



## CITY OF ST. ALBERT CITY COUNCIL POLICY

| NUMBER                 | TITLE              |
|------------------------|--------------------|
| C-FS-01                | Financial Reserves |
| ORIGINAL APPROVAL DATE | DATE LAST REVISED  |
| March 17, 2003         | December 2, 2025   |

### Purpose

To set aside funds for the establishment of specific reserves to provide for emergent financial needs, stabilize tax rates, to set aside funds for the replacement of existing equipment, facilities and future projects and to minimize the debt financing needs of the Corporation.

### Policy Statement

The City of St. Albert recognizes that the ongoing commitment of funds to specific reserves provides for property tax stabilization, contingency funding, and reduces the need for debt financing.

### Definitions

“Capital Project” means any project approved by Council and funded through the capital budget. Typically, a capital project results in an asset to the City.

“City” means the City of St. Albert.

“Council” refers to the elected Council of the City of St. Albert.

“new assessment growth” refers to the anticipated future property tax revenue for new residential and non-residential building construction forecasted for the following budget year.

“Operating Project” means a project approved by Council and funded through the operating budget or as a transfer from a Reserve to the operating budget. Typically, an Operating Project does not result in an asset to the City.

“Reserve” refers to funds set aside for future use or designated requirements as established by Council.

## Responsibilities

1. The establishment of, contributions to, and withdrawals from, a specific Reserve shall be approved by Council through resolution or bylaw in accordance with the Municipal Government Act or as otherwise stated in the specified schedule.
2. Administration of all Reserves will be carried out by the Chief Administrative Officer.

## Service Standards/ Expectations

1. Transfers to/from Reserves will be restricted as outlined in each specific Reserve schedule.
2. Interest earnings are intended to be applied to Reserves if there are external requirements based on legislation or agreements, or as approved by Council, and will be added to Reserves according to the schedule. The interest will be applied monthly based on the net weighted average of the Reserve balance relative to all interest earned by the City's investment portfolio.
3. Where appropriate, each Reserve will be supported by a 10-year projection for receipt and disbursement of funds. These projections will be updated annually as part of the budget process.
4. Reserves are assumed to be ongoing unless otherwise stated in the specified schedule.
5. Reserves are assumed to have no minimum ceiling unless otherwise stated in the specified schedule.
6. Reserve reporting will form part of the quarterly and annual financial statements.
7. All financial Reserves shall be attached to this policy as a schedule.
8. All financial Reserves schedules attached to this policy shall contain the following sections:
  - a. Type of Reserve
  - b. Name of Reserve
  - c. Purpose of Reserve
  - d. Source of Funding
  - e. Application
  - f. Indication of whether it is interest bearing or not
  - g. Any additional information deemed relevant by the Chief Administrative Officer
9. This policy, along with the approved Reserve schedules, will be reviewed in accordance with the corporate review schedule.

## Legal References

N/A

## Cross References

C-FS-03 Debt Management

C-FS-05 Budget and Taxation Guiding Principles

C-FS-11 Operating and Capital Carry Forwards and Closed Projects

C-FS-14 Utility Fiscal Policy

C-CAO-21 Conducting a Census

~~C-CC-23 Civic Granting~~

C-FS-20 -Off-Site Levy Recovery Fund Utilization

## Attachments

### Operating Reserve Schedules

- O1 Stabilization
- O2 Operating Programs
- O3 Risk Management
- O4 Traffic Safety
- O5 Children's Festival Fund
- O6 RCMP Contract Expense Reserve
- O7 Safety Enhancement Program
- O18 Election and Census Reserve

### Capital Reserve Schedules

- C1 Internal Financing
- C2 Land & Facilities Reserve
  - 1. Land & Facilities
  - 2. Parkland Fund
  - 3. Dog License Fund
- C3 Off-Site levy recovery fund (OLRF)

- C4 Lifecycle
1. Mobile Equipment
  2. Emergency Services Equipment
  3. Office Systems
  4. Arden Theatre
  5. Servus Credit Union Place
  6. Aquatics Facility
  7. Public Art
  8. Park & Outdoor Recreation Amenities
  9. Public Transit
  10. Infrastructure
  11. Heritage Buildings

C5 Capital Fund

C6 Growth Stabilization

1. Growth Stabilization Fund
2. Debt Fund

C7 Energy Efficiency

Utility Reserve Schedule

- UC1 Utilities Fund
1. Water
  2. Wastewater
  3. Solid Waste
  4. Storm——water

Outside Agency Reserve Schedule

- OA1 Outside Agency Operating
1. Museum Artifacts
  2. Museum Historic Sites
  3. Museum Exhibition
  4. Food Bank/Community Village Building Fund

OA2 Outside Agency Capital

1. Business Incubation Building Fund

DATE REVIEWED

NEXT REVIEW DATE

REVISIONS

|                                                  |                                       |                                                                                                                                                      |
|--------------------------------------------------|---------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------|
| December 17, 2024 – Finance & Strategic Services | 2029 – Finance and Strategic Services | C181-2003 03 17<br>C400-2004 08 16<br>C187-2005 05 02<br>C355-2006 07 04<br>C211-2007 04 16<br>C291-2007 05 22<br>C557-2008 09 22<br>C571-2008 10 06 |
|--------------------------------------------------|---------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------|

|  |  |                                                                                                                                                                                                                                                                                                                             |
|--|--|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|  |  | C401-2009 06 29<br>C506-2009 09 08<br>C561-2010 09 27<br>C443-2011 07 04<br>C246-2012 06 25<br>C231-2013 05 27<br>C293-2013 06 24<br>C453-2014 09 22<br>C428-2015 09 14<br>C424-2016 06 27<br>POL-16-010 – 11 07<br>POL-17-009 – 09 11<br>AR-18-076 – 02 20<br>POL-18-007 - 04 23<br>CB-18-025 – 10 22<br>AR-19-003 - 01 21 |
|--|--|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

## Financial Reserves – Schedule O1

|                           |                                                                                                                                                                                                                                                                                                                                                                                                                      |
|---------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Type:</b>              | Operating Reserve                                                                                                                                                                                                                                                                                                                                                                                                    |
| <b>Name:</b>              | Stabilization                                                                                                                                                                                                                                                                                                                                                                                                        |
| <b>Purpose:</b>           | To provide funds to stabilize tax rates for non-recurring, emergent, one-time expenditures or losses of revenue that will not be built into the base operating budget in future years.                                                                                                                                                                                                                               |
| <b>Source of Funding:</b> | <ul style="list-style-type: none"><li>• Transfer of annual surpluses as approved by Council</li><li>• Annual transfer or other sources as approved by Council.</li></ul>                                                                                                                                                                                                                                             |
| <b>Floor:</b>             | 2 <u>per cent</u> % of the current municipal operating budget.                                                                                                                                                                                                                                                                                                                                                       |
| <b>Ceiling:</b>           | 10 <u>per cent</u> % of the current municipal operating budget.                                                                                                                                                                                                                                                                                                                                                      |
| <b>Application:</b>       | Funds from this Reserve will be used for stabilizing budgetary impacts resulting from one time or unanticipated events. Examples include, but are not limited to, abnormal snow removal, fluctuating interest rates, declines in revenues, disaster recovery, increased utility costs, by-election, plebiscites, special projects or other items that would result in an overall deficit to the municipal operation. |
| <b>Interest Bearing:</b>  | No                                                                                                                                                                                                                                                                                                                                                                                                                   |

## Financial Reserves – Schedule O2

|                           |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
|---------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Type:</b>              | Operating Reserve                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| <b>Name:</b>              | Operating Program                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| <b>Purpose:</b>           | To provide funds for specific operating programs as established by Council.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| <b>Funds:</b>             | <p>Operating Program</p> <ul style="list-style-type: none"> <li>- Operating Carry Forward</li> <li>- Preventative Social Services Fund</li> <li>- Community Significant Event Stimulus Fund</li> <li>- Young Artists Legacy Grant Program Fund</li> <li>- Heritage Reserve Fund</li> <li>- Affordable Housing Fund</li> </ul>                                                                                                                                                                                                                                                                                       |
| <b>Source of Funding:</b> | <ul style="list-style-type: none"> <li>• Unspent portion of the annual operating budget pertaining to the specific program or project being carried forward as approved by Council.</li> <li>• Annual transfer or other sources as approved by Council.</li> </ul>                                                                                                                                                                                                                                                                                                                                                  |
| <b>Application:</b>       | <p>Operating Carry Forward</p> <ul style="list-style-type: none"> <li>• To fund expenditures approved by Council in a previous year that are to be completed in the subsequent year.</li> </ul> <p>Preventative Social Services Fund</p> <ul style="list-style-type: none"> <li>• To fund a grant program administered by FCSS to assist in social services.</li> </ul> <p>Community Significant Event Stimulus Fund</p> <p>To offer financial assistance to not-for-profit Community organizations, individuals or businesses to initiate and develop new significant events which attract external audiences.</p> |

## Financial Reserves – Schedule O2

### Heritage Reserve Fund

- Conservation of privately owned Municipal Historic Resources
- Community heritage education and awareness activities
- Designation and conservation incentives for privately-owned heritage sites
- Guided by Council Policy C-CS-21 Municipal Historic Conservation Program

### Affordable Housing Fund

- To provide funds to non-for-profit non-market affordable housing providers based upon approved initiatives

***Interest Bearing:*** No

### Financial Reserves – Schedule O3

|                           |                                                                                                                                                                                                                                                                                                                                                                       |
|---------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Type:</b>              | Operating Reserve                                                                                                                                                                                                                                                                                                                                                     |
| <b>Name:</b>              | Risk Management                                                                                                                                                                                                                                                                                                                                                       |
| <b>Purpose:</b>           | To provide funds for the management of unexpected risk as managed and defined by the Legal Services Department.                                                                                                                                                                                                                                                       |
| <b>Source of Funding:</b> | <ul style="list-style-type: none"><li>• Automatic transfer of insurance premium annual budget surpluses, if the ceiling has not been reached.</li><li>• Automatic transfer of surplus funds left over from unspent budgeted claims expense dollars, if the ceiling has not been reached.</li><li>• Annual transfer or other sources as approved by Council.</li></ul> |
| <b>Ceiling:</b>           | Ceiling set at \$1,200,000.                                                                                                                                                                                                                                                                                                                                           |
| <b>Application:</b>       | To be used for stabilizing budgetary impacts resulting from changes in insurance and risk management related costs, including but not limited to premiums, risk control and prevention, and losses that exceed the claims retention fund.                                                                                                                             |
| <b>Interest Bearing:</b>  | No                                                                                                                                                                                                                                                                                                                                                                    |

## Financial Reserves – Schedule O4

|                           |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
|---------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Type:</b>              | Operating                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| <b>Name:</b>              | Traffic Safety                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| <b>Purpose:</b>           | To provide funds for programs, projects or initiatives that will maintain or upgrade equipment used for traffic safety within the community.                                                                                                                                                                                                                                                                                                                                                                                                                         |
| <b>Source of Funding:</b> | <ul style="list-style-type: none"> <li>Sources as approved by Council</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| <b>Application:</b>       | <ul style="list-style-type: none"> <li>Lifecycle maintenance/upgrades related to the program (i.e. replacement of loops, line markings)</li> <li>Technology Upgrades to existing Speed on Green/Red light Camera infrastructure</li> <li>Intersection/Traffic Corridor analysis/study to determine safety issues <u>&amp; and</u> best mitigation practice.</li> <li>Infrastructure improvements as may be recommended through the above noted analysis/studies.</li> <li>Other capital investments that work towards improving community traffic safety.</li> </ul> |
| <b>Interest Bearing:</b>  | No                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |

## Financial Reserves – Schedule O5

|                           |                                                                                                                                                                                                                                                                                                 |
|---------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Type:</b>              | Operating                                                                                                                                                                                                                                                                                       |
| <b>Name:</b>              | Children's Festival Fund                                                                                                                                                                                                                                                                        |
| <b>Purpose:</b>           | To provide funds for the Children's Festival.                                                                                                                                                                                                                                                   |
| <b>Source of Funding:</b> | <ul style="list-style-type: none"><li>• Monies raised through fundraising or donations specific to the Children's Festival.</li><li>• Automatic transfer of surplus pertaining to the specific program or project.</li><li>• Annual transfer or other sources as approved by Council.</li></ul> |
| <b>Application:</b>       | <ul style="list-style-type: none"><li>• Any surplus/deficit of the Children's Festival program is automatically balanced against this Reserve.</li></ul>                                                                                                                                        |
| <b>Interest Bearing:</b>  | No                                                                                                                                                                                                                                                                                              |

## Financial Reserves – Schedule O6

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|---------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Type:</b>              | Operating Reserve                                                                                                                                                                                                                                                                                                       |
| <b>Name:</b>              | RCMP Contract Expense Reserve                                                                                                                                                                                                                                                                                           |
| <b>Purpose:</b>           | To fund the RCMP contract costs related to the number of RCMP Members assigned to the St. Albert Detachment that are greater than the approved annual budget.                                                                                                                                                           |
| <b>Source of Funding:</b> | <ul style="list-style-type: none"><li>• Reserve funding contribution will be derived from any surplus from the Policing Operating Budget related to the RCMP contract through an automatic transfer at year end.</li><li>• Annual transfer or other sources as approved by Council.</li></ul>                           |
| <b>Ceiling:</b>           | The upper limit of this reserve will not exceed the equivalent of the current estimated budgeted contract cost of nine full time RCMP Members.                                                                                                                                                                          |
| <b>Application:</b>       | To cover operating shortfalls due to a higher than anticipated number of RCMP members being assigned to the St. Albert Detachment, unbudgeted increase in member billing rates and other costs related to the contract. The CAO is authorized to draw upon this Reserve in accordance with the above noted application. |
| <b>Interest Bearing:</b>  | No.                                                                                                                                                                                                                                                                                                                     |

## Financial Reserves – Schedule O7

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|---------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Type:</b>              | Operating Reserve                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| <b>Name:</b>              | Safety Enhancement Reserve                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| <b>Purpose:</b>           | <p>To ensure monies received from the Workers Compensation Board (WCB) premium rebates and surplus distribution dividend remain available to further enhance the employee health and safety program and protect against increases in premiums.</p> <p>Safety enhancement reserve dollars, for as long as they are available, are first used as a source of funding for justified safety projects/initiatives</p>                                                                                                                                                                                                                                                                                                                                                                                                 |
| <b>Source of Funding:</b> | <ul style="list-style-type: none"><li>• Annual WCB premium rebates received through participation in the Partners in Injury Reduction (PIR) program</li><li>• Periodic WCB premium surplus distribution dividends</li><li>• Unspent portion of any closed operating business cases funded from the reserve</li><li>• Annual budgeted transfer as approved by Council</li></ul>                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| <b>Application:</b>       | <ul style="list-style-type: none"><li>• Funds from this Reserve will be used for safety programs as recommended through the City's Safety Enhancement Program as outlined in the administrative policy.</li><li>• For as long as adequate reserve dollars are available, an annual revenue and expense budget <u>of \$260,000</u> will be established within the Municipal Operating budget. <u>This in the amount of \$230,000 includes \$230,000 for investments through the safety enhancement program and \$30,000 for safety training costs,</u> to be approved by Council through the budget process.</li><li>• The CAO shall review and approve, up to the approval limits set within Policy C-CAO-01 CAO Delegations, individual safety requests and shall provide to Council for information.</li></ul> |
| <b>Interest Bearing:</b>  | No                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |

## Financial Reserves – Schedule O8

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|---------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Type:</b>              | Operating Reserve                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| <b>Name:</b>              | Election and Census Reserve                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| <b>Purpose:</b>           | To build funds for future elections and census to minimize annual impact on tax.                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| <b>Funds:</b>             | <ol style="list-style-type: none"><li>1. Election</li><li>2. Census</li></ol>                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| <b>Source of Funding:</b> | <ul style="list-style-type: none"><li>• Annual budgeted transfers as approved by Council, which are based on a target amount to administer a single municipal and school board election.</li><li>• Annual budgeted transfers as approved by Council, which are based on a target amount to administer a census.</li><li>• Any operating surplus balance remaining after an election or census will be transferred back to this Reserve automatically.</li><li>• Annual transfers or other sources as approved by Council.</li></ul> |
| <b>Application:</b>       | <p>Election</p> <ul style="list-style-type: none"><li>• Applied against municipal election expenditures, which occur every four years so that no tax impact occurs.</li></ul> <p>Census</p> <ul style="list-style-type: none"><li>• Applied against municipal census expenditures, which occurs according to C-CAO-21.</li></ul>                                                                                                                                                                                                    |
| <b>Interest Bearing:</b>  | No.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |

## Financial Reserves – Schedule C1

|                           |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
|---------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Type:</b>              | Capital Reserve                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| <b>Name:</b>              | Internal Financing                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| <b>Purpose:</b>           | To provide funds for internal financing of general municipal capital projects, thereby improving the City's overall net financial position.                                                                                                                                                                                                                                                                                                                                                                            |
| <b>Source of Funding:</b> | <ul style="list-style-type: none"><li>• Transfers equal to repayment of principal for approved projects with interest equivalent to the average rate of return earned by the City's investments. This interest rate is intended to offset the investment interest not earned or lost by the City on funds utilized to interim finance capital projects. This interest rate will ensure the City is not profiting from internal borrowing.</li><li>• Annual transfer or other sources as approved by Council.</li></ul> |
| <b>Application:</b>       | Used to internally finance or fund capital projects as approved by Council.                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| <b>Interest Bearing:</b>  | No.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |

## Financial Reserves – Schedule C2

|                           |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
|---------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Type:</b>              | Capital Reserve                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| <b>Name:</b>              | Land & Facilities                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| <b>Purpose:</b>           | To provide funds for the purchase of and or development of land and facilities for municipal purposes.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| <b>Funds:</b>             | <ol style="list-style-type: none"><li>1. Land &amp; Facilities</li><li>2. Parkland Fund</li><li>3. Dog License Fund</li></ol>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| <b>Source of Funding:</b> | <p>Land &amp; Facilities</p> <ul style="list-style-type: none"><li>• May allocate non-residential property tax revenues generated from within the newly developed lands.</li><li>• Sale of properties and City facilities.</li><li>• Net proceeds on the disposition of road right of ways.</li><li>• Annual transfers or other sources as approved by Council.</li></ul> <p>Parkland Fund</p> <ul style="list-style-type: none"><li>• Surplus proceeds from the sale of reserve lands as prescribed in the <i>Municipal Government Act</i>.</li><li>• Payment in lieu of reserve land dedication to meet the cost of acquiring and developing public use lands as prescribed in the <i>Municipal Government Act</i>.</li></ul> <p>Dog License Fund</p> <ul style="list-style-type: none"><li>• Received through a surcharge as part of the annual dog license fee as approved by Council</li></ul> |
| <b>Application:</b>       | <ul style="list-style-type: none"><li>• To fund capital acquisition, development, or major enhancement, of public use lands for municipal purposes.</li><li>• To purchase, construct or refurbish City facilities.</li></ul> <p>Parkland funds may only be used in accordance with section 671 of the <i>Municipal Government Act</i>.</p> <p>Dog License Funds are used specifically for dog parks, associated amenities and life cycle maintenance/upgrade of these items.</p>                                                                                                                                                                                                                                                                                                                                                                                                                    |
| <b>Interest Bearing:</b>  | No.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |

### Financial Reserves – Schedule C3

**Type:** Capital Reserve

**Name:** Off-Site Levy Recovery Fund (OLRF)

**Purpose:** To fund future development of specified Off-Site roadway and utility construction.

**Source of Funding:**

- Annual transfers or other sources as approved by Council.
- Reimbursed funds collected from past City front ended projects

**Application:**

- Off-Site levy reimbursed funds
- To front end capital initiatives as determined by the off-site levy model.
  - To fund City capital projects as approved by Council.

**Interest Bearing:** No.

## Financial Reserves – Schedule C4

**Type:** Capital Reserve

**Name:** Lifecycle

**Purpose:** To provide the necessary funds for the repair, maintenance, and replacement of existing tangible capital assets. This Reserve will permit the City to remain current with required facilities, equipment and services.

Proper maintenance and asset replacement are required to sustain the assets in a condition necessary to provide expected service levels. Deferring maintenance could result in increasing repair costs and decreasing service potential as the condition of the asset deteriorates.

**Funds:**

1. Mobile Vehicle and Equipment
2. Emergency Services Equipment
3. Office Systems
4. Arden Theatre
5. Servus Credit Union Place
6. Aquatics Facility
7. Public Art
8. Park and Outdoor Recreation Amenities
9. Public Transit
10. Infrastructure
11. Heritage Buildings

**Source of Funding:**

- Annual transfers or other sources as approved by Council.
- Ticket Surcharge for Arden Theatre to support lifecycle.
- Surpluses from closed projects shall be returned to the original fund.
- Net proceeds from sale of assets funded from the reserve.

***Application:***

- The execution and use of the lifecycle Reserves are annually reviewed, detailed and scheduled by the respective department. Items are outlined specifically for the required replacement, potential change in useful life and any other updates.
- Meticulous planning is in place and utilization of the lifecycle capital reserve funds is maximized.

***Interest Bearing:***

Yes.

| Reserve Policy – Schedule C5 |                                                                                                                                                                                                                                                                          |
|------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Type:</b>                 | Capital Reserve                                                                                                                                                                                                                                                          |
| <b>Name:</b>                 | Capital Fund                                                                                                                                                                                                                                                             |
| <b>Purpose:</b>              | To provide funds for capital requirements relating to Council priorities, rehabilitation and maintenance of existing infrastructure, purchase of new capital assets, and capital projects that would not be eligible for grant funding.                                  |
| <b>Source of Funding</b>     | <ul style="list-style-type: none"> <li>• An annual transfer, Pay-As-You Go (PAYG) as determined by Council.</li> <li>• Unspent portion of PAYG funding pertaining to closed projects as approved by Council.</li> <li>• Other sources as approved by Council.</li> </ul> |
| <b>Application:</b>          | To fund capital projects that have been identified as part of the annual capital budget process or as otherwise approved by Council.                                                                                                                                     |
| <b>Interest Bearing:</b>     | No.                                                                                                                                                                                                                                                                      |

## Financial Reserves – Schedule C6

|                           |                                                                                                                                                                                                                                                                                                                                                                                                                                         |
|---------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Type:</b>              | Capital Reserve                                                                                                                                                                                                                                                                                                                                                                                                                         |
| <b>Name:</b>              | Growth Stabilization                                                                                                                                                                                                                                                                                                                                                                                                                    |
| <b>Purpose:</b>           | To provide funds for <u>one time</u> capital or operating expenditures that are directly related to growth.                                                                                                                                                                                                                                                                                                                             |
| <b><u>Funds:</u></b>      | <u>1) Growth Stabilization</u><br><u>2) Debt</u>                                                                                                                                                                                                                                                                                                                                                                                        |
| <b>Source of Funding:</b> | <u>Growth Stabilization</u> <ul style="list-style-type: none"> <li><u>Annual transfer of 5 per cent of new assessment growth</u></li> <li><u>Any portion of the <del>55</del>45% per cent of new assessment <del>G</del>growth <del>Assessment Revenue</del> not applied to business cases or capital charters during the budget process</u></li> </ul><br><u>Debt</u><br><u>Annual transfer of 5 per cent of new assessment growth</u> |
|                           | <p>An annual budgeted transfer to the Growth Stabilization Reserve will be included as part of the base budget to recognize the prior years assessment growth transfers unless a Council resolution directs otherwise. Such direction shall be guided by Policy C-FS- 05 as it relates to <u>Assessment Growth growth stabilization and C-FS-03 as it relates to debt.</u></p>                                                          |

***Ceiling:***

\$3.0 million

The ceiling limit excludes reserve funds committed to the Lakeview Business District Accelerator Program as per C-FS-05 14.b.iv.

***Application:***

Funds from the Reserve may be used to support one time operating or capital costs which have a demonstrated link to the costs of growth as per direction from Council.

***Interest Bearing:***

No.

## Financial Reserves – Schedule C7

|                           |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
|---------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Type:</b>              | Capital Reserve                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
| <b>Name:</b>              | Energy Efficiency                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
| <b>Purpose:</b>           | To provide funds to support energy efficiency projects in the municipal corporation and in the community.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| <b>Funds:</b>             | <b>1)</b> Energy Efficiency<br><b>2)</b> Clean Energy Improvement Program (CEIP)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| <b>Source of Funding:</b> | <ul style="list-style-type: none"><li>• Rebates/grants received from past projects,</li><li>• Annual transfer or other sources as approved by Council.</li><li>• Grants received from governments.</li><li>• Net interest earned on CEIP Loans to residents</li></ul>                                                                                                                                                                                                                                                                                                                                                       |
| <b>Ceiling:</b>           | None                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| <b>Application:</b>       | <p><b>Energy Efficiency</b><br/>To be used for one-time projects, both capital and operating, related to energy conservation, production, retro-fit and/or building system monitoring projects for the City and to support any future grant program that may be developed for residential, commercial and/or industrial projects of a similar nature.</p> <p><b>CEIP</b><br/>Funds will be used to manage any loan defaults and future interest payments on the City's line of credit. After FCM grant reporting is complete, any remaining funds may be allocated to support additional energy efficiency initiatives.</p> |
| <b>Interest Bearing:</b>  | No.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |

## Financial Reserves – Schedule UC1

|                           |                                                                                                                                                                                                                                   |
|---------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Type:</b>              | Utility Capital Reserve                                                                                                                                                                                                           |
| <b>Name:</b>              | Utilities Fund                                                                                                                                                                                                                    |
| <b>Purpose:</b>           | To provide funds for the repair, maintenance, and replacement of the City's utility infrastructure, equipment, or to fund studies required for future planning purposes.                                                          |
| <b>Funds:</b>             | <ol style="list-style-type: none"><li>1. Water</li><li>2. Wastewater</li><li>3. Solid Waste</li><li>4. Storm Water</li></ol>                                                                                                      |
| <b>Source of Funding:</b> | <ul style="list-style-type: none"><li>• Transfers to/from the Utility Operating Budgets as approved by Council as part of the annual budget process.</li><li>• Annual transfer or other sources as approved by Council.</li></ul> |
| <b>Application:</b>       | To fund utility capital projects that have been identified as part of the annual capital budget process or as otherwise approved by Council.                                                                                      |
| <b>Interest Bearing:</b>  | Yes.                                                                                                                                                                                                                              |

## Reserve Policy – Schedule OA1

|                           |                                                                                                                                                                |
|---------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Type:</b>              | Operating Reserve                                                                                                                                              |
| <b>Name:</b>              | Outside Agency Operating                                                                                                                                       |
| <b>Purpose:</b>           | To establish a fund for outside agencies to administer their respective operating programs.                                                                    |
| <b>Fund:</b>              | Outside Agency Program Funds <ol style="list-style-type: none"><li>1. Museum Artifacts</li><li>2. Museum Historic Sites</li><li>3. Museum Exhibition</li></ol> |
| <b>Source of Funding:</b> | <ul style="list-style-type: none"><li>• Annual transfer or other sources as approved by Council.</li></ul>                                                     |
| <b>Application:</b>       | <ul style="list-style-type: none"><li>• Used to fund outside agency operating programs as approved by their respective board and Council</li></ul>             |
| <b>Interest Bearing:</b>  | No.                                                                                                                                                            |

## Reserve Policy – Schedule OA2

|                           |                                                                                                                                                                          |
|---------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Type:</b>              | Capital Reserve                                                                                                                                                          |
| <b>Name:</b>              | Outside Agency Capital                                                                                                                                                   |
| <b>Purpose:</b>           | To establish a fund for outside agencies to administer their respective capital initiatives.                                                                             |
| <b>Funds:</b>             | 1. Business Incubation Building Fund                                                                                                                                     |
| <b>Source of Funding:</b> | <ul style="list-style-type: none"><li>• Donations, fundraising revenue, unconditional grants</li><li>• Annual transfer or other sources as approved by Council</li></ul> |
| <b>Application:</b>       | <ul style="list-style-type: none"><li>• To fund capital projects as approved by and Council.</li></ul>                                                                   |
|                           | -Business Incubation Building Fund<br>To establish a building fund for future development.                                                                               |
| <b>Interest Bearing:</b>  | No.                                                                                                                                                                      |