

Additionally, Council has pledged to meet the Government of Ontario's assigned housing targets by 2031. These housing targets have been built into the City's 10-year capital plan in both the projected DC revenue and capital expenditure streams.

Capital Projects

The City prepares a 10-year capital plan that considers the impact of new facilities and infrastructure. The capital plan is prepared using capital prioritization guidelines. A capital project for a new facility or infrastructure should only proceed if the City can afford to operate and maintain it.

Capital Financing from Operating Revenue

The City has instituted an annual Capital Infrastructure and Debt Repayment Levy, subject to annual budget adoption, in order to fund its infrastructure. The infrastructure levy funding includes a direct contribution from the Operating Budget to the Capital Reserve Fund and funding for principal and interest payments on issued debt.

Grants, One-Time Revenue and Recoveries

Major grants, one-time revenue, and recoveries from third parties are often used to fund capital projects with a funding partner and reduce the financial impact on City reserve funds. These funds are applied to capital projects based on the terms of their related agreements.

Reserves and Reserve Funds

The City has a long history of prudently managing its R&RFs. A new policy was established in 2022 that governs the City's R&RFs. This policy contains guiding principles, internal controls, management and administrative responsibilities to provide guidance to staff and ensure compliance with legislation, Council direction and best practices. R&RFs are monitored and updated regularly by City staff and, if required, changes to R&RFs are recommended through the annual budget, the capital works in progress review process or R&RF year-end reports.

Today, the City has 102 reserve and reserve fund accounts. By-law 0184-2022, with its subsequent amendments, defines each R&RF and the reporting requirements, including the necessary authority levels for opening, closing, or reorganizing reserves or reserve funds.

Details for the City's funds and balances are included in the Reserves & Reserve Funds section in Volume III of this document.

Surplus/Deficit Management

Each year, the City prepares a year-end report on its year-end operating results. Operating budget deficits are generally funded by the Fiscal Stability Reserve.

In the event of an operating budget surplus, amounts may be transferred to R&RFs based on the R&RFs' positions relative to their respective target levels as approved by Council.