



Policy Name:	Reserves Policy		
Section:	System	Effective Date:	November 23, 2023
Motion Number:	21-30	Reviewed Date:	November 23, 2023
Policy Number:	SYS-30	Next Review Date:	February 2027

Purpose

This policy provides the overall framework for the establishment, dissolution, and use of Reserve funds.

Policy

Reserves represent funds set aside by resolution of the Board for specific purposes.

Funds held in Library Reserves are a means of supporting enhanced services, programs, designated capital campaigns, and provide protection against future liabilities (in the case of the Sick Leave Benefits Reserve).

Reserve funds are intended to provide an internal source of funds that will build long-term capacity and are not intended to replace a permanent loss of operational funds or eliminate an ongoing funding gap.

Contributions to reserve funds will occur as follows:

- Transfer of any unexpended funds,
- budgeted contributions to support known one-time costs,
- or through gifts, donations, fundraising, and sponsorships.

Investment income is credited to the reserves on annual basis.

Funds held in Reserves may only be accessed with Board approval.

Establishment and Use of Reserves

Reserves can be established, with Board and City of Barrie Council approval through the annual budget process, as required, to accomplish the work of the Board.

The Board maintains the following reserves:

1. *Vested sick leave benefits reserve*

Funds in this reserve are used to protect against potential draws on Library finances due to employee sick leave payouts.

The Board provides paid sick leave that can be carried forward up to a maximum defined by the employee group. The benefit costs and liabilities are based on an actuarial valuation prepared by an independent firm.

2. *Future capital expenditures reserve*

Funds in this reserve are for the use of capital or other projects that cannot be funded through the operating budget.

Drawdowns from this Reserve shall be considered by the Library Board through the annual budget process and/or when recommendations arise from Senior Leadership to support Library capital needs.

The Library Board may request additional capital funding in excess of or in addition to the Future Capital Expenditures Reserve to be considered by City Council as part of the annual budget process.

This fund is in addition to the collection of Development Charges. Development Charges are collected by the City of Barrie to support Library and other service enhancements related to growth. Development Charges are held by the City of Barrie and can only be accessed by Council resolution.

3. *Future collection acquisitions reserve*

Funds held in this reserve are used to enhance and support new and existing formats in the circulating Library collection.

Dissolution of Reserves

Reserves can only be dissolved with the approval of the Library Board.