



**Meeting Date:** February 7, 2024

**Prepared By:** Tiffany Farrell, Director of Corporate Services

**Report No:** CPS-08-2024

**Subject:** Delaware Hydro Reserve Fund Report

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**Recommendation:**

THAT Report CPS-08-2024, re: Delaware Hydro Reserve Fund be received for information.

**Purpose:**

To provide Council with an update of the Delaware Hydro Reserve Fund and the year end 2023 balance.

**Background:**

The Delaware Hydro reserve fund policy was last updated in September of 2001. Unless otherwise approved by a specific Council resolution, expenditures from the Fund shall be limited to 50% of the interest earned by the Fund in the previous year. Where an expenditure is approved for a capital project that is initiated by an individual(s) or a community organization, the amount of the expenditure paid from the Fund shall be limited to 50% of the capital project and the 50% balance to be contributed by the individual(s) or the community organization. The balance of the reserve fund account as of December 31, 2023, is \$940,489.21 (2022 - \$891,740.04).

**Analysis:**

In recent years, most of the requests for funds relate to one annual project (flower baskets) completed by the Delaware Lioness organization. The expenses are noted annually in the budget.

Staff are expected to report annually on the Delaware Hydro Reserve Fund which is completed during the annual budget process. However, from time to time, it is important to bring a full summary to Council for information.

The Treasurer shall prepare and maintain a Five-Year Expenditure Forecast and Fund Continuity Schedule to assist in the approval of the annual expenditure budget. At this time the total budgeted operating expenditure for 2024 is \$1,000 based on applications received in 2023. Staff have projected the annual expenditure for this fund at \$15,000 annually from 2025-2029 to cover the projects that may be brought forward from Delaware community groups. This amount is less than the allowed 50% of interest earned for 2023, however staff are projecting interest rates to decrease over the next five years.

In the fall of 2022 and 2023, staff completed a communications campaign to advertise the program to Delaware service groups, and a few applications were received, however, only one application was approved for the Delaware Lioness organization for 2024.

Included in the 2024-2028 capital budget, is the one capital project being funded from this reserve fund:

Longwood Road Watermain Extension for \$60,000 in 2024. A report was brought to Council regarding this project in 2021.

Refer to the attached summary of the fund and balances since inception.

**Financial Implications:**

None

**Strategic Plans:**

This matter aligns with following strategic priorities:

- Responsive Municipal Government

This report responds directly to Objective 5.3 – Foster a culture of innovation, continuous improvement, and cost-effective services by sharing information and gathering input, by continuing our timely and effective communication to the public.

**Attachments:**

A1 Delaware Hydro Reserve Statement December 31, 2023