTED BALANCE	
	RESERVE BALANCES DEC 31/23	CARRYOVERS 2023 TO 2024		OPERATING		PROJECTS	BEFORE AMENDMENTS DEC 31/24	YTD AMENDMENT TOTAL	WITH YTD AMENDMENTS DEC 31/24	
				TRANSFERS OUT	TRANSFERS IN	TRANSFERS OUT				
Septage Facility	557,405		557,405				557,405	0	557,405	
	12,708,639	(4,212,568)	8,496,071	0	2,677,241	(5,789,160)	5,384,152	0	5,384,152	
TOTAL GENERAL & SEWER RESERVES	71,427,315	(21,926,011)	49,501,304	(2,521,403)	15,964,076	(21,902,055)	41,041,922	(13,527,007)	27,514,915	
STATUTORY RESERVES & DEFERRED REVENUE										
Highway Access to Water	1,008,449		1,008,449	0	0	0	1,008,449	0	1,008,449	
Land Sale	498,920		498,920				498,920	0	498,920	
Local Improvement	672,157	(5,067)	667,090			(200,000)	467,090	0	467,090	
Parkland	287,754		287,754				287,754	0	287,754	
Growing Communities Fund	10,003,383	(1,400,000)	8,603,383			(3,657,950)	4,945,433	(2,517,050)	2,428,383	
Works Contributions	2,215,807		2,215,807				2,215,807	0	2,215,807	
Rec Facility Major Maint	953,167	(252,742)	700,425		1,044,000	(899,184)	845,241	0	845,241	
Rec Facility Operating	393,989	(64,811)	329,178				329,178	0	329,178	
DCC Roads	4,455,450	(836,688)	3,618,762			(2,707,050)	911,712	0	911,712	
DCC Storm	2,235,986	(572,926)	1,663,060			(886,000)	777,060	0	777,060	
DCC Sewer Collection	1,786,859	(135,245)	1,651,614			(50,000)	1,601,614	0	1,601,614	
DCC Sewer Treatment	1,305,512		1,305,512	(231,927)			1,073,585	0	1,073,585	
DCC Sewer Disposal	2,767,570		2,767,570				2,767,570	0	2,767,570	
DCC City Parks	1,981,166		1,981,166				1,981,166	0	1,981,166	
	30,566,169	(3,267,479)	27,298,690	(231,927)	1,044,000	(8,400,184)	19,710,579	(2,517,050)	17,193,529	
TOTAL RESERVES & DEFERRED REVENUES	101,993,484	(25,193,490)	76,799,994	(2,753,330)	17,008,076	(30,302,239)	60,752,501	(16,044,057)	44,708,444	