

**AMENDING AND ADDITIONS AGENDA FOR THE REGULAR MEETING OF
THE COUNCIL OF THE TOWN OF ONOWAY
HELD ON THURSDAY, AUGUST 11, 2022 IN THE COUNCIL CHAMBERS OF THE
ONOWAY CIVIC CENTRE AND VIRTUALLY VIA ZOOM
COMMENCING AT 9:30 A.M.
MEETING IS BEING AUDIO/VIDEO RECORDED**

7. ACTION ITEMS

A91-20 b) Reserve Policy – An **amended** Reserve Policy is attached.

Recommendation:

*that Council approve the Reserve Policy as presented
or
some other direction as given by Council at meeting time*

A92-22 h) Computer Purchase - A Request for Decision is attached.

Recommendation:

*that Council approve option one, replacing and adding to the town's
computer infrastructure
or
some other direction as given by Council at meeting time*

A923 i) AB Munis Convention – September 21-23, 2022 – A Request for Decision is attached.

Recommendation:

*that Council as a whole attend the 2022 AB Munis Convention in
Calgary
or
some other direction as given by Council at meeting time*

Policy

Financial Reserves

Policy Statement

A Reserve Policy is a prudent business practice that will enhance the Town of Onoway's financial strength, flexibility, cash flow management, and ability to achieve the Council Vision and the Strategic Plan priorities.

A Reserve Policy is required to establish, maintain and manage Reserve funds that:

- maintain and improve Onoway's working capital requirements;
- provide for future funding requirements; and
- provide stabilization for fluctuations in operating and capital activities.

Purpose

The purpose of this policy is to maintain consistent standards and guidelines for the management of Reserves and execution of Reserve Transactions, and to ensure that all Reserve Transactions are approved by Council and carried out in accordance with Council's approval.

Definitions

1. **Committed Balance** - Financial Reserves policy to be applied towards specific expenditures.
2. **Designated Balance** - Funding designated to Reserves for a specific purpose, which has not yet been approved by Council to be applied towards specific expenditures.
3. **Infrastructure Lifecycle, Maintenance and Replacement Reserves** - A reserve description for reporting which captures all reserves that tie to Infrastructure Lifecycle, Maintenance and Replacement of Onoway tangible capital assets.
4. **Optimal Balance** - Where applicable, Reserves will require a minimum or maximum recommended balance for the Reserve. These recommendations will be a formula based on adequate levels to maintain services as determined by departments, endorsed by the CAO, and approved by Council.
5. **Projects Reserves** - A Reserve roll up description for reporting which captures all Reserves that tie to the non-cyclical Reserve needs of departments including operating and capital projects.
6. **Redesignation of Reserve Funds** - The process to change the purpose of Reserved funds from one Reserve to another.

7. **Release of Reserve Funds** – Reserve funds for which the purpose has been fulfilled or changed and is consequently closed. Any funding resulting from the release of a Reserve will be identified for redesignation to another Reserve or general surplus.
8. **Reserve** – Reserves are created when funds are set aside (designated) for a future purpose. Funds within a Reserve are restricted and will be applied as outlined in the approved Reserve Description.
9. **Reserve Description** – A listing of Reserve Descriptions is found in Schedule "B" of this policy. Each Reserve Description contains the following:
 - the overall purpose of the Reserve;
 - the source of the Reserve funds;
 - when the Reserve can be accessed (the application);
 - the duration; and
 - interest entitlement.
10. **Reserve Transaction** – The following activity is considered a Reserve Transaction:
 - contributions to the Reserve from internal or external sources
 - withdrawals from the Reserve to fund expenditures
 - Redesignation of the Reserve Funds
 - Release of the Reserve Funds.
11. **Special Purpose Reserves** – A Reserve roll up category for reporting which captures unique Reserves that have a one to one relationship with the Reserve Description. For these Reserves, a policy is in place as referenced in the Reserve Description, or external influences are a factor.
12. **Stabilization and Contingency Reserves** - A Reserve roll up category for reporting which captures all Reserves that maintain funds to aid in stabilizing and smoothing the temporary impact of unforeseen events, or planned fluctuations in activity.

Guidelines

1. All Reserve Transactions will be ratified by Council.
2. All Reserves will be administered in accordance with current municipal policies and the Public Sector Accounting Standards.
3. All Reserves must fall under the operating or capital Reserves and be classified with a Description. The establishment of a new Reserve, which will require a new Reserve Description, must be approved by Council.
4. Reserves will be funded from internal or external sources as defined in the Reserve Descriptions.
5. Funding to and from the Reserve will be approved through Council via:
 - existing municipal policies;
 - the annual budget process;
 - the year end Reserve request and approval process;
 - the approved Reserve Description; or
 - Council resolution.
6. As part of the year end Reserve request and approval process, any potential Release of Reserve Funds or Redesignation of Reserve Funds will be identified.

7. Interest earnings will be applied to the Reserves which have been deemed interest bearing as indicated in the Reserve Description.
8. Reporting
 - Regular reporting on the Reserves will occur through the quarterly management report. The quarterly reporting will indicate the total of Reserves as grouped in the four Reserve roll up categories, and will include the current balance, segregated between Committed Balance and Designated Balance.
 - The Consolidated Financial Statements of the Town report Reserves within accumulated surplus, along with equity in tangible capital assets and unrestricted surplus (deficit).

ATTACHMENTS:
Schedule "A" Reserve Descriptions

Policy Record

Date of Approval by Council: August 11, 2022

Next Review Date: August 11, 2025

Last Review Date: Aug 11, 2022

Administrative Review: CAO

SCHEDULE A
Onway Financial Reserves

Reserve Descriptions

Municipal Reserves

Stabilization and Contingency Reserves

R2) Stabilization and Contingency Reserve

Projects Reserves

R3) Year End Carry Forwards – Municipal Reserve

R4) Municipal Projects Reserve

Infrastructure Lifecycle, Maintenance and Replacement Reserves

R5) Municipal Infrastructure Lifecycle, Maintenance and Replacement Reserve

Special Purpose Reserves

R6) Council Priority Funds

R7) Public Reserve Trust

R8) General Land

R 9) Municipal Levy Debt Repayment Reserve

R10) Major Recreation

R 11) Community / Cultural Development Fund

R12) Internal Financing

Utilities Reserves

Stabilization and Contingency Reserves

RU1) Utility Rate Stabilization and Contingency

Projects Reserves

RU2) Year End Carry Forwards – Utilities Reserve

RU3) Utilities Projects Reserve

Infrastructure Lifecycle, Maintenance and Replacement Reserves

RU4) Utilities Infrastructure Lifecycle, Maintenance and Replacement Reserve

Special Purpose Reserves

RU5) Utility Levy Debt Repayment Reserve

Financial Reserves – Description R2	
Type:	Municipal
Roll up Category:	Stabilization and Contingency Reserve
Name:	Stabilization and Contingency Reserve
Purpose:	To provide funds to smooth the future property tax dollar increases in periods of high inflation, to stabilize fluctuations in operating and capital activity, to address the risk of revenue or expenditure volatility; to stabilize the temporary impact of unforeseen, non-recurring, emergent, one-time expenditures or losses of revenue; and to ensure the orderly provision of services to citizens. Examples of these contingencies would include, but not be limited to, Unforeseen Climatic Conditions and Protective Services Extraordinary Circumstances.
Source of Funding:	<ul style="list-style-type: none"> a) Budgeted transfers as approved by Council. b) Allocation of the Year-End Operating surplus as approved by Council c) Released funds from the Year End Carry Forwards – Municipal Reserve. d) Gains received from the sale of investments by virtue of this Reserve Description are authorized to be transferred to this Reserve e) Other sources as approved by Council.
Application:	Funds from this Reserve will be used for stabilizing periods of high inflation or other items that would result in volatility of future property tax dollar requirements, and for stabilizing unbudgeted impacts resulting from unanticipated events. Examples are unforeseen increases in emergency response costs, unforeseen climatic conditions, reductions in the carrying cost of investments, losses incurred due to assessment changes, extraordinary events, insurance premiums and/or deductible payment fluctuations, or other items that would result in an overall deficit to the municipal operation.
Duration:	Ongoing
Interest Bearing:	No

Financial Reserves – Description R3	
Type:	Municipal
Roll up Category:	Projects Reserves
Name:	Year End Carry Forwards – Municipal Reserve
Purpose:	To carry the funding for specific operating programs and projects where the service or acquisition was not completed or received by year end, but will occur in the following year, to eliminate the requirement to re-budget or cancel partially completed projects.
Source of Funding:	<p>The funding required to complete a specific program or project which was previously approved by Council in the operating budget and will need to continue into the following year.</p> <p>Budgeted operating projects to be funded by reserve not completed in the current budget year are authorized to be transferred to this reserve by virtue of this Reserve Description.</p>
Application:	Funds from this Reserve will be used to fund expenditures for the intended purpose as included in the budget approved by Council.
Duration:	<p>a) Projects or programs not completed in the fiscal year they were budgeted will be carried forward as part of the annual Reserve request and approval process.</p> <p>b) Any project that has not been completed within one year of being carried forward will be automatically released unless decided otherwise at the direction of the Chief Commissioner. By virtue of this Reserve Description, balances from the released funds will be redesignated into the Stabilization and Contingency Reserve.</p>
Interest Bearing:	No

Financial Reserves – Description R4	
Type:	Municipal
Roll up Category:	Projects Reserves
Name:	Municipal Projects Reserve
Purpose:	To provide funding for operating and capital multi-year projects that will be undertaken in the future, to build funding for non-annual programs, and to assist in meeting future funding requirements for projects
Source of Funding:	<ul style="list-style-type: none"> a) Annual budget transfers as approved by Council. b) Allocation of the Year-End Operating surplus as approved by c) Proceeds received from the sale of disposed assets by virtue of this Reserve Description are authorized to be transferred to this Reserve d) Other sources as approved by Council.
Application:	This Reserve will be used to fund expenditures relating to the specific projects as originally presented to Council, or approved through the budget.
Duration:	Ongoing
Interest Bearing:	No

Financial Reserves – Description R5	
Type:	Municipal
Roll up Category:	Infrastructure Lifecycle, Maintenance and Replacement Reserve
Name:	Municipal Infrastructure Lifecycle, Maintenance and Replacement Reserve
Purpose:	<p>To provide funds for Infrastructure Lifecycle, Maintenance and Replacement projects including, but not limited to:</p> <ul style="list-style-type: none"> a) Meeting future municipal requirements for existing assets b) The scheduled replacement, refurbishment and maintenance of the Town of Onaway's vehicle fleet c) The overlay and construction of arterial roads in the Urban Services Area d) Annual equipment replacement programs
Source of Funding:	<ul style="list-style-type: none"> a) Budgeted transfers as approved by Council b) Allocation of the Year-End Operating surplus as approved by Council c) Proceeds received from the sale of disposed infrastructure lifecycle assets by virtue of this Reserve Description are authorized to be transferred to this Reserve d) Other sources as approved by Council
Application:	This Reserve will be used to fund the replacement, refurbishment and maintenance of the Town of Onaway's infrastructure assets as approved through the budget, or as presented to Council to smooth out fluctuation impacts in annual costs.
Duration:	Ongoing
Interest Bearing:	No

Financial Reserves – Description R6	
Type:	Municipal
Roll up Category:	Special Purpose Reserves
Name:	Council Priority Funds
Purpose:	To assist with the management of Council Priority Funds
Duration:	Ongoing
Interest Bearing:	No

Financial Reserves – Description R7

Type:	Municipal
Roll up Category:	Special Purpose Reserves
Name:	Public Reserve Trust
Purpose:	To set aside proceeds from the sale of public reserve
Application:	Funds from this Reserve may be applied as per Council direction
Duration:	Ongoing
Interest Bearing:	No

Financial Reserves – Description R8	
Type:	Municipal
Roll up Category:	Special Purpose Reserves
Name:	General Land
Purpose:	To set aside funds to acquire and maintain lands for the General Land Reserve
Application:	The General Land Reserve may be used to fund the acquisition and maintenance of lands classified under the General Lands Inventory
Duration:	Ongoing
Interest Bearing:	No



Financial Reserves – Description R9	
Type:	Municipal
Roll up Category:	Special Purpose Reserves
Name:	Municipal Levy Debt Repayment Reserve
Purpose:	To set aside funds for the repayment of approved municipal levy supported debentures.
Source of Funding:	This Reserve will be funded from off-site developer levy revenues for approved levy debt. By virtue of this Reserve Description, municipal levy developer revenue is authorized to be transferred to the Municipal Levy Debt Repayment Reserve in accordance with approved capital project funding, municipal levy debt bylaws or to repay interim financing.
Application:	This Reserve will be used to repay the principal and interest of outstanding approved levy debentures over the term of the debt, in accordance with approved municipal levy debt (borrowing) bylaws.
Duration:	Ongoing
Interest Bearing:	No

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Financial Reserves – Description R10	
Type:	Municipal
Roll up Category:	Special Purpose Reserves
Name:	Major Recreation Debt Repayment Reserve
Purpose:	To set aside funds for the repayment of approved debentures applied towards the construction of recreation facilities
Source of Funding:	This Reserve may be funded from Major Recreation Facility contributions. By virtue of this Reserve Description, Recreation Facility contribution revenues are authorized to be transferred to the Facility Debt Repayment Reserve in accordance with approved capital project funding and municipal levy debt bylaws.
Application:	This Reserve will be used to repay the principal and interest of outstanding debentures applied towards the construction of Recreation Facilities over the term of the debt.
Duration:	Ongoing
Interest Bearing:	No

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Financial Reserves – Description R11	
Type:	Municipal
Roll up Category:	Special Purpose Reserves
Name:	Community/Culture Development Fund
Purpose:	To provide funds that will assist in the delivery of cultural services by community organizations and Recreation, Parks & Culture.
Source of Funding:	<ul style="list-style-type: none"> a) Budgeted transfers as approved by Council. b) Allocation of the Year-End Operating surplus as approved by Council c) Donations and fund raising d) Other sources as approved by Council.
Application:	This Reserve will be used to provide funding assistance to foster, strengthen and support arts, culture and heritage development of our community, and to fund the Public Art program. Examples of such initiatives include but are not limited to: art conservation and maintenance, education and awareness, temporary exhibits and special events, community public art, and Public Art Plan updates.
Duration:	Ongoing
Interest Bearing:	No

Financial Reserves – Description R12	
Type:	Municipal
Roll up Category:	Special Purpose Reserves
Name:	Internal Financing
Purpose:	To provide funds for internal financing of approved projects.
Source of Funding:	<ul style="list-style-type: none"> a) Budgeted transfers as approved by Council. b) Allocation of the Year-End Operating surplus as approved by Council c) Other sources as approved by Council.
Application:	This Reserve will be used as a source of funds for the internal financing of operating and capital projects as approved by Council, in accordance with Policy FIN-001-025 Debt Management Policy, guideline 9.
Duration:	Ongoing
Interest Bearing:	No

Financial Reserves – Description RU1	
Type:	Utilities
Roll up Category:	Stabilization and Contingency Reserves
Name:	Utility Rate Stabilization and Contingency
Purpose:	To stabilize solid waste, water, and wastewater rates in the event of unforeseen, non-recurring, emergent expenditures or losses of revenue; to stabilize fluctuations in operating and capital activity; and to address the risk of revenue or expenditure volatility.
Source of Funding:	<ul style="list-style-type: none"> a) Budgeted transfers as approved by Council. b) Allocation of the Year-End Operating surplus as approved by Council c) Other sources as approved by Council.
Application:	Funds from this Reserve will be used to smooth the impact of utility rate increases within the annual operating budget, and for stabilizing unbudgeted impacts resulting from the unanticipated events.
Duration:	Ongoing
Interest Bearing:	No

Financial Reserves – Description RU2	
Type:	Utilities
Roll up Category:	Projects Reserves
Name:	Year End Carry Forwards – Utilities Reserve
Purpose:	To carry the funding for specific operating programs and projects where the service or acquisition was not completed or received by year end, but will occur in the following year, to eliminate the requirement to re-budget or cancel partially completed projects.
Source of Funding:	The funding required to complete a specific project or program which was previously approved by Council in the operating budget and will need to continue into the following year.
Application:	Funds from this Reserve will be used to fund expenditures for the intended purpose as included in the budget approved by Council.
Duration:	<ul style="list-style-type: none"> a) Projects or programs not completed in the fiscal year they were budgeted will be carried forward as part of the annual Reserve request and approval process. b) Any project that has not been completed within one year of being carried forward will be automatically released into the Utilities Infrastructure Lifecycle, Maintenance and Replacement Reserve, unless decided otherwise at the direction of the Chief Administrative Officer
Interest Bearing:	No

Financial Reserves – Description RU3	
Type:	Utilities
Roll up Category:	Projects Reserves
Name:	Utilities Projects Reserve
Purpose:	To provide funding for operating and capital multi-year projects that will be undertaken in the future, to build funding for non-annual programs, and to assist in meeting future funding requirements for projects
Source of Funding:	<ul style="list-style-type: none"> a) Budgeted transfers as approved by Council. b) Allocation of the Year-End Operating surplus as approved by Council c) Other sources as approved by Council.
Application:	This Reserve will be used to fund expenditures relating to the specific projects as originally presented to Council or approved through the budget.
Duration:	Ongoing
Interest Bearing:	No

Financial Reserves – Description RU4	
Type:	Utilities
Roll up Category:	Infrastructure Lifecycle, Maintenance and Replacement Reserves
Name:	Utilities Infrastructure Lifecycle, Maintenance and Replacement Reserve
Purpose:	<p>To provide funds to assist in meeting future requirements for the expansion, replacement, refurbishment and maintenance of tangible capital assets managed by Utility Operations.</p> <p>These requirements include, but are not limited to:</p> <ul style="list-style-type: none"> a) water transmission and distribution systems; b) wastewater collection, trunk and storm systems; c) solid waste systems; and d) related supplemental works as may be required from time to time
Source of Funding:	<ul style="list-style-type: none"> a) Budgeted transfers as approved by Council. b) Allocation of the Year-End Operating surplus as approved by Council c) Release of Reserve balances not used in the Year End Carry Forwards – Utilities Reserve. d) Proceeds received from the sale of disposed infrastructure lifecycle assets by virtue of this Reserve Description are authorized to be transferred to this Reserve e) Other sources as approved by Council.
Application:	Reserve funds will be used to provide for operating and capital projects required to meet the customer service delivery objectives and other costs associated with Utilities Infrastructure Lifecycle, Maintenance and Replacement as identified and approved in the Utility annual budget and capital plan.
Duration:	Ongoing
Interest Bearing:	Yes

Financial Reserves – Description RU5	
Type:	Utilities
Roll up Category:	Special Purpose Reserves
Name:	Utility Levy Debt Repayment Reserve
Purpose:	To set aside funds for the repayment of approved utility levy supported debentures.
Source of Funding:	This Reserve is funded from off-site developer levy revenues for approved levy debt. By virtue of this Reserve Description, utility levy developer revenue is authorized to be transferred to the Utility Levy Debt Repayment Reserve in accordance with the approved capital project funding, utility levy debt bylaws or to repay interim financing.
Application:	This Reserve will be used to repay the principal and interest of outstanding approved levy debentures over the term of the debt, in accordance with approved utility levy debt (borrowing) bylaws.
Duration:	Ongoing
Interest Bearing:	No

Town of Onoway

Request for Decision

Meeting:	Council Meeting
Meeting Date:	August 11, 2022
Presented By:	Tim Duhamel, Interim CAO
Title:	Computer Replacements – Budget Amendment

BACKGROUND / PROPOSAL

Technological infrastructure provides critical support for the daily work completed by town of Onoway staff. This work includes:

- Utility billing
- Council reports
- Website upkeep
- Council agendas
- Budgeting and reporting
- Community communication

Recently, administrative work has become challenging and inefficient due to technological deficiencies related to the age of the computers utilized in the office. Computers are abnormally slow and certain software packages are behind generally accepted standards.

Discussions with our information technology support consultant, Tech Masters, has illuminated that the computers have been due for replacement for more than three years. The approximate cost of computer replacements for the entire organization would be approximately \$10,500. = 7 x \$1,500.

An additional computer is required for a newly created position. This increases the cost of the recommendation to \$12,000.

The town is currently accumulating an operating surplus in the budget due to vacant positions. This surplus can be utilized to fund the computer replacements. If the year end surplus does not materialize as anticipated, a year end reserve transfer to pay for the replacements would be requested.

DISCUSSION / OPTIONS / BENEFITS / DISADVANTAGES

Understanding financial constraints, the recommendation could be phased in over two or three years.

Option 1 – 1 year replacement plan (recommended)

2022 = 8 x \$1,500 = \$12,000

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Option 2 - 2 year replacement plan

2022 = 4 x \$1,500 = \$6,000 (Includes additional computer for new position)

2023 = 4 x \$1,500 = \$6,000

Option 3 – 3 year replacement plan

2022 = 3 x \$1,500 = \$4,500

2023 = 3 x \$1,500 = \$4,500

2024 = 2 x \$1,500 = \$3,000

STRATEGIC ALIGNMENT

Service Excellence

COSTS / SOURCE OF FUNDING

Anticipated 2022-year end surplus

RECOMMENDED ACTION

That Council approve option one, replacing and adding to the town's computer infrastructure.

Town of Onoway

Request for Decision

Meeting:	Council Meeting
Meeting Date:	August 11, 2022
Presented By:	Tim Duhamel, Interim CAO
Title:	Alberta Municipalities Association Conference

BACKGROUND / PROPOSAL

The Alberta Municipalities Association holds an annual conference, welcoming urban municipalities and their elected officials from across Alberta. The conference alternates between Edmonton and Calgary each year. The conference provides great value through educational forums, a trade show, and networking.

The 2022 conference is being held in Calgary September 21 to 23rd. This report provides details for the cost of the conference for council consideration.

DISCUSSION / OPTIONS / BENEFITS / DISADVANTAGES

Registration cost (Council and new CAO)
in person $\$750 \times 6 = \$4,500$
Virtual $\$600 \times 6 = \$3,600$

Hotel Costs = $\$220 \times 3 \times 6 = \$4,000$

Mileage = $\$375 \times 6 = \$2,250$

Incidentals = $\$500$

Total estimated cost = $\$11,250$

STRATEGIC ALIGNMENT

Good Governance

COSTS / SOURCE OF FUNDING

2022 Operating Budget

RECOMMENDED ACTION

That Council as a whole attend the 2022 Alberta Municipalities conference