

Reserve Policy Presentation to Council

July 4, 2017

Reserve objectives

- Reserves are a prudent business practice to:
 - Maintain financial strength
 - Allow flexibility for operations
 - Handle stabilization for fluctuation in operating and capital activities
- A good reserve policy enhances the ability to achieve the Council vision and strategic plan priorities

Key changes since last reserve policy revision

- Reformatted to the new policy format
- Revised guidelines to align with LLS recommendations
- Additions to optimal reserve formulas have been made for reserve descriptions which previously indicated “to be determined”
 - R12) Cultural Development Fund
 - R13) Internal Financing
 - R15) Broadmoor Golf Course

Key changes since last reserve policy revision (*continued*)

- Edits to the following Reserve Descriptions have been made:
 - R2) Contingency Reserve – Gains from the sale of investments to flow to this reserve
 - R3) Municipal Carry Forward Reserve - added authority for released funds to be transferred to the R1) Stabilization Reserve
 - R5) Municipal Infrastructure Lifecycle, Maintenance and Replacement Reserve – Penalties received for substandard road construction to flow to this reserve

Key changes since last reserve policy revision (*continued*)

- R7) Strathcona Community Investment Program - to allow for the unused portions of the current operating budget to be transferred to this reserve as per the Strathcona Community Investment Program Policy GOV-002-030
- R12) Cultural Development Fund and R15) Broadmoor Golf Course to more accurately portray the application of the reserve
- R13) Internal Financing to align with changes made in the Debt Management Policy FIN-001-025