



Meeting Date: February 12, 2025

Prepared By: Tiffany Farrell, Director of Corporate Services

Report No: CPS-05-2025

Subject: Delaware Hydro Reserve Fund Report

Recommendation:

THAT Report CPS-05-2025 regarding the 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 2024 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, 2024 is \$991,959.61 (2023 - \$940,489.22).

Analysis:

In recent years, most of the requests for funds relate to one annual project 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.

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 2025 is \$1,000 based on applications received in 2024. Staff have projected the annual expenditure for this fund at \$10,000 annually from 2026-2030 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 2024, however staff are projecting interest rates to decrease over the next five years.

In the fall of 2024, staff completed a communications campaign to advertise the program to Delaware service groups, and only one application was received and approved for the Delaware Lioness organization for 2025.

Included in the 2025-2029 capital budget, is the one capital project being funded from this reserve fund:

Longwood Road Watermain Extension for \$60,000 in 2025. 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, 2024