

Report

Date March 15, 2023
Subject Reserve Funds Establishment Amendment Bylaw

File:

PURPOSE

To introduce Reserve Funds Establishment Amendment Bylaw No. 3897, 2023.

BACKGROUND

Municipalities cannot budget for a surplus; however, section 188 of the *Community Charter* provides that "A council may, by bylaw, establish a reserve fund for a specified purpose and direct that money be placed to the credit of the reserve fund."

Thus, in order to budget to save money for a future purpose, it is necessary to establish a reserve fund bylaw. The bylaw also provides clear direction to staff regarding the purposes for which money is saved and then can be used.

DISCUSSION

Three changes to the Reserve Funds Establishment Bylaw are recommended at this time:

Aquannis Centre Reserve

In June 2016 Council agreed to transfer the former Aquannis Centre at 2685 James Street to the Cowichan Valley Regional District (CVRD) and to transfer the balance in the Aquannis Centre reserve to the CVRD to allow them to upgrade the building. However, the Reserve Funds Establishment Bylaw was not amended to remove the Aquannis Centre Reserve at the time of the last bylaw amendment.

Bell McKinnon Local Area Plan Streetscape Reserve

The Bell McKinnon Local Area Plan (BMLAP) provides for Community Amenity Contributions, which are used to achieve amenities and public benefits from development in the area. While the plan states that physical amenities are preferred, cash-in-lieu contributions may be made. Establishing this reserve ensures that collected funds are held for their intended purpose.

Quamichan Lake Water Quality Reserve

The Kingsview Phased Development Agreement provides for contributions to a local water quality initiative. This, combined with direction from Council during 2019 budget deliberations, led to the establishment of the Quamichan Lake Reserve; however, the Reserve Funds Establishment Bylaw was not formally amended to include this reserve.

OPTIONS

1. **(Recommended Option)** THAT Council give first, second and third reading to Reserve Funds Establishment Amendment Bylaw No. 3897, 2023.
 - Removing the Aquannis Centre Reserve and adding the Quamichan Lake Water Quality Reserve to the bylaw are essentially housekeeping measures based on previous direction from Council. Adding the BMLAP reserve in advance of receiving contributions helps ensure that any funds received are accounted for appropriately.
2. This option would enable Council to make amendments to the proposed amendment bylaw. The following motions must be considered individually, as any changes to the bylaw must occur between the first and third readings.
 - (1) THAT Council give first and second readings to Reserve Funds Establishment Amendment Bylaw No. 3897, 2023.
 - (2) THAT Council amend Reserve Funds Establishment Amendment Bylaw No. 3897, 2023 by:
 - (a) *(Council to identify what is to be changed, including the item number and the text or number that is to be stricken, removed or added)*
 - (3) THAT Council give third reading to Reserve Funds Establishment Amendment Bylaw No. 3897, 2023 as amended.
 - This allows Council to consider changes to the proposed amendment bylaw before it is adopted.

IMPLICATIONS

As the Municipality no longer owns the Aquannis Centre and has no funds in reserve, the removal of this fund has no implications.

The addition of the BMLAP Streetscape Reserve and the Quamichan Lake Water Quality Reserve clarifies the purpose for collecting funds and provides direction to staff on how the funds may be spent in the future. It does not obligate Council to contribute any funding.

RECOMMENDATION

THAT Council give first, second and third reading to Reserve Funds Establishment Amendment Bylaw No. 3897, 2023.

Report prepared by:



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Approved to be forwarded to Council:



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Attachments: Reserve Funds Establishment Amendment Bylaw No. 3897, 2023