

# Councillor Request Inquiry

## # 03-2020

2020

**Please provide information on how many utility reserve funds Strathcona County has; how are the reserves described; and information on how the County addresses the risk of funds being collected for one purpose and being used for another purpose.**

Good Afternoon,

At the March 3 Council meeting, Mayor R. Frank put forward the following information request:

Please provide information on how many utility reserve funds Strathcona County has; how are the reserves described; and information on how the County addresses the risk of funds being collected for one purpose and being used for another purpose.

Corporate Finance provides the following information:

As per policy [FIN\\_024 – Financial Reserves](#) (please see attached document), Utilities currently has 5 reserves falling within 4 reserve roll up categories.

Utilities Reserves	
Reserve Roll Ups	Reserves
Stabilization and Contingency Reserves	RU1) Utility Rate Stabilization and Contingency
Projects Reserves	RU2) Year End Carry Forwards – Utilities Reserve RU3) Utilities Projects Reserve
Infrastructure Lifecycle, Maintenance and Replacement Reserves	RU4) Utilities Infrastructure Lifecycle, Maintenance and Replacement Reserve
Special Purpose Reserves	RU5) Utility Levy Debt Repayment Reserve

Within the Financial Reserves policy each reserve has a description which provides details including the purpose of the reserve, source of the reserve funds, and the application of the reserve. The descriptions for the Utilities reserves are found on pages 19-23 of the FIN\_024 - Financial Reserves Policy.

All transfers into reserve and transfers from reserve must be approved by Council (or the Chief Commissioner for items \$50,000 or under) as per the Financial Reserves policy (see attached, page 2 – 3). Corporate Finance administers the reserves for the organization. Each reserve is tracked separately to ensure the funds are aligned with the specific reserve descriptions. Any transactions are verified for appropriate approvals which includes ensuring the purpose of the reserve aligns with the purpose of the transaction.

Utilities will be presenting at the March 24<sup>th</sup> Priorities Committee meeting on the Utility financial sustainability strategy and will discuss an opportunity to amend the current reserve policy. Specifically looking at refining the current Utilities reserves to reflect the five specific lines of business for Utilities; water, wastewater, stormwater, community energy and waste management.

Should you require further information please contact Laura Probst at 780-464-8415 or [Laura.Probst@strathcona.ca](mailto:Laura.Probst@strathcona.ca)

Kind regards,

Heather Isaac, Administrative Team Lead, Corporate Finance