STRATHCONA COUNTY

Policy

Financial Reserves

Policy Statement

A Reserve Policy is a prudent business practice that will enhance Strathcona County's financial strength, flexibility, cash flow management, and ability to achieve the Council Vision and the Strategic Plan priorities.

A Reserve Policy is required to establish, maintain and manage Reserve funds that:

- maintain and improve Strathcona County's working capital requirements;
- provide for future funding requirements; and
- provide stabilization for fluctuations in operating and capital activities.

Purpose

The purpose of this policy is to maintain consistent standards and guidelines for the management of Reserves and execution of Reserve Transactions, and to ensure that all Reserve Transactions are approved by Council and carried out in accordance with Council's approval.

Definitions

1. **Committed Balance** - Funding approved as per FIN-001-024: Financial Reserves policy to be applied towards specific expenditures.

2. **Designated Balance -** Funding designated to Reserves for a specific purpose, which has not yet been approved by Council to be applied towards specific expenditures.

3. **Infrastructure Lifecycle, Maintenance and Replacement Reserves** – A Reserve roll up category for reporting which captures all Reserves that tie to Infrastructure Lifecycle, Maintenance and Replacement of Strathcona County tangible capital assets.

4. **Optimal Balance** – Where applicable, Reserves will require a minimum or maximum recommended balance for the Reserve. These recommendations will be a formula based on adequate levels to maintain services as determined by departments, endorsed by Executive Team, and approved by Council. Schedule "A" of the policy will provide a listing of the Reserve Descriptions and their recommended formulas, if applicable.

5. **Projects Reserves** – A Reserve roll up category for reporting which captures all Reserves that tie to the non-cyclical Reserve needs of departments including operating and capital projects.

6. **Redesignation of Reserve Funds** – The process to change the purpose of Reserved funds from one Reserve to another.

7. **Release of Reserve Funds** – Reserve funds for which the purpose has been fulfilled or changed and is consequently closed. Any funding resulting from the release of a Reserve will be identified for redesignation to another Reserve or general surplus.

8. **Reserve** – Reserves are created when funds are set aside (designated) for a future purpose. Funds within a Reserve are restricted and will be applied as outlined in the approved Reserve Description.

9. **Reserve Description** – A listing of Reserve Descriptions is found in Schedule "B" of this policy. Each Reserve Description contains the following:
   - the overall purpose of the Reserve;
   - the source of the Reserve funds;
   - when the Reserve can be accessed (the application);
   - a reference to Schedule "A" for the Optimal Balance formula, if applicable;
   - the duration; and
   - interest entitlement.

10. **Reserve Transaction** – The following activity is considered a Reserve Transaction:
    - contributions to the Reserve from internal or external sources
    - withdrawals from the Reserve to fund expenditures
    - Redesignation of the Reserve Funds
    - Release of the Reserve Funds.

11. **Special Purpose Reserves** – A Reserve roll up category for reporting which captures unique Reserves that have a one to one relationship with the Reserve Description. For these Reserves, a policy is in place as referenced in the Reserve Description, or external influences are a factor.

12. **Stabilization and Contingency Reserves** - A Reserve roll up category for reporting which captures all Reserves that maintain funds to aid in stabilizing and smoothing the temporary impact of unforeseen events, or planned fluctuations in activity.

Guidelines

1. All Reserve Transactions will be ratified by Council.

2. All Reserves will be administered in accordance with current municipal policies and the Public Sector Accounting Standards.

3. All Reserves must fall under an approved Reserve Description. The establishment of a new Reserve, which will require a new Reserve Description, must be approved by Council.

4. Reserves will be funded from internal or external sources as defined in the Reserve Descriptions.

5. Funding to and from the Reserve will be approved through Council via:
   - existing municipal policies;
   - the annual budget process;
   - the year end Reserve request and approval process;
   - the approved Reserve Description; or
   - Council resolution.

6. If Reserve Transactions have not been approved through any of the above means, approval must be obtained prior to a transaction occurring from:
   - The Chief Commissioner for projects totaling ~~$50,000~~$75,000 or less;
   - Council for projects greater than ~~$50,000~~$75,000.

7. As part of the year end Reserve request and approval process, any potential Release of Reserve Funds or Redesignation of Reserve Funds will be identified.

8. As part of the year end process for Reserves that have Optimal Balances, an assessment will be made between the actual designated Reserve balance and the recommended Optimal Balance. Reserves which are lower than their established Optimal Balance will be considered in the distribution of the annual operating surplus. Reserves which exceed their established Optimal Balance will be considered for Redesignation. Strategies to maintain the Optimal Balance will be addressed through the business plan and budget cycles. Schedule "A" details the formula calculations to be used in determining the Optimal Balance for the reserves that have been identified to require an Optimal Balance.

9. Interest earnings will be applied to the Reserves which have been deemed interest bearing as indicated in the Reserve Description.

10. Reporting
    - Regular reporting on the Reserves will occur through the quarterly management report. The quarterly reporting will indicate the total of Reserves as grouped in the four Reserve roll up categories, and will include the current balance, segregated between Committed Balance and Designated Balance.
    - The Consolidated Financial Statements of the County report Reserves within accumulated surplus, along with equity in tangible capital assets and unrestricted surplus (deficit).

ATTACHMENTS:
Schedule "A" Optimal Balance Formulas
Schedule "B" Reserve Descriptions

Policy Record

Date of Approval by Council: March 5, 2019; **Resolution No:** 2019-51

For historical approval information contact Legislative and Legal Services

Next Review Date: March 5, 2022 **Policy No:** FIN-001-024

Last Review Date: March 5, 2019 **Replaces:** 40-43-004

Administrative Review: Corporate Finance

SCHEDULE A
Strathcona County Financial Reserves

Optimal Balance Formulas

Reserve Description	Optimal Balance Formula
Municipal Reserves	
R2) Stabilization and Contingency Reserve	5% of prior year's municipal operating expenses
R3) Year End Carry Forwards – Municipal Reserve	Not applicable
R4) Municipal Projects Reserve	Part a) Specific project allocations (current balance) Part b) Capital projects (historical percentage of capital projects funded from capital projects reserve applied to the five year capital forecast). Part c) Operating projects (five year historical average funded from fiscal projects allowance).
R5) Municipal Infrastructure Lifecycle, Maintenance and Replacement Reserve	Part a) Five year average of the capital and operating forecast for annual program related projects Part b) Average of capital and operating forecast for annual program related projects based on lifecycle Part c) 50% of peak requirements for Class 1 rural roads and double decker capital costs Refer to R5 reserve description for application of the formula by program
R6) Council Priority Funds	Not applicable
R8) Public Reserve Trust	Not applicable
R9) General Land	50% of the 5 year capital forecast for land acquisitions
R10) Municipal Levy Debt Repayment Reserve	Not applicable
R11) Major Recreation Facility Debt Repayment Reserve	Not applicable
R12) Cultural Development Fund	Part a) 50% of the historical value of public art acquisitions Part b) 10% of the net annual Cultural Services budget
R13) Internal Financing	5% of the 5 year average of historical capital projects
R15) Broadmoor Golf Course	Part a) 40% of the 5 year capital forecast Part b) 20% of the budgeted annual operating expenses
R16) Heartland Infrastructure	Not applicable
Utilities Reserves	
RU1) Utility Rate Stabilization and Contingency	5% of prior year's Utility operations expenses
RU2) Year End Carry Forwards – Utilities Reserve	Not applicable
RU3) Utilities Projects Reserve	Not applicable
RU4) Utilities Infrastructure Lifecycle, Maintenance and Replacement Reserve	5% of Utilities current asset replacement value
RU5) Utility Levy Debt Repayment Reserve	Not applicable
Library Reserves	In accordance with the Library Reserve policy FI02

SCHEDULE B
Strathcona County Financial Reserves

Reserve Descriptions

Municipal Reserves

Stabilization and Contingency Reserves
- R2) Stabilization and Contingency Reserve

Projects Reserves
- R3) Year End Carry Forwards – Municipal Reserve
- R4) Municipal Projects Reserve

Infrastructure Lifecycle, Maintenance and Replacement Reserves
- R5) Municipal Infrastructure Lifecycle, Maintenance and Replacement Reserve

Special Purpose Reserves
- R6) Council Priority Funds
- R8) Public Reserve Trust
- R9) General Land
- R10) Municipal Levy Debt Repayment Reserve
- R11) Major Recreation Facility Debt Repayment Reserve
- R12) Cultural Development Fund
- R13) Internal Financing
- R15) Broadmoor Golf Course
- R16) Heartland Infrastructure

Utilities 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

Library Reserves

The Library Reserves are maintained by Library administration and approved by the Strathcona County Library Board in accordance with the Library Reserve policy FI02.

Financial Reserves – Description R2	
Type:	Municipal
Roll up Category:	Stabilization and Contingency Reserve
Name:	Stabilization and Contingency Reserve
Purpose:	To provide funds to smooth the future property tax dollar increases in periods of high inflation, to stabilize fluctuations in operating and capital activity, to address the risk of revenue or expenditure volatility; to stabilize the temporary impact of unforeseen, non-recurring, emergent, one-time expenditures or losses of revenue; and to ensure the orderly provision of services to citizens. Examples of these contingencies would include, but not be limited to, Unforeseen Climatic Conditions and Protective Services Extraordinary Circumstances.
Source of Funding:	a) Budgeted transfers as approved by Council. b) Allocation of the Year-End Operating surplus as approved by Council in accordance with Policy FIN-001-008. c) Released funds from the Year End Carry Forwards – Municipal Reserve. d) Gains received from the sale of investments by virtue of this Reserve Description are authorized to be transferred to this Reserve e) Other sources as approved by Council.
Optimal Balance:	See Schedule A
Application:	Funds from this Reserve will be used for stabilizing periods of high inflation or other items that would result in volatility of future property tax dollar requirements, and for stabilizing unbudgeted impacts resulting from unanticipated events. Examples are unforeseen increases in emergency response costs, unforeseen climatic conditions, reductions in the carrying cost of investments, losses incurred due to assessment changes, extraordinary events, insurance premiums and/or deductible payment fluctuations, or other items that would result in an overall deficit to the municipal operation.
Duration:	Ongoing
Interest Bearing:	No
Approved by Council:	07/04/17 01/19/16 07/08/14

Financial Reserves – Description R3	
Type:	Municipal
Roll up Category:	Projects Reserves
Name:	Year End Carry Forwards – Municipal Reserve
Purpose:	To carry the funding for specific operating programs and projects where the service or acquisition was not completed or received by year end, but will occur in the following year, to eliminate the requirement to re-budget or cancel partially completed projects.
Source of Funding:	The funding required to complete a specific program or project which was previously approved by Council in the operating budget and will need to continue into the following year. Budgeted operating projects to be funded by reserve not completed in the current budget year are authorized to be transferred to this reserve by virtue of this Reserve Description.
Optimal Balance:	See Schedule A
Application:	Funds from this Reserve will be used to fund expenditures for the intended purpose as included in the budget approved by Council.
Duration:	a) Projects or programs not completed in the fiscal year they were budgeted will be carried forward as part of the annual Reserve request and approval process. b) Any project that has not been completed within one year of being carried forward will be automatically released unless decided otherwise at the direction of the Chief Commissioner. By virtue of this Reserve Description, balances from the released funds will be redesignated into the Stabilization and Contingency Reserve.
Interest Bearing:	No
Approved by Council:	07/04/17 01/19/16 07/08/14 02/13/96

Financial Reserves – Description R4	
Type:	Municipal
Roll up Category:	Projects Reserves
Name:	Municipal Projects Reserve
Purpose:	To provide funding for operating and capital multi-year projects that will be undertaken in the future, to build funding for non-annual programs, and to assist in meeting future funding requirements for projects
Source of Funding:	a) Annual budget transfers as approved by Council. b) Allocation of the Year-End Operating surplus as approved by Council in accordance with Policy FIN-001-008. c) Proceeds received from the sale of disposed assets by virtue of this Reserve Description are authorized to be transferred to this Reserve d) Other sources as approved by Council.
Optimal Balance:	See Schedule A
Application:	This Reserve will be used to fund expenditures relating to the specific projects as originally presented to Council, or approved through the budget.
Duration:	Ongoing
Interest Bearing:	No
Approved by Council:	07/04/17 01/19/16 07/08/14 02/17/09

<table>
<tr><th colspan="2">Financial Reserves – Description R5</th></tr>
<tr><td>Type:</td><td>Municipal</td></tr>
<tr><td>Roll up Category:</td><td>Infrastructure Lifecycle, Maintenance and Replacement Reserve</td></tr>
<tr><td>Name:</td><td>Municipal Infrastructure Lifecycle, Maintenance and Replacement Reserve</td></tr>
<tr><td>Purpose:</td><td>To provide funds for Infrastructure Lifecycle, Maintenance and Replacement projects including, but not limited to:
a) Meeting future municipal requirements for existing assets
b) The scheduled replacement, refurbishment and maintenance of Strathcona County’s vehicle and transit fleet.
c) The overlay and construction of arterial roads in the Urban Services Area and the reconstruction of roads to attain the objectives of the Sustainable Rural Roads Master Plan (SRRMP)
d) Annual Transportation and Agricultural Services programs
e) Annual equipment replacement programs</td></tr>
<tr><td>Source of Funding:</td><td>a) Budgeted transfers as approved by Council
b) Allocation of the Year-End Operating surplus as approved by Council in accordance with Policy FIN-001-008
c) Proceeds received from the sale of disposed infrastructure lifecycle assets by virtue of this Reserve Description are authorized to be transferred to this Reserve
d) Other sources as approved by Council</td></tr>
<tr><td>Optimal Balance:</td><td>See Schedule A
The total Optimal Balance for the reserve will be the sum of the following:
<table>
<tr><td>ITS Corporate Infrastructure</td><td>5 years</td><td>part a</td></tr>
<tr><td>RPC Lifecycle</td><td>5 years</td><td>part a</td></tr>
<tr><td>SCES Lifecycle</td><td>5 years</td><td>part a</td></tr>
<tr><td>TAS Programs</td><td>5 years</td><td>part a</td></tr>
<tr><td>Fleet Vehicle and Equipment</td><td>7 years</td><td>part b</td></tr>
<tr><td>Facility Lifecycle</td><td>10 years</td><td>part b</td></tr>
<tr><td>Transit Fleet Replacement</td><td>15 years</td><td>part b & c</td></tr>
<tr><td>Class 1 Rural Road Program</td><td>10 years</td><td>part c</td></tr>
</table></td></tr>
<tr><td>Application:</td><td>This Reserve will be used to fund the replacement, refurbishment and maintenance of the Strathcona County’s infrastructure assets as approved through the budget, or as presented to Council to smooth out fluctuation impacts in annual costs.</td></tr>
<tr><td>Duration:</td><td>Ongoing</td></tr>
<tr><td>Interest Bearing:</td><td>No</td></tr>
<tr><td>Approved by Council
Revised:</td><td>07/04/17
01/19/16
07/08/14
02/17/09
02/13/96</td></tr>
</table>

Financial Reserves – Description R6	
Type:	Municipal
Roll up Category:	Special Purpose Reserves
Name:	Council Priority Funds
Purpose:	To assist with the management of Council Priority Funds in accordance with Policy GOV-001-032 Council Priority Fund Expenditures.
Source of Funding:	This Reserve is funded in accordance with Policy GOV-001-032 Council Priority Fund Expenditures. By virtue of this Reserve Description, unused portions of the current operating budget which was previously approved by Council are authorized to be transferred to the Council Priority Funds Reserve.
Optimal Balance:	See Schedule A
Application:	Funds from this Reserve will be expended in accordance with the Policy GOV-001-032 Council Priority Fund Expenditures guidelines and must be approved by Council resolution prior to the expenditures being made.
Duration:	Ongoing
Interest Bearing:	No
Approved by Council:	07/04/17 01/19/16 07/08/14 02/19/13

Financial Reserves – Description R8	
Type:	Municipal
Roll up Category:	Special Purpose Reserves
Name:	Public Reserve Trust
Purpose:	To set aside proceeds from the sale of public reserve lands in accordance with the Land Management Policy (SER-012-011).
Source of Funding:	This reserve is funded in accordance with the Land Management Policy SER-012-011. Proceeds from the sale of public reserve lands as approved by Council by virtue of this Reserve Description are authorized to be transferred to this Reserve.
Optimal Balance:	See Schedule A
Application:	Funds from this Reserve may be applied in accordance with the Land Management Policy (SER-012-011).
Duration:	Ongoing
Interest Bearing:	Yes
Approved by Council: Revised:	07/04/17 01/19/16 07/08/14 02/23/10 02/13/96

Financial Reserves – Description R9	
Type:	Municipal
Roll up Category:	Special Purpose Reserves
Name:	General Land
Purpose:	To set aside funds to acquire and maintain lands for the General Land Reserve as per the Land Management Policy SER-012-011.
Source of Funding:	This Reserve is funded in accordance with the Land Management Policy SER-011-012, specifically through: a) Proceeds from the sale of general land and considerations paid for the granting of easements across such land by virtue of this Reserve Description are authorized to by transferred to this Reserve. b) Budgeted transfers as approved by Council. c) Other funding as approved by Council.
Optimal Balance:	See Schedule A
Application:	As per the Land Management Policy SER-012-011, the General Land Reserve may be used to fund the acquisition and maintenance of lands classified under the General Lands Inventory: a)
Duration:	Ongoing
Interest Bearing:	No
Approved by Council:	07/04/17 01/19/16 07/08/14 02/13/96

Financial Reserves – Description R10	
Type:	Municipal
Roll up Category:	Special Purpose Reserves
Name:	Municipal Levy Debt Repayment Reserve
Purpose:	To set aside funds for the repayment of approved municipal levy supported debentures.
Source of Funding:	This Reserve will be funded from off-site developer levy revenues for approved levy debt. By virtue of this Reserve Description, municipal levy developer revenue is authorized to be transferred to the Municipal Levy Debt Repayment Reserve in accordance with approved capital project funding, municipal levy debt bylaws or to repay interim financing.
Optimal Balance:	See Schedule A
Application:	This Reserve will be used to repay the principal and interest of outstanding approved levy debentures over the term of the debt, in accordance with approved municipal levy debt (borrowing) bylaws. Transition: This reserve results from a change in accounting treatment for off-site developer levy revenue. To allow for this transition, it may be necessary to interim finance some levy funded capital projects due to timing differences between collection of developer levy funds and approved expenditures. By virtue of this reserve description, Municipal Levy Debt Repayment Reserve funds are authorized to provide interim financing for those levy funded capital projects that are approved up to February 25, 2014, as required. If interim financing is provided, as municipal developer levy revenue is collected, these funds will be transferred to the Municipal Levy Debt Repayment Reserve to repay any interim financing as a first priority.
Duration:	Ongoing
Interest Bearing:	Yes
Approved by Council:	07/04/17 01/19/16 07/08/14 02/25/14

Financial Reserves – Description R11	
Type:	Municipal
Roll up Category:	Special Purpose Reserves
Name:	Major Recreation Facility Debt Repayment Reserve
Purpose:	To set aside funds for the repayment of approved debentures applied towards the construction of major recreation facilities in accordance with Policy SER-008-013 Major Recreation Facility Funding.
Source of Funding:	This Reserve may be funded from Major Recreation Facility contributions. By virtue of this Reserve Description, Major Recreation Facility contribution revenues are authorized to be transferred to the Major Facility Debt Repayment Reserve in accordance with approved capital project funding and municipal levy debt bylaws.
Optimal Balance:	See Schedule A
Application:	This Reserve will be used to repay the principal and interest of outstanding debentures applied towards the construction of Major Recreation Facilities over the term of the debt.
Duration:	Ongoing
Interest Bearing:	Yes
Approved by Council:	07/04/17 01/19/16 07/08/14 02/25/14

Financial Reserves – Description R12	
Type:	Municipal
Roll up Category:	Special Purpose Reserves
Name:	Cultural Development Fund
Purpose:	To provide funds that will assist in the delivery of cultural services by community organizations and Recreation, Parks & Culture.
Source of Funding:	a) Budgeted transfers as approved by Council. b) Allocation of the Year-End Operating surplus as approved by Council in accordance with Policy FIN-001-008. c) Donations and fund raising d) Other sources as approved by Council.
Optimal Balance:	See Schedule A
Application:	This Reserve will be used to provide funding assistance to foster, strengthen and support arts, culture and heritage development of our community, and to fund the Public Art program. Examples of such initiatives include but are not limited to: art conservation and maintenance, education and awareness, temporary exhibits and special events, community public art, and Public Art Plan updates.
Duration:	Ongoing
Interest Bearing:	No
Approved by Council: Revised:	07/04/17 01/19/16 07/08/14 02/08/05 02/13/96

Financial Reserves – Description R13	
Type:	Municipal
Roll up Category:	Special Purpose Reserves
Name:	Internal Financing
Purpose:	To provide funds for internal financing of approved projects.
Source of Funding:	a) Budgeted transfers as approved by Council. b) Allocation of the Year-End Operating surplus as approved by Council in accordance with Policy FIN-001-008. c) Other sources as approved by Council.
Optimal Balance:	See Schedule A
Application:	This Reserve will be used as a source of funds for the internal financing of operating and capital projects as approved by Council, in accordance with Policy FIN-001-025 Debt Management Policy, guideline 9.
Duration:	Ongoing
Interest Bearing:	No
Approved by Council: Revised:	07/04/17 01/19/16 07/08/14 02/23/10 02/13/96

Financial Reserves – Description R15	
Type:	Municipal
Roll up Category:	Special Purpose Reserves
Name:	Broadmoor Public Golf Course
Purpose:	To set aside annual operating results at year end to support the financial sustainability of Broadmoor Public Golf Course.
Source of Funding:	a) Allocation of the Year-End Operating surplus as approved by Council in accordance with Policy FIN-001-008. b) Other sources as approved by Council.
Optimal Balance:	See Schedule A
Application:	This Reserve will be used to support ongoing operations for the Broadmoor Public Golf Course and to smooth of avoid rate fluctuation. It will be used to address future operational requirements and projects as well as fund operating equipment replacement. It may also be used to fund any annual operating shortfalls.
Duration:	Ongoing
Interest Bearing:	Yes
Approved by Council: Revised:	07/04/17 01/19/16 07/08/14 02/17/09 02/13/96

Financial Reserves – Description R16	
Type:	Municipal
Roll up Category:	Special Purpose Reserves
Name:	Heartland Infrastructure
Purpose:	To set aside funds for future road investment in the Heartland
Source of Funding:	a) Budgeted transfers as approved by Council b) Allocation of the Year-End Operating surplus as approved by Council in accordance with Policy FIN-001-008. c) Other sources as approved by Council.
Optimal Balance:	See Schedule A
Application:	This Reserve will be used to fund 25% of the cost of roads required for establishing new infrastructure assets in the Heartland as approved through the budget, or as presented to Council, with reference to SER-008-023 Capital Cost Recovery for Heartland Roads, or as otherwied directed by Council.
Duration:	Ongoing
Interest Bearing:	No
Approved by Council: Revised:	

Financial Reserves – Description RU1	
Type:	Utilities
Roll up Category:	Stabilization and Contingency Reserves
Name:	Utility Rate Stabilization and Contingency
Purpose:	To stabilize solid waste, water, and wastewater rates in the event of unforeseen, non-recurring, emergent expenditures or losses of revenue; to stabilize fluctuations in operating and capital activity; and to address the risk of revenue or expenditure volatility.
Source of Funding:	a) Budgeted transfers as approved by Council. b) Allocation of the Year-End Operating surplus as approved by Council in accordance with Policy FIN-001-008. c) Other sources as approved by Council.
Optimal Balance:	See Schedule A
Application:	Funds from this Reserve will be used to smooth the impact of utility rate increases within the annual operating budget, and for stabilizing unbudgeted impacts resulting from the unanticipated events.
Duration:	Ongoing
Interest Bearing:	Yes
Approved by Council:	07/04/17 01/19/16 07/08/14 02/21/06

Financial Reserves – Description RU2	
Type:	Utilities
Roll up Category:	Projects Reserves
Name:	Year End Carry Forwards – Utilities Reserve
Purpose:	To carry the funding for specific operating programs and projects where the service or acquisition was not completed or received by year end, but will occur in the following year, to eliminate the requirement to re-budget or cancel partially completed projects.
Source of Funding:	The funding required to complete a specific project or program which was previously approved by Council in the operating budget and will need to continue into the following year.
Optimal Balance:	See Schedule A
Application:	Funds from this Reserve will be used to fund expenditures for the intended purpose as included in the budget approved by Council.
Duration:	a) Projects or programs not completed in the fiscal year they were budgeted will be carried forward as part of the annual Reserve request and approval process. b) Any project that has not been completed within one year of being carried forward will be automatically released into the Utilities Infrastructure Lifecycle, Maintenance and Replacement Reserve, unless decided otherwise at the direction of the Chief Commissioner.
Interest Bearing:	No
Approved by Council:	07/04/17 01/19/16 07/08/14 02/13/96

Financial Reserves – Description RU3	
Type:	Utilities
Roll up Category:	Projects Reserves
Name:	Utilities Projects Reserve
Purpose:	To provide funding for operating and capital multi-year projects that will be undertaken in the future, to build funding for non-annual programs, and to assist in meeting future funding requirements for projects
Source of Funding:	a) Budgeted transfers as approved by Council. b) Allocation of the Year-End Operating surplus as approved by Council in accordance with Policy FIN-001-008. c) Other sources as approved by Council.
Optimal Balance:	See Schedule A
Application:	This Reserve will be used to fund expenditures relating to the specific projects as originally presented to Council, or approved through the budget.
Duration:	Ongoing
Interest Bearing:	Yes
Approved by Council:	07/04/17 01/19/16

Financial Reserves – Description RU4	
Type:	Utilities
Roll up Category:	Infrastructure Lifecycle, Maintenance and Replacement Reserves
Name:	Utilities Infrastructure Lifecycle, Maintenance and Replacement Reserve
Purpose:	To provide funds to assist in meeting future requirements for the expansion, replacement, refurbishment and maintenance of tangible capital assets managed by Utility Operations. These requirements include, but are not limited to: a) water transmission and distribution systems; b) wastewater collection, trunk and storm systems; c) solid waste systems; and d) community (district) energy systems. e) related supplemental works as may be required from time to time
Source of Funding:	a) Budgeted transfers as approved by Council. b) Allocation of the Year-End Operating surplus as approved by Council in accordance with Policy FIN-001-008. c) Release of Reserve balances not used in the Year End Carry Forwards – Utilities Reserve. d) Proceeds received from the sale of disposed infrastructure lifecycle assets by virtue of this Reserve Description are authorized to be transferred to this Reserve e) Other sources as approved by Council.
Optimal Balance:	See Schedule A
Application:	Reserve funds will be used to provide for operating and capital projects required to meet the customer service delivery objectives and other costs associated with Utilities Infrastructure Lifecycle, Maintenance and Replacement as identified and approved in the Utility annual budget and capital plan.
Duration:	Ongoing
Interest Bearing:	Yes
Approved by Council:	07/04/17 01/19/16 07/08/14 02/20/07

Financial Reserves – Description RU5	
Type:	Utilities
Roll up Category:	Special Purpose Reserves
Name:	Utility Levy Debt Repayment Reserve
Purpose:	To set aside funds for the repayment of approved utility levy supported debentures.
Source of Funding:	This Reserve is funded from off-site developer levy revenues for approved levy debt. By virtue of this Reserve Description, utility levy developer revenue is authorized to be transferred to the Utility Levy Debt Repayment Reserve in accordance with the approved capital project funding, utility levy debt bylaws or to repay interim financing.
Optimal Balance:	See Schedule A
Application:	This Reserve will be used to repay the principal and interest of outstanding approved levy debentures over the term of the debt, in accordance with approved utility levy debt (borrowing) bylaws. Transition: This reserve results from a change in accounting treatment for off-site developer levy revenue. To allow for this transition, it may be necessary to interim finance some levy funded capital projects due to timing differences between collection of developer levy funds and approved expenditures. By virtue of this reserve description, Municipal Levy Debt Repayment Reserve funds are authorized to provide interim financing for those levy funded capital projects that are approved up to February 25, 2014, as required. If interim financing is provided, as municipal developer levy revenue is collected, these funds will be transferred to the Municipal Levy Debt Repayment Reserve to repay any interim financing as a first priority.
Duration:	Ongoing
Interest Bearing:	Yes
Approved by Council:	07/04/17 01/19/16 07/08/14 02/25/14