NOTICE OF

FINANCE COMMITTEE OF COUNCIL

LOCATION: City Hall, Committee Meeting Room #126

DATE: Monday, March 16, 2020

TIME: 1:00 P.M.

A. ADOPTION OF AGENDA:
   1. Adoption of Agenda.

B. ADOPTION OF MINUTES:
   1. Finance Committee of Council Minutes held November 19, 2019. 3 - 7
   2. Finance Committee of Council Minutes held November 20, 2019. 8 - 12
   3. Finance Committee of Council Minutes held November 21, 2019. 13 - 18
   4. Finance Committee of Council Meeting held November 22, 2019. 19 - 22

C. AGENDA ITEMS:

D. NEXT MEETING DATE:
   1. Next Meeting Date - April 6, 2020 - 2019 Financial Statement Audit.

E. ADJOURNMENT:
FINANCE COMMITTEE OF COUNCIL MEETING  
NOVEMBER 19, 2019  

The Finance Committee of Council Meeting of the City of Camrose was held in City Hall Committee Room #126 on Tuesday, November 19, 2019 with the following persons in attendance:

Council: Mayor N. Mayer; Councillors K. Hycha; M. Lindstrand; D. Ofrim; PJ Stasko; W. Throndson; and G. Wood

Absent: Councillor A. Hoveland

Administration: City Manager - M. Boyd; Deputy City Manager - K. Isaak; General Manager, Financial Services - T. Bouck; Director, Financial Planning and Reporting - J. McDonald; General Manager, Community Services - R. Poole; Director, Engineering Services - J. Enarson; Director, Public Works - J. Sacker; Community and Economic Development Officer - P. MacQuarrie; Director, Planning and Development Services - A. Leckie; Corporate Business Planner - T. McCarroll; Aquatics Supervisor - M. Peek, and Executive Assistant to the City Manager - C. Johnson.

Chairman Wood called the meeting to order at 8:31 a.m.

A. ADOPTION OF AGENDA:

A-1 Adoption of Agenda.

MOTION #19/19 Moved by Mayer - seconded by Stasko that the agenda of the Finance Committee of Council Meeting held on November 19, 2019 be adopted. CARRIED

B. ADOPTION OF MINUTES:


MOTION #20/19 Moved by Lindstrand - seconded by Ofrim that the Minutes of the July 15, 2019 Finance Committee of Council Meeting be adopted. CARRIED

C. AGENDA ITEMS:

C-1 2020 Budget Presentation - Introduction/Strategic Plan/Summary.
M. Boyd, City Manager, and T. Bouck, General Manager, Financial Services, presented the 2020 Budget Presentation - Introduction / Strategic Plan / Summary through a powerpoint presentation which covered the following areas:

- Strategic Focus Areas;
- Key Messages;
- Budget Approval;
- Budget Process;
- Current Draft Base Budget;
- Capital Plan (Non-Utility);
- Debit Servicing (Non-Utility);
- Infrastructure Deficit (Non-Utility);
- Impact of Decrease of Provincial Infrastructure Funding; and
- Franchise Fees and Handout.

T. Bouck, General Manager, Financial Services, presented the 2020 Budget - Operating Budget through a powerpoint presentation which covered the following areas:

- Growth 2019-2020 Estimate;
- Operating Deficits; and
- Operating Deficit Summary Operating Reserves.

T. Bouck, General Manager, Financial Services, presented the 2020 Budget - Capital Budget through a powerpoint presentation which covered the following areas:

- Capital Plan - Spending (Non-Utilities);
- Capital - Grant Funding;
- Capital - Debt;
- Capital - Aquatic Centre;
- Capital - Major Projects 10 Year;
- Capital - On The Horizon; and
- Capital - Short Term Impact.

During the presentation, Administration responded to questions from the Finance Committee of Council with regards to the associated risks within the Capital Plan if the projected grant funding levels were not received from the Province, and the decrease in reserves to offset the remaining Capital debt.

Mayor Mayer asked the Finance Committee of Council for permission to allow him to personally hire another structural engineer to re-assess the structure of the Drill Hall, and that all associated costs would be at his expense. The Finance Committee of Council and Administration discussed the request. Chairman Wood deferred the discussion to the Finance Committee of Council Meeting to be held on Friday, November 22, 2019.

Chairman Wood called for a recess at 9:39 a.m. and reconvened the meeting at 9:50 a.m.
AGENDA ITEM B.1.

Finance Committee of Council
November 19, 2019

C-2  2020 Budget Presentation - Municipal Service Levels.

Administration advised this agenda item will be discussed in closed session.

C-3  2020 Budget Presentation - Salary Negotiations.

Administration advised this agenda item will be discussed in closed session.

MOTION #21/19  Moved by Thordson - seconded by Hycha that the Finance Committee of Council move to closed session at 9:50 a.m., to discuss the following:

- City Departments - Personnel FOIP Section 17(1):
  - Municipal Service Levels.
  - Salary Negotiations.

CARRIED

All members of the Finance Committee of Council recorded in attendance were present. The Administrative Members in attendance were M. Boyd and T. Bouck.

MOTION #22/19  Moved by Ofrim - seconded by Lindstrand that the Finance Committee of Council return to the open meeting at 10:30 a.m.

CARRIED

C-4  2020 Budget Presentation – Aquatic Centre.

R. Poole, General Manager, Community Services, and M. Peek, Aquatic Supervisor, presented the 2020 Budget Presentation for the Aquatic Centre through a powerpoint presentation which covered the following areas:

- Pool Project;
- Capital Status;
- Operational Plan;
- Staffing Hire Detail;
- Operational Plan and Options Handout;
- Expecting Operating Deficit (Annual);
- Staff Compliment Comparison;
- Old Pool Staffing Layout;
- Staffing Levels and Safety;
- Review of Operational Deficit Comparators;
- Risk Assessment; and
- Summary.
During the presentation, R. Poole, General Manager, Community Services, and M. Peak, Aquatics Supervisor, advised the primary reason for the increase in operational costs are the staffing/training standards for a multi-basin pool. The standard requires that an entire pool must be monitored by certified lifeguards at all times (rule: thirty seconds visibility from surface to depth of pool) even when only one area of the pool is in use. The standard is liability driven and is recommended by the Lifesaving Society.

During the presentation, Administration responded to questions from the Finance Committee of Council with regards to the following areas:
- The three proposed operational plans options, increased service levels and who would be responsible for the costs for certified training;
- The standard for a multi-basin pool and options to block-off those areas of the pool when not in use;
- The overall operational costs and expected annual operating deficit;
- The reason for the decrease in revenue comparison numbers from 2017-2021; and
- The status of the contribution to the Aquatic Centre and the Recreation and Cultural Facilities Operational Cost Sharing Agreement with the Camrose County.

Chairman Wood called a recess at 1:50 p.m. in order for the Finance Committee of Council to attend the Committee of the Whole Council Meeting. Chairman reconvened the meeting at 3:54 p.m.

Chairman Wood requested that the Finance Committee of Council move into closed session.

MOTION #23/19 Moved by Throndson - seconded by Ofrim that the Finance Committee of Council move to closed session at 3:56 p.m. to discuss the following:
- City Departments - Personnel FOIP Section 17(1):
  - Aquatic Centre.

CARRIED

All members of the Finance Committee of Council recorded in attendance were present. The Administrative Members in attendance were M. Boyd and T. Bouck.

MOTION #24/19 Moved by Hycha - seconded by Stasko that the Finance Committee of Council return to the open meeting at 4:30 p.m.

CARRIED

D. NEXT MEETING DATE:

D-1 Next Meeting Date.

Chairman Wood advised the next meeting date is Wednesday, November 20, 2019 in City Hall Committee Meeting Room #126.
E. **ADJOURNMENT:**

E-1 Adjournment of the Finance Committee of Council Meeting held November 19, 2019.

Chairman Wood declared the Finance Committee of Council Meeting adjourned at 4:30 p.m.

__________________________
CHAIRMAN

__________________________
RECORDING SECRETARY
FINANCE COMMITTEE OF COUNCIL MEETING
NOVEMBER 20, 2019

The Finance Committee of Council Meeting of the City of Camrose was held in City Hall Committee Room #126 on Monday, Thursday, November 20, 2019 with the following persons in attendance:

Council: Mayor N. Mayer; Councillors; K. Hycha; M. Lindstrand; D. Ofrim; PJ Stasko; W. Thronson; and G. Wood

Absent: Councillor A. Hoveland

Administration: City Manager - M. Boyd; Deputy City Manager - K. Isaak; General Manager, Financial Services - T. Bouck; Director, Financial Planning and Reporting - J. McDonald; Chief of Police - D. LaGrange; Community and Economic Development Officer - P. MacQuarrie; Director, Information Technology - J. Meier; IT Systems Analyst - M. Bernes; GIS Administrator - C. Bratrud; Deputy Fire Chief - J. Mah; General Manager, Community Services - R. Poole; Parks Director, K. Kruger; Recreation Facilities Operation Supervisor - J. Cook; Director, Arts Centre, J. Cherry; Grounds Superintendent - D. McDermott; and Executive Assistant to the City Manager - C. Johnson

Chairman Wood called the meeting to order at 8:00 a.m.

A. ADOPTION OF AGENDA:

A-1 Adoption of Agenda.

MOTION #25/19 Moved by Ofrim - seconded by Lindstrand that the agenda of the Finance Committee of Council Meeting held on November 20, 2019 be adopted.

CARRIED

B. AGENDA ITEMS:

B-1 2020 Budget Presentation - Camrose Police Service.

D. LaGrange, Chief of Police, with the assistance of M. Boyd, T. Bouck, and M. Bernes, presented the 2020 Budget Presentation for the Camrose Police Services through a powerpoint presentation which covered the following areas:

- Operating Summary;
- Organization and Summary;
- Business Cases:
  - Additional Camrose Police Service IT Resource; and
  - Next Generation 911;
Throughout the presentation, Administration responded to questions from the Finance Committee of Council with regards to the regulated requirements, scope of work, risk management, and operational and financial impact of both business cases.

Chairman Wood requested that the Finance Committee of Council move into closed session.

MOTION #27/19 Moved by Thondson - seconded by Mayer that the Finance Committee of Council move to closed session at 8:35 a.m. to discuss the following:
- City Departments - Personnel FOIP Section 17(1):
  - Camrose Police Service.
CARRIED

All members of the Finance Committee of Council recorded in attendance were present. The Administrative Members in attendance were M. Boyd, T. Bouck and D. LaGrange.

MOTION #28/19 Moved by Stasko - seconded by Hycha that the Finance Committee of Council return to the open meeting at 9:05 a.m.
CARRIED


P. MacQuarrie, Community and Economic Development Officer, and M. Boyd, City Manager presented the 2020 Budget Presentation for Community Economic Development and Communications through a powerpoint presentation which covered the following areas:
- 2019 Operating Highlights;
- 2020 Operating Summary;
- 2020-2023 Department Plan Focus Areas;
- Communications Budget;
- Key Economic Development Budget Items; and
- Business Cases:
  - Social Media Content Management Software;
  - Service Request Software; and
  - Airport Revenue Generation Options.

Throughout the presentation, Administration responded to questions from Council.

The Finance Committee of Council asked Administration to consider the following items:
- Exit interviews with downtown businesses to determine why they are leaving downtown Camrose;
The addition of health and medical facilities in the 2020-2023 Department Plan; and
To proceed with Option 5 of the Airport Revenue Generation Options Business Case.

Chairman Wood requested that the Finance Committee of Council move into closed session.

MOTION #29/19 Moved by Ofrim - seconded by Throntson that the Finance Committee of Council move to closed session at 9:57 a.m. to discuss the following:
- City Departments - Personnel FOIP Section 17(1):
  - Community Economic Development and Communications.
CARRIED

All members of the Finance Committee of Council recorded in attendance were present. The Administrative Members in attendance were M. Boyd, T. Bouck, and P. MacQuarrie.

MOTION #30/19 Moved by Lindstrand - seconded by Mayer that the Finance Committee of Council return to the open meeting at 10:10 a.m.
CARRIED

Chairman Wood called for a recess at 10:12 a.m. and reconvened the meeting at 10:19 a.m.

B-3 2020 Budget Presentation - Corporate and Protective Services.

K. Isaak, Deputy City Manager, with the assistance of J. Meier, M. Bernes, C. Bratrud and J. Mah, presented the 2020 Budget Presentation for Corporate and Protective Services through a powerpoint presentation which covered the following areas:
- Organization;
- Administration and Information Technology - Operating Summary;
- Information Technology - Business Cases:
  - IT Camrose Police Services Resource;
  - Work Flow / Assess Management System;
- Information Technology - Capital Plan; and
- Fire Services - Operating Summary and Capital Plan.

Administration advised the Finance Committee of Council of the corrections within the presentation which covered the following areas:
- IT Capital Plan - Mail Gateway in 2020, should read $60,000; and
- Fire Capital Plan - Total of Column for Year 2024, should read $60,000.

During the presentation, Administration responded to questions from the Finance Committee of Council which covered the following areas:
- The timing for recruitment of a Bylaw Officer in 2020;
- The scope of work for the IT Camrose Police Services Resource Business Case; and
- The status of the City’s current financial services provider.
Chairman Wood requested that the Finance Committee of Council move into closed session.

MOTION #31/19  Moved by Stasko - seconded by Hycha that the Finance Committee of Council move to closed session at 11:01 a.m. to discuss the following:
   • City Departments - Personnel FOIP Section 17(1):
     - Corporate and Protective Services.

CARRIED

All members of the Finance Committee of Council recorded in attendance were present. The Administrative Members in attendance were M. Boyd, T. Bouck and K. Isaak.

MOTION #32/19  Moved by Ofrim - seconded by Hycha that the Finance Committee of Council return to the open meeting at 11:08 a.m.

CARRIED

B-4  2020 Budget Presentation - Community Services 11:00 A.M.

R. Poole, General Manager, Community Services, with the assistance of K. Kruger, J. Cook, J. Cherry and D. McDermott, presented the 2020 Budget Presentation for Community Services through a powerpoint presentation which covered the following areas:
   • Community Services - Total Deficit;
   • Community Services - Organization;
   • Facilities - Operating Summary and Capital Plan;
   • Parks - Operating Summary, Service Level Discussions and Capital Plan;
   • Cemeteries;
   • Arts - Operating Summary, Service Level Discussions and Capital Plan;
   • Admin - Operating Summary and Organization; and
   • Golf - Operating Summary, Service Level Discussions and Capital Plan.

The Finance Committee of Council asked Administration to provide the cost sharing agreements with the Battle River Regional Division and the Elk Island Catholic Schools for the outdoor court facilities in Camrose.

During the presentation, Administration responded to questions from the Finance Committee of Council with regards to staffing service levels, increasing deficit, and level of subsidy for recreational facilities.

Chairman Wood requested that the Finance Committee of Council move into closed session.
MOTION #33/19 Moved by Stasko - seconded by Thronson that the Finance Committee of Council move to closed session at 12:13 p.m. to discuss the following:
- City Departments - Personnel FOIP Section 17(1):
  - Community Services.
CARRIED

All members of the Finance Committee of Council recorded in attendance were present. The Administrative Members in attendance were M. Boyd, T. Bouck and R. Poole.

MOTION #34/19 Moved by Mayer - seconded by Lindstrand that the Finance Committee of Council return to the open meeting at 12:28 p.m.
CARRIED

D. NEXT MEETING DATE:

D-1 Next Meeting Date.

Chairman Wood advised the next meeting date is Thursday, November 21, 2019 in City Hall Committee Meeting Room #126.

E. ADJOURNMENT:

E-1 Adjournment of the Finance Committee of Council Meeting held November 20, 2019.

Chairman Wood declared the Finance Committee of Council Meeting adjourned at 12:29 p.m.
FINANCE COMMITTEE OF COUNCIL MEETING  
NOVEMBER 21, 2019 

The Finance Committee of Council Meeting of the City of Camrose was held in City Hall Committee Room #126 on Thursday, November 21, 2019 with the following persons in attendance:

Council: Mayor N. Mayer; Councillors K. Hycha; M. Lindstrand; D. Ofrim; PJ Stasko; W. Thronson; and G. Wood

Absent: Councillor A. Hoveland;

Administration: City Manager - M. Boyd; General Manager, Financial Services - T. Bouck; Director, Financial Planning and Reporting - J. McDonald, Director, Engineering Services - J. Enarson; Infrastructure and Engineering Coordinator - K. Freeborn; Senior Safety Codes Officer - B. McAllister; Municipal Engineer - R. Yuha; Municipal Engineer - G. Lewin; Director, Public Works - J. Sacker; Superintendent of Roads - D. Asel; Fleet and Shop Manager - M. McGregor; and Executive Assistant to the City Manager - C. Johnson.

Chairman Wood called the meeting to order at 8:00 a.m.

A

ADOPTION OF AGENDA/MINUTES:

A-1 Adoption of Agenda.

MOTION #35/19 Moved by Lindstrand - seconded by Ofrim that the agenda of the Finance Committee of Council Meeting held on November 21, 2019 be adopted. CARRIED

B.

AGENDA ITEMS:

B-1 2020 Budget Presentation - Engineering (Includes Safety Codes and Transit) and Public Works

J. Enarson, Director, Engineering Services, with the assistance of K. Freeborn, B. McAllister, R. Yuha, and G. Lewin, presented the 2020 Budget Presentation for Engineering (Includes Safety Codes and Transit) through a powerpoint presentation which covered the following areas:

- Engineering/Building Inspection - Organization;
- Engineering Office - Operating Summary and Service Level Discussions;
- Building Inspections / Safety Codes;
- Airport - Operating Summary, Lease Rates, Capital Plan, Service Level Discussions;
- Transit - Operating Summary; and
Finance Committee of Council  
November 21, 2019  

- Transit - Business Cases:  
  o Carpool;  
  o Camrose Connector; and  
  o Community Bus.

During the presentation, Administration responded to questions from the Finance Committee of Council.

Chairman Wood requested the Finance Committee of Council move into closed session.

MOTION #36/19  Moved by Stasko - seconded by Hycha that the Finance Committee of Council move to closed session at 8:39 a.m. to discuss the following:  
  - City Departments - Personnel FOIP Section 17(1):  
    - Engineering (Includes Safety Codes and Transit).

CARRIED

All members of the Finance Committee of Council recorded in attendance were present. The Administrative Members in attendance were M. Boyd, T. Bouck and J. Enarson.

MOTION #37/19  Moved by Mayer - seconded by Throndson that the Finance Committee of Council return to open meeting at 9:04 a.m.

CARRIED

J. Enarson, Director, Engineering Services, and J. Sacker, Director, Public Works, with the assistance of D. Asel and M. McGregor, continued with the 2020 Budget Presentation for Public Works through a powerpoint presentation which covered the following areas:  
- Public Works - Operating Summary and 2019-2020 Organization; and  

During the presentation Administration responded to questions from the Finance Committee of Council.

Chairman Wood requested the Finance Committee of Council move into closed session.

MOTION #36/19  Moved by Stasko - seconded by Hycha that the Finance Committee of Council move to closed session at 9:29 a.m. to discuss the following:  
  - City Departments - Personnel FOIP Section 17(1):  
    - Public Works.

CARRIED

All members of the Finance Committee of Council recorded in attendance were present. The Administrative Members in attendance were M. Boyd, T. Bouck, J. Enarson, and J. Sacker.
MOTION #37/19 Moved by Ofrim - seconded by Throndson that the Finance Committee of Council return to open meeting at 9:47 a.m. CARRIED

J. Enarson, continued with the 2020 Budget Presentation for Engineering and Public Works through a powerpoint presentation of the following area:

- Roads Program.

During the presentation Administration responded to questions from the Finance Committee of Council with regards to the scope of work for the road program, intersection improvements, and the timing for local improvements within the 2020 Capital Plan.

Chairman Wood called a recess at 10:05 a.m. and reconvened the meeting at 10:14 p.m.


T. Bouck, General Manager, Financial Services, and M. Boyd, City Manager, with the assistance of J. McDonald, presented the 2020 Budget Presentation for the Mayor and Council, Fiscal Services and Community Grants through a powerpoint presentation which covered the following areas:

- Mayor and Council - Operating Summary;
- Office of the City Manager - Operating Summary;
- Fiscal Services - Operating Summary;
- Common Services - Operating Summary;
- Financial Services and Assessment - Organization;
- Financial Services, Assessment, Business Revitalization Zone (BRZ), Regional Business Development, and Property Management - Operating Summary; and
- Local Governance - Agreements, Fee For Service, Council Committees and Recurring Grants.

Administration responded to questions from the Finance Committee of Council.

The Finance Committee of Council directed Administration to proceed with the following items:

- Defer Council Remuneration and the Camrose Public Library to the November 22nd, 2019 Finance Committee of Council Meeting for further discussion;
- To provide notice to tenants within the Regional Development Centre; and
- To change the proposed funding allocation for the following areas:
  - Agreements:
    - Parkland Regional Library - $145,000;
  - Council Committees:
    - Arts Council - $35,000;
    - Social Development Committee - $2,000;
  - Recurring Grant:
    - Physician Recruitment - $1,000.
MOTION #38/19  Moved by Ofrim - seconded by Throndson that the Finance Committee of Council move to closed session at 11:26 a.m. to discuss the following:
  • City Departments - Personnel FOIP Section 17(1):
    - Mayor and Council, Fiscal Services and Community Grants.
CARRIED

All members of the Finance Committee of Council recorded in attendance were present. The Administrative Members in attendance were M. Boyd, and T. Bouck.

MOTION #39/19  Moved by Hycha - seconded by Ofrim that the Finance Committee of Council return to open meeting at 11:38 a.m.
CARRIED

B-3  2020 Budget Presentation - Planning and Development.

A. Leckie, Director, Planning and Development Services, presented the 2020 Budget Presentation for Planning and Development through a powerpoint presentation which covered the following areas:
  • Operating Summary;
  • Organization; and
  • Business Case:
    o Heritage Management Plan.

The Finance Committee of Council directed Administration to proceed with the Heritage Management Plan subject to the ability to obtain a plan within the maximum funding of $17,500 from the City.

Chairman Wood requested that the Finance Committee of Council move into closed session.

MOTION #40/19  Moved by Lindstrand - seconded by Hycha that the Finance Committee of Council move to closed session at 11:56 a.m. to discuss the following:
  • City Departments - Personnel FOIP Section 17(1):
    - Planning and Development.
CARRIED

All members of the Finance Committee of Council recorded in attendance were present. The Administrative Members in attendance were M. Boyd, T. Bouck and A. Leckie.

MOTION #41/19  Moved by Stasko - seconded by Throndson that the Finance Committee of Council return to open meeting at 12:19 p.m.
CARRIED
D.  **NEXT MEETING DATE:**

D-1  Next Meeting Date.

Chairman Wood advised that the next meeting date is Friday, November 22, 2019 in City Hall Meeting Room #126.

E.  **ADJOURNMENT:**

E-1  Adjournment of the Finance Committee of Council Meeting held November 21, 2019.

Chairman Wood declared the Finance Committee of Council Meeting adjourned at 12:25 p.m.
FINANCE COMMITTEE OF COUNCIL MEETING
NOVEMBER 22, 2019

The Finance Committee of Council Meeting of the City of Camrose was held in City Hall Committee Room #126 on Monday, Thursday, November 22, 2019 with the following persons in attendance:

Council: Mayor N. Mayer; Councillors Councillor A. Hoveland; K. Hycha; M. Lindstrand; D. Ofirim; PJ Stasko; W. Throndson; and G. Wood.

Administration: City Manager - M. Boyd; General Manager, Financial Services - T. Bouck; Director, Financial Planning and Reporting - J. McDonald; Community and Economic Development Officer - P. MacQuarrie; Director, Engineering Services - J. Enarson; Director, Public Works, - J. Sacker; Director, Planning and Development Services - A. Leckie; General Manager, Community Services - R. Poole; Corporate Business Planner - T. McCarroll; Municipal Engineer - G. Lewin; Superintendent of Utilities - S. Mascaluk; and Executive Assistant to the City Manager - C. Johnson.

Chairman Wood called the meeting to order at 8:30 a.m.

A
ADOPTION OF AGENDA/MINUTES:

A-1 Adoption of Agenda.

MOTION #42/19 Moved by Hycha - seconded by Stasko that the agenda of the Finance Committee of Council Meeting held on November 22, 2019 be adopted. CARRIED

B
AGENDA ITEMS:

B-1 2020 Budget - Utilities

T. Bouck, General Manager, Financial Services advised a closed session is not required for Utilities.

J. Enarson, Director, Engineering Services, and J. Sacker, Director, Public Works, with the assistance of S. Mascaluk, Superintendent of Utilities, presented the 2020 Budget Presentation for Utilities through a powerpoint presentation which covered the following areas:

- Introduction - Decision Points;
- Utilities - Organization;
- Water - Operating Summary, Rates and Capital Reserve;
- Wastewater - Operating Summary, Rates and Capital Reserve;
- Wastewater - Wastewater Treatment Plant and Capital Reserve; and
- Storm - Operating Summary, Capital and Capital Reserve.
During the presentation, Administration responded to questions from the Finance Committee of Council which covered the following areas:

- The new provincial legislation for Lead Management;
- The rates for water and wastewater;
- The scope of work, status of provincial funding and the Capital Reserve debit servicing impact for the new Waste Water Treatment Plant;
- The scope of work for the Mirror Lake Sediment Removal Project; and
- Whether to implement tiered storm water utility rates.

Chairman Wood called for a recess at 9:23 a.m. and reconvened the meeting at 9:29 a.m.

J. Enarson, Director, Engineering Services, and J. Sacker, Director, Public Works, with the assistance of G. Lewin, Municipal Engineer, presented the 2020 Budget Presentation for Utilities through a powerpoint presentation which covered the following areas:

- Waste Management - Organization;
- Waste Management - Residential Waste Operating Summary, Collection Rates and Capital Reserve;
- Waste Management - Landfill Operating Summary, Rates, and Capital Reserves;
- Waste Management - Recycling - Operating Summary, Rates and Capital Reserve; and
- Interfund Charges and Fees.

During the presentation, Administration responded to questions from the Finance Committee of Council which covered the following areas:

- The rates for waste collection, landfill and recycling fees;
- Implementation and impact on stakeholders for the new Waste Management Master Plan; and
- Leachate control and the tendering process for the operational contract for the landfill.

**B-2 Any Budget Follow-up**

This was no budget follow-up required.

**B-3 2020 Budget Presentation - Summary**

T. Bouck, General Manager, Financial Services, advised the Finance Committee of Council the Camrose Police Service Budget will be in closed session.

T. Bouck, General Manager, Financial Services, and M. Boyd, City Manager, with the assistance of J. McDonald, Financial and Reporting, presented the 2020 Budget Summary through a powerpoint presentation of the following areas:

- Business Cases:
  - Car Pool, Camrose Connector and Community Bus;
  - Camrose Police Service - IT Resource and Next Generation;
During the presentation, Administration responded to questions from the Finance Committee of Council.

MOTION #43/19 Moved by Thronson - seconded by Mayer that Council move to closed session at 10:53 a.m. to discuss the following:
- City Departments - Personnel FOIP Section 17(1):
  - Camrose Police Service.
  - Camrose Public Library.

CARRIED

All members of the Finance Committee of Council recorded in attendance were present. Councillor A. Hoveland joined the closed session by speaker phone at 10:57 a.m. with the call ending at 11:15 a.m. The Administrative Members in attendance were M. Boyd and T. Bouck.

MOTION #44/19 Moved by Lindstrand - seconded by Ofirim that the Finance Committee of Council return to the open meeting at 12:29 p.m.

CARRIED

D. NEXT MEETING DATE:

The next meeting date, if necessary, is scheduled for Tuesday, November 26, 2019.

Administration advised the Finance Committee of Council that notification would be provided if a meeting is necessary for Tuesday, November 26, 2019.

E. ADJOURNMENT:

E-1 Adjournment of the Finance Committee of Council Meeting held November 22, 2019.
Finance Committee of Council
November 22, 2019

Chairman Wood declared the Finance Committee of Council Meeting adjourned at 12:30 p.m.
RECOMMENDATION:
That Council receive this report for information and provide direction to Administration.

BACKGROUND:
The City of Camrose funds operational and capital requirements from a number of sources:

- general municipal levy
- franchise fees
- utility rates
- user fees and other fees
- government grants
- debt

Over time, a municipality may set aside funds received to be used in the future. These funds that are not utilized may take the form of:

- Reserves: primarily funded from operational surpluses over time or planned contributions from the current year operating results to reserves for specific projects or a general contingency
- Deferred Revenue – Grants: grant funding that has been received but not yet spent (MSI, BMTG, GTF, etc.)
- Deferred Revenue – Off-site Levy (OSL) Fees: OSL fees that have been received but not yet spent in accordance with the OSL Bylaw

The City’s Reserves are governed by the City’s financial reserve policies in effect. The financial reserve policies do not address the other two sources of funds that are set aside:

a) Deferred Revenue – Grants
b) Deferred Revenue – OSL Fees

Current Policies:
The City of Camrose (the “City”) currently has the following policies in effect which govern the financial reserves of the City:

FIN 7.9.0 Capital Reserve Policy
FIN 7.10.0 Operating Reserve Policy

Both of the policies noted above were effective from April 4, 2016 and a copy of each has been provided as an attachment.

Administration has initiated a review of the reserve policies in an attempt to ensure that the financial reserve policies continue to provide the City with the fiscal framework necessary to ensure long-term financial stability.

The reserve policies provide a framework that stipulates the purpose of the reserve, how the reserve is funded, what the reserve is to be used for, if there are any restrictions on minimum or maximum balances and if the reserve should be interest bearing.

Current Reserves:

Based upon the current policy, the City of Camrose had the following reserve balances as of December 31, 2018:

- Municipal - Operating Reserves $10,576,236
- Municipal - Capital Reserves $11,336,140
- Utilities – Operating Reserves $810,919
- Utilities – Capital Reserves $29,987,275

Review Process – Areas to Consider:

A number of specific areas of consideration have also been examined based upon discussions during budget deliberations, development negotiations, OSL discussions, inter-collaboration framework (“ICF”) negotiations, etc.:

- Land “Fund” / Development – provide the municipality with available funds for the development or purchase of lands that would provide the municipality with the ability to initiate or impact development in the absence of private development; provide the municipality with a fund to accumulate any gains realized upon land sales / development.

- Front-end investments for OSL projects – significant projects that are expected to be funded with OSL fees may need to be completed prior to the receipt of the OSL fees from developers. The municipality may want to consider limiting the amount of speculative risk the municipality is willing to accept in these instances.

- Road Reserve Program – in 2016, Council committed funding to improving the status of the transportation infrastructure with annual capital spending of $3 million per year. No separate reserve currently exists to specifically track amounts spent on transportation infrastructure in accordance with this directive. Funds may not be spent in one year and Administration has currently tracked these amounts separately “within” the General Capital Reserve. A dedicated reserve for Transportation would increase transparency with respect to this commitment.

- Asset Maintenance and Replacement – the City is currently requesting that other municipal partners to the ICF set aside funds on an annual basis for the future replacement of the assets included within a regional or shared service. The City will
generally utilize debt to fund a portion of the new asset; however, there is the possibility that the City may set aside a portion of the replacement cost of an asset on an annual basis to ensure that funds exist at the time of replacement to be consistent with the expectations we are placing on our partners.

- City’s ability to absorb unexpected operational costs – assess if the City’s current level of financial reserves provide the City with enough resources to absorb significant unexpected events. May impact minimum balances required within both the utility funded operations and levy funded operations.

- City’s ability to absorb unexpected capital costs - assess if the City’s current level of financial reserves provide the City with enough resources to absorb significant unexpected capital requirements. May impact minimum balances required within both the utility funded capital projects and levy funded capital projects.

- Investment income on funds held by the City – assess which reserves should bear interest on the balance of the reserve. If significant reserves do not bear interest, the related investment income would be recorded within the operational levy of the municipality and could significantly increase volatility in the operational deficit of the municipality from year to year.

Reserve Type:

The City currently has two types of reserves: Municipal and Utility.

Rationale supporting this separation is due to the fact that the utilities (water, wastewater, solid waste management) are designed to be self-funded and should not receive funding from the municipal levy.

Administration does not propose any changes to the types of reserves currently used.

Reserve Classification:

The City currently has two classifications of reserves: Operating or Capital.

Administration is proposing changing the current classifications to the following four classifications:

- Stabilization & Contingency Reserves
- Projects Reserves
- Infrastructure Lifecycle, Maintenance and Replacement Reserves
- Special Purpose Reserves

The classifications of the reserves are defined in the attached draft Financial Reserve Policy.

Calculation of Minimum and Maximum Amounts for Reserves:

In the current policy, the minimum and maximum balance for certain reserves is often based upon a calculation that takes into consideration the relative size of operations, risk or capital expenditures.

Administration suggests that the Policy contains exact amounts for minimum and maximum balances in the Policy to avoid confusion for any calculations that are required. The Policy shall
be reviewed every 2 years and the amounts can be updated if necessary at that time and Council can utilize the percentages as guidance when determining amounts.

**Stabilization & Contingency Reserves – Recommended Balance:**

The following information was taken from the Government Finance Officers Association website:

“GFOA recommends, at a minimum, that general-purpose governments, regardless of size, maintain unrestricted budgetary fund balance in their general fund of no less than two months of regular general fund operating revenues or regular general fund operating expenditures.”

a) Municipal Operations:

The City has annual operating costs, not including transfers to capital equal to approximately $37 million. This equals approximately $3 million per month.

Administration is recommending that the Municipal Stabilization & Contingency Reserve replace the current Financial Stabilization Reserve and the General Operating Reserve and that the minimum balance be set at $5.5 million with a maximum balance of $8 million.

b) Utility Operations:

Utility operations are comprised of a number of utility functions that are self-funded through user fees:

- Water
- Sanitary Sewer (Wastewater)
- Waste Management – Waste Collection
- Waste Management – Landfill
- Waste Management – Recycling

Administration is recommending that each utility function has a Stabilization & Contingency Reserve equal to 2 months of general operating expenses in order to ensure that significant operational variances can be absorbed by the utility temporarily without having to immediately increase rates or utilize funds set aside for capital projects.

**Infrastructure Reserves – Recommended Balance:**

Minimum balances have been proposed for infrastructure reserves of a general nature such as the Municipal General Infrastructure Reserve, the Regional Recreation Facilities Infrastructure Reserve and the Water and Wastewater Infrastructure Reserves.

Administration is recommending a minimum balance in these instances to provide a base level that will trigger additional funding prior to completely depleting the fund. The minimum balance requirements are not significant in relation to the value of the assets that exist within the municipality which the reserves are attempting to fund for any replacement or maintenance.

These minimum balances do require additional capital to be on hand and are in addition to the Stabilization & Contingency Reserves within these areas. An argument could be made that minimum balances are not necessary given the funds available in the Stabilization & Contingency Reserves.
The determination of minimum balances is highly subjective and many aspects need to be considered including asset condition, municipal debt levels, availability of temporary financing and the level of risk that the municipality is willing to accept.

Utility Reserves – Changes in minimum balances

The current draft financial reserve policy has the following impact on utility reserves:

- Splitting current Capital Reserve (no operational reserve exists) into two reserves:
  - Stabilization & Contingency
  - Infrastructure
- Increased minimum balances:
  - Current Policy - Total Water & Wastewater minimum reserve balances = $0
  - Draft Policy – Total Water & Wastewater minimum reserve balances = $5.3 million

The split into Stabilization & Contingency Reserves and Infrastructure Reserves increases the transparency with respect to the funds available to cover one-time operational variances and funds available for long-term asset management and planning. It does however add another level of reserve for administration and tracking of the reserves.

Requiring 2 months of operational costs as a minimum balance is a new restriction placed on the City. These restrictions combined with new requirements on minimum balances for infrastructure reserves have a significant impact on the overall amount of reserves that are required and could require rate increases to ensure that each reserve maintains the minimum balance.

The current draft policy is based upon a consistent approach with the municipal operations to ensure 2 months of operational costs are available and also to start to ensure that lifecycle funding exists for some of our most significant assets in line with our asset management strategic initiative.

An alternative to the draft and current policy could be:

- Combine Water & Wastewater Reserves and combine the Stabilization & Contingency as well as the Infrastructure reserves to provide one pool of funds for both utilities and all costs associated
- Not require a minimum balance consistent with the current policy and absorb any variances that are required through rate increases at the time when the increases are required

Off-site Levy Projects

OSL projects are generally undertaken in 4 different areas – Water, Wastewater, Transportation and Storm. A separate OSL is calculated for each of these areas and is levied upon subdivision. Each area is treated as a pool of money for the purposes of funding projects within that area.

Given the fact that OSL’s have not been in effect for a long period of time within the City, there will be times whereby the City will be required to complete a project whereby all of the OSL fees have not been collected. In these instances, the City is taking on the risk that the development to support the project will be completed; effectively speculating on future development.
Currently, there is no limitation in place on the amount of speculative risk that the City is able to take in these circumstances. Administration is proposing that the City must offset any shortfall of OSL funding by having funds in a reserve to cover any amounts that have been “front-ended” by the City. In this manner, the City is limited by the amount of the balance in these dedicated reserves. If the policy remains as such, the City would be required to raise funds from taxes or other fees to generate enough cash to proceed with the project or borrow and ensure that taxes or other fees can cover the associated debt servicing costs.

The City could choose to not limit the amount of speculative risk but Administration recommends that some limitations are in place to ensure that there remains a solid financial framework for when projects can be undertaken.

Summary:

The following are the main aspects of the Financial Reserve Policy that Administration would like to discuss to understand Council’s direction and concerns with the draft policy as presented:

- Two “types” of reserves remain: Municipal or Utility
- Classification of reserves is changed from Operating or Capital to:
  - Stabilization & Contingency
  - Projects
  - Infrastructure Lifecycle, Maintenance and Replacement
  - Special Purpose
- Minimum and maximum amounts are to be defined with a specific $ amount and not based upon a calculated amount
- Policy to be reviewed every 2 years which will ensure that minimum and maximum amounts can be adjusted relative to the activities of the municipality
- Municipal minimum reserve balances increase from approximately $5.8 million to $7.5 million primarily due to increased Financial Stabilization minimums (2 months of operating expenditures) and a minimum balance with respect to Regional Recreational Facilities
- Utility minimum reserve balances increase from $0 to $5.3 million
  - Approximately $1.8 million for 2 months of operating expenditures minimum
  - Approximately $3.5 million minimum balance for infrastructure lifecycle relating to water and wastewater
- Speculation on OSL shortfalls are restricted to amounts available in certain reserves

Administration expects that there will be discussion on various areas of the draft financial reserve policy and that various revisions will occur as we work through the various reserves.

It is expected that the new reserve policy will come into effect later in 2020. Based upon the level of reserves that Council approves, Administration will provide a transition plan from the current reserve policy to the new reserve policy at the next presentation of an updated reserve policy with the intention to have estimates of year-end transfers for the 2019 year-end.

ATTACHMENTS:

- Draft Financial Reserve Policy
- Current Policy FIN 7.9.0 Capital Reserve
- Current Policy FIN 7.10.0 Operating Reserve
City of Camrose
Council Policy

Financial Reserve Policy

Policy Statement

The City of Camrose recognizes the importance of Reserves as a critical component of sustainable financial planning. Reserve funds provide financial resources to protect against the need to reduce service levels or raise taxes and fees due to temporary revenue shortfalls or unexpected one-time expenditures. Reserve funds also provide financial resources for the maintenance, replacement and upgrading of existing infrastructure or the construction of new infrastructure.

1. Purpose of Policy

To provide consistent standards and guidelines for the management of existing Reserves, execution of Reserve Transactions and the establishment of new Reserves.

2. Definitions

2.1 “Act” means the Municipal Government Act. R.S.A. 2000 as may be amended from time to time.

2.2 “Administration” means the City Manager, support staff to the City Manager, and the management team of the City of Camrose.

2.3 “City Manager” means the individual appointed by Council to the position of Chief Administrative Officer as per the Municipal Government Act.

2.4 “Council Policy” means a policy regarding governance, public issues, and services to the public which requires Council approval.
2.5 “Infrastructure Lifecycle, Maintenance and Replacement Reserves” means a Reserve category which captures all Reserves that relate to the infrastructure lifecycle, maintenance and replacement of the municipality’s tangible capital assets.

2.6 “Projects Reserves” means a Reserve category which captures all Reserves that relate to the non-cyclical Reserve needs of departments including operating and capital projects.

2.7 “Redesignation” of Reserve funds means the process to change the purpose of Reserved funds from one Reserve to another.

2.8 “Release” of Reserve funds means that the purpose for which the funds have been Reserved 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.

2.9 “Reserve” means that 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.

2.10 “Reserve Description” describes the purpose for the Reserve and must include the following information:

2.10.1 The overall purpose of the Reserve;

2.10.2 The source of funding for the Reserve;

2.10.3 When the Reserve can be accessed (the application);

2.10.4 The minimum and maximum balances of the Reserve;

2.10.5 the duration of the Reserve; and

2.10.6 If the Reserve is interest bearing.

2.11 “Reserve Transaction” means one of the following:

2.11.1 Contributions to the Reserve from external or internal sources;

2.11.2 Withdrawals from the Reserve to fund expenditures;

2.11.3 Redesignation of the Reserve funds; or
2.11.4 Release of the Reserve funds.

2.12 “Special Purpose Reserves” means a Reserve category which captures unique Reserves that have a one to one relationship with the Reserve Description.

2.13 “Stabilization and Contingency Reserves” means a Reserve category which captures all Reserves that maintain funds to aid in stabilizing and smoothing the temporary impact of unforeseen events, or planned fluctuations in activity.

3. Responsibilities

3.1 City Council to:

3.1.1 Approve by resolution this policy and any amendments.

3.1.2 Consider the Reserve Transactions proposed in the annual budget process.

3.1.3 Approved and new Reserves as requested by City Administration.

3.2 City Manager to:

3.2.1 Implement policy and establish administrative directives for carrying out the policy.

3.2.2 Ensure the Council Policy and administrative directive reviews occur and verify the implementation of policies and directives.

4. Principles and Procedures

4.1 All Reserve Transactions will be ratified by Council.

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

4.3 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.

4.4 Funding to and from the Reserve will be approved through Council by way of:
4.4.1 The annual budget process;

4.4.2 The year-end Reserve request and approval process;

4.4.3 The approved Reserve Description; or

4.4.4 Council resolution.

4.5 As part of the year-end process all Reserves that have a balance less than the required minimum balance as stipulated in the Reserve Description shall be considered during the distribution of the annual operating surplus. Reserves which exceed their maximum balance will be considered for Redesignation. Strategies to maintain balances within minimum and maximum guidelines will be addressed in conjunction with the budget preparation.

4.6 Interest earned on Reserve balances will be applied to the Reserves which have been deemed interest bearing as indicated in the Reserve Description.

4.7 Regular reporting on the Reserves will occur at a minimum in conjunction with annual year-end reporting. The reporting will indicate the total of the Reserves as grouped in the four Reserve classifications and will include the current balance of each Reserve.

5. Schedule for Review of Policy

5.1 This policy will be reviewed every two years, or when the policy needs to be changed or revised to add or delete Reserves.
## SCHEDULE A

### Minimum and Maximum Balances

#### Municipal Reserves

<table>
<thead>
<tr>
<th>Ref</th>
<th>Reserve Description</th>
<th>Minimum Balance</th>
<th>Maximum Balance</th>
<th>Comment</th>
</tr>
</thead>
<tbody>
<tr>
<td>R1</td>
<td>Stabilization and Contingency Reserve</td>
<td>$5,500,000</td>
<td>$8,000,000</td>
<td>A minimum of 2 months of annual operating costs (excluding transfers to other Reserves) should be retained in an unrestricted Reserve.</td>
</tr>
<tr>
<td>R10</td>
<td>Year End Carryforwards Municipal Reserve</td>
<td></td>
<td></td>
<td>Not applicable – dependent upon projects in progress.</td>
</tr>
<tr>
<td>R20</td>
<td>General Infrastructure Reserve</td>
<td>$1,000,000*</td>
<td></td>
<td>Minimum balance equal to $1,000,000 plus portion of front-ended Offsite Levy amounts (funded by Municipal taxes).</td>
</tr>
<tr>
<td>R21</td>
<td>Transportation infrastructure Reserve</td>
<td></td>
<td></td>
<td>Specific Reserve to ensure a certain level of annual funding for transportation infrastructure.</td>
</tr>
<tr>
<td>R22</td>
<td>Regional Recreation Facilities Infrastructure Reserve</td>
<td>$1,000,000</td>
<td></td>
<td>Optimal level is equal to funding ongoing capital maintenance and 30% of capital cost upon replacement of Regional Recreation Facilities.</td>
</tr>
<tr>
<td>R23</td>
<td>Equipment Replacement Reserve</td>
<td></td>
<td></td>
<td>Optimal level provides funding for all equipment replacements over the lifecycle of existing fleet equipment.</td>
</tr>
<tr>
<td>R24</td>
<td>Fire Service Vehicle and Equipment Replacement Reserve</td>
<td></td>
<td></td>
<td>Optimal level provides funding for all fire service vehicle and equipment replacements over the lifecycle.</td>
</tr>
<tr>
<td>R25</td>
<td>Airport Fuel Facility Replacement Reserve</td>
<td></td>
<td></td>
<td>Optimal level provides funding for Fuel Facility replacement at the end of the lifecycle.</td>
</tr>
<tr>
<td>R26</td>
<td>Public Transit Vehicle Replacement Reserve</td>
<td></td>
<td></td>
<td>Optimal level provides funding for vehicle replacement at the end of the lifecycle of existing vehicles.</td>
</tr>
<tr>
<td>R27</td>
<td>Computer Replacement Reserve</td>
<td></td>
<td></td>
<td>Optimal level provides funding for computer replacement at the end of the lifecycle of existing hardware and software.</td>
</tr>
<tr>
<td>R28</td>
<td>Gravel Pit Maintenance Reserve</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>R40</td>
<td>Municipal Land Reserve</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>R41</td>
<td>Land Acquisition and Development Reserve</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>R42</td>
<td>Cemetery and Columbarium Reserve</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>R80</td>
<td>Transportation Offsite Levy Negative Reserve</td>
<td></td>
<td>$0</td>
<td>Negative Reserve balance. Funding by municipality prior to offsite levies being collected for transportation projects.</td>
</tr>
<tr>
<td>R81</td>
<td>Storm Offsite Levy Negative Reserve</td>
<td></td>
<td>$0</td>
<td>Negative Reserve balance. Funding by municipality prior to offsite levies being collected for storm water projects.</td>
</tr>
</tbody>
</table>
### Utility Reserves

<table>
<thead>
<tr>
<th>Ref</th>
<th>Reserve Description</th>
<th>Minimum Balance</th>
<th>Maximum Balance</th>
<th>Comment</th>
</tr>
</thead>
<tbody>
<tr>
<td>U1</td>
<td>Water Utility Rate Stabilization and Contingency Reserve</td>
<td>$1,000,000</td>
<td>$2,000,000</td>
<td>Minimum balance of 2 months of operating costs.</td>
</tr>
<tr>
<td>U2</td>
<td>Wastewater Utility Rate Stabilization and Contingency Reserve</td>
<td>$400,000</td>
<td>$1,000,000</td>
<td>Minimum balance of 2 months of operating costs.</td>
</tr>
<tr>
<td>U3</td>
<td>Waste Management Stabilization and Contingency Reserve</td>
<td>$200,000</td>
<td>$500,000</td>
<td>Minimum balance of 2 months of operating costs.</td>
</tr>
<tr>
<td>U4</td>
<td>Recycling Stabilization and Contingency Reserve</td>
<td>$200,000</td>
<td>$500,000</td>
<td>Minimum balance of 2 months of operating costs.</td>
</tr>
<tr>
<td>U10</td>
<td>Water Year End Carry Forwards – Utility Reserve</td>
<td>$200,000</td>
<td>$500,000</td>
<td>Not applicable – dependent upon projects in progress.</td>
</tr>
<tr>
<td>U11</td>
<td>Wastewater Year End Carry Forwards – Utility Reserve</td>
<td></td>
<td></td>
<td>Not applicable – dependent upon projects in progress.</td>
</tr>
<tr>
<td>U12</td>
<td>Other Year End Carry Forwards – Utility Reserve</td>
<td></td>
<td></td>
<td>Not applicable – dependent upon projects in progress.</td>
</tr>
<tr>
<td>U15</td>
<td>Major Projects Reserve</td>
<td></td>
<td></td>
<td>Not applicable – dependent upon projects in progress.</td>
</tr>
<tr>
<td>U20</td>
<td>General Water Infrastructure Reserve</td>
<td>$2,000,000*</td>
<td></td>
<td>Minimum balance subject to offsetting inadequate offsite levy funding for applicable water projects.</td>
</tr>
<tr>
<td>U30</td>
<td>Sanitary Sewer Infrastructure Reserve</td>
<td>$1,000,000*</td>
<td></td>
<td>Minimum balance subject to offsetting inadequate offsite levy funding for applicable water projects.</td>
</tr>
<tr>
<td>U40</td>
<td>Landfill Construction Reserve</td>
<td>$500,000</td>
<td></td>
<td>Not applicable</td>
</tr>
<tr>
<td>U41</td>
<td>Landfill Replacement Reserve</td>
<td></td>
<td></td>
<td>Optimal level provides funding for replacement landfill</td>
</tr>
<tr>
<td>U50</td>
<td>Solid Waste Management Infrastructure Reserve</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>U60</td>
<td>Recycling Infrastructure Reserve</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>U80</td>
<td>Water Offsite Levy Negative Reserve</td>
<td>$0</td>
<td></td>
<td>Negative Reserve balance. Funding by municipality prior to offsite levies being collected for water projects.</td>
</tr>
<tr>
<td>U81</td>
<td>Wastewater Offsite Levy Negative Reserve</td>
<td>$0</td>
<td></td>
<td>Negative Reserve balance. Funding by municipality prior to offsite levies being collected for wastewater projects.</td>
</tr>
</tbody>
</table>

*minimum balance is dependent upon negative off-site levy Reserve balances (if applicable); refer to individual descriptions of Reserves
SCHEDULE B

Reserve Descriptions

Municipal Reserves

Stabilization & Contingency Reserves
- R1) Stabilization and Contingency Reserve

Projects Reserves
- R10) Year End Carryforwards Municipal Reserve

Infrastructure Lifecycle, Maintenance and Replacement Reserves
- R20) General Infrastructure Reserve
- R21) Transportation Infrastructure Reserve
- R22) Regional Recreation Facilities Infrastructure Reserve
- R23) Equipment Replacement Reserve
- R24) Fire Vehicle Replacement Reserve
- R25) Airport Fuel Facility Replacement Reserve
- R26) Public Transit Vehicle Replacement Reserve
- R27) Computer Replacement Reserve
- R28) Gravel Pit Maintenance Reserve

Special Purpose Reserves
- R40) Municipal Land Reserve
- R41) Land Acquisition and Development Reserve
- R42) Cemetery and Columbarium Reserve
- R80) Transportation Offsite Levy Negative Reserve
- R81) Storm Offsite Levy Negative Reserve

Utility Reserves

Stabilization & Contingency Reserves
- U1) Water Utility Rate Stabilization & Contingency Reserve
- U2) Wastewater Utility Rate Stabilization & Contingency Reserve
- U3) Waste Management Stabilization & Contingency Reserve
- U4) Recycling Stabilization & Contingency Reserve

Projects Reserves
- U10) Water Year End Carry Forwards – Utility Reserve
- U11) Wastewater Year End Carry Forwards – Utility Reserve
- U12) Other Year End Carry Forwards – Utility Reserve
- U15) Major Projects Reserve

Infrastructure Lifecycle, Maintenance and Replacement Reserves
- U20) Water Infrastructure Reserve
- U30) Wastewater Infrastructure Reserve
- U40) Landfill Construction Reserve
- U41) Landfill Replacement Reserve
- U50) Solid Waste Management Infrastructure Reserve
- U60) Recycling Infrastructure Reserve

Special Purpose Reserve
U80) Water Offsite Levy Reserve
U81) Wastewater Offsite Levy Reserve
<table>
<thead>
<tr>
<th><strong>Financial Reserves – Description R1</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Name</strong></td>
</tr>
<tr>
<td><strong>Type</strong></td>
</tr>
<tr>
<td><strong>Category</strong></td>
</tr>
<tr>
<td><strong>Purpose</strong></td>
</tr>
</tbody>
</table>
| **Source of Funding** | a) Budgeted transfers as approved by Council.  
b) Annual transfer of operating surplus as approved by Council.  
c) Released funds from the Year End Carry Forwards Reserve – Municipal Reserve.  
d) Other sources as approved by Council. |
| **Minimum Balance** | $5,000,000 |
| **Maximum Balance** | $8,000,000 |
| **Restoring Balance** | The balance of this Reserve shall be within the minimum and maximum guidelines as determined within Schedule A and as noted above. If draws from the Reserve are utilized causing the balance to go below the minimum requirement, the Reserve shall be replenished from the following sources within three years:  
a) from operating surpluses  
b) from other Municipal Reserves if available  
c) from the tax levy with a planned transfer to this Reserve in the Municipal Operating Budget |
<p>| <strong>Application</strong> | 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, losses incurred due to assessment changes, extraordinary events, or other items that would result in an overall deficit to the municipality’s operations. |
| <strong>Duration</strong> | Ongoing |
| <strong>Interest Bearing</strong> | Yes |
| <strong>Approved by Council</strong> | DATE |</p>
<table>
<thead>
<tr>
<th>Financial Reserves – Description R10</th>
</tr>
</thead>
<tbody>
<tr>
<td>Name</td>
</tr>
<tr>
<td>Type</td>
</tr>
<tr>
<td>Category</td>
</tr>
<tr>
<td>Purpose</td>
</tr>
<tr>
<td>Source of Funding</td>
</tr>
<tr>
<td>Minimum Balance</td>
</tr>
<tr>
<td>Maximum Balance</td>
</tr>
<tr>
<td>Restoring Balance</td>
</tr>
<tr>
<td>Application</td>
</tr>
</tbody>
</table>
| Duration                            | a) Projects or programs not completed in the fiscal year they were budgeted for will be carried forward if they are intended to be completed in the following fiscal year as part of the annual Reserve transfer approval process.  
   b) Any project that has not been completed within one year of being carried forward will automatically be Released unless decided otherwise at the discretion of the City Manager. Any funds Released will be reallocated into the Stabilization and Contingency Reserve. |
| Interest Bearing                    | No |
| Approved by Council                 | DATE |
| **Financial Reserves – Description R20** |
|-----------------|---------------------------------|
| **Name**        | General Infrastructure Reserve  |
| **Type**        | Municipal                        |
| **Category**    | Municipal Infrastructure Lifecycle, Maintenance and Replacement Reserve |
| **Purpose**     | To provide funds for infrastructure lifecycle, maintenance and replacement projects. Funds would be utilized to meet future municipal requirements for the construction on new assets as well as the replacement, refurbishment and capital maintenance on existing assets. This Reserve may be utilized for projects related to assets that have a specific, dedicated Reserve if the specific, dedicated Reserve is insufficient to fund the project. |
| **Source of Funding** | a) Budgeted transfers as approved by Council.  
                        b) Annual transfer of operating surplus as approved by Council.  
                        c) Proceeds from the sale of disposed infrastructure lifecycle assets by virtue of this Reserve Description are authorized to be transferred into this Reserve.  
                        d) Other sources as approved by Council. |
| **Minimum Balance** | $1,000,000*  
*The balance of this Reserve for the purpose of determining if the Reserve balance is within the minimum and maximum guidelines shall be calculated as follows: General Infrastructure Reserve balance reduced by the Municipal Offsite Levy Transportation Reserve balance and the Municipal Offsite Levy Storm Reserve balance |
| **Maximum Balance** | None |
| **Restoring Balance** | The balance of this Reserve shall be within the minimum and maximum guidelines as determined within Schedule A and noted above. If draws from the Reserve are utilized causing the balance to go below the minimum requirement, the Reserve shall be replenished within three years from the following sources:  
                        a) from other Municipal Reserves  
                        b) from annual municipal operating surplus  
                        c) from the tax levy with a planned transfer to this Reserve in the Municipal Operating Budget |
<p>| <strong>Application</strong> | Funds from this Reserve will be used for the replacement, refurbishment and maintenance of the Municipality’s existing infrastructure assets and the construction of new assets as approved through the budget, or as presented to Council to minimize the volatility of annual costs. |
| <strong>Duration</strong> | Ongoing |
| <strong>Interest Bearing</strong> | Yes |
| <strong>Approved by Council</strong> | DATE |</p>
<table>
<thead>
<tr>
<th><strong>Financial Reserves – Description R21</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>Name: Transportation Infrastructure Reserve</td>
</tr>
<tr>
<td>Type: Municipal</td>
</tr>
<tr>
<td>Category: Municipal Infrastructure Lifecycle, Maintenance and Replacement Reserve</td>
</tr>
<tr>
<td>Purpose: To provide funds for infrastructure lifecycle, maintenance and replacement projects related to the overlay and construction of roadways and including, but not limited to, related infrastructure such as concrete meridians, walkways, sidewalks and signaling systems.</td>
</tr>
</tbody>
</table>
| Source of Funding: a) Budgeted transfers as approved by Council.  
                      b) Other sources as approved by Council. |
<p>| Minimum Balance: None |
| Maximum Balance: None |
| Restoring Balance: Not applicable |
| Application: Funds from this Reserve will be used for the replacement, refurbishment and maintenance of the Municipality's transportation infrastructure assets as approved through the budget, or as presented to Council to minimize the volatility of annual costs. |
| Duration: Ongoing |
| Interest Bearing: Yes |
| Approved by Council: DATE |</p>
<table>
<thead>
<tr>
<th>Name</th>
<th>Regional Recreation Facilities Infrastructure Reserve</th>
</tr>
</thead>
<tbody>
<tr>
<td>Type</td>
<td>Municipal</td>
</tr>
<tr>
<td>Category</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 related to Regional Recreation Facilities owned and/or operated by the City of Camrose. Regional Recreation Facilities include, but are not limited to, the Aquatic Center, the Recreation Center (including all ice surfaces and areas within the building complex), the baseball diamonds and soccer fields maintained by the City of Camrose and the Max McLean Arts Center.</td>
</tr>
</tbody>
</table>
| Source of Funding             | a) Budgeted transfers as approved by Council.  
                                | b) Other sources as approved by Council. |
| Minimum Balance               | $1,000,000                                            |
| Maximum Balance               | None                                                  |
| Restoring Balance             | The balance of this Reserve shall be within the minimum and maximum guidelines as determined within Schedule A and noted above. If draws from the Reserve are utilized causing the balance to go below the minimum requirement, the Reserve shall be replenished within three years from the following sources:  
a) from other Municipal Reserves  
b) from the tax levy with a planned transfer to this Reserve in the Municipal Operating Budget |
| Application                   | Funds from this Reserve will be used to fund the replacement, refurbishment and maintenance of the Municipality’s regional recreation facilities as approved through the budget, or as presented to Council to minimize the volatility of annual costs. |
| Duration                      | Ongoing                                               |
| Interest Bearing              | Yes                                                   |
| Approved by Council           | DATE                                                  |
### Financial Reserves – Description R23

<table>
<thead>
<tr>
<th>Name</th>
<th>Equipment Replacement Reserve</th>
</tr>
</thead>
<tbody>
<tr>
<td>Type</td>
<td>Municipal</td>
</tr>
<tr>
<td>Category</td>
<td>Municipal Infrastructure Lifecycle, Maintenance and Replacement Reserve</td>
</tr>
<tr>
<td>Purpose</td>
<td>To provide funds for the replacement of equipment (vehicles, other self-propelled equipment and attachments thereto in excess of $10,000) required to provide various services within the municipality. NOTE: this excludes Fire Services Equipment which has a dedicated replacement reserve.</td>
</tr>
</tbody>
</table>
| Source of Funding      | a) Proceeds upon disposal of assets which are being replaced.  
b) Budgeted transfers as approved by Council.  
c) Other sources as approved by Council. |
| Minimum Balance        | None                           |
| Maximum Balance        | None                           |
| Restoring Balance      | Not applicable                 |
| Application            | Funds from this Reserve will be used to fund the replacement of the municipality’s equipment as approved through the budget, or as presented to Council to minimize the volatility of annual costs.  
This Reserve will not be utilized for the replacement, refurbishment and maintenance of assets whereby a dedicated equipment replacement Reserve exists. |
| Duration               | Ongoing                        |
| Interest Bearing       | No                             |
| Approved by Council    | DATE                           |
## Financial Reserve Policy

**Financial Reserves – Description R24**

<table>
<thead>
<tr>
<th>Name</th>
<th>Fire Service Vehicle and Equipment Replacement Reserve</th>
</tr>
</thead>
<tbody>
<tr>
<td>Type</td>
<td>Municipal</td>
</tr>
<tr>
<td>Category</td>
<td>Municipal Infrastructure Lifecycle, Maintenance and Replacement Reserve</td>
</tr>
<tr>
<td>Purpose</td>
<td>To provide funds for the replacement of vehicles and equipment required to provide a fire service within the community.</td>
</tr>
<tr>
<td>Source of Funding</td>
<td>a) Proceeds upon disposal of assets being replaced. b) Budgeted transfers as approved by Council. c) Other sources as approved by Council.</td>
</tr>
<tr>
<td>Minimum Balance</td>
<td>None</td>
</tr>
<tr>
<td>Maximum Balance</td>
<td>None</td>
</tr>
<tr>
<td>Restoring Balance</td>
<td>Not applicable</td>
</tr>
<tr>
<td>Application</td>
<td>Funds from this Reserve will be used to fund the replacement of the Municipality’s fire service vehicles and equipment as approved through the budget, or as presented to Council to minimize the volatility of annual costs. This Reserve will not be utilized for the replacement, refurbishment and maintenance of the buildings / fire hall(s) owned and/or operated by the Municipality.</td>
</tr>
<tr>
<td>Duration</td>
<td>Ongoing</td>
</tr>
<tr>
<td>Interest Bearing</td>
<td>No</td>
</tr>
<tr>
<td>Approved by Council</td>
<td>DATE</td>
</tr>
<tr>
<td><strong>Financial Reserves – Description R25</strong></td>
<td></td>
</tr>
<tr>
<td>--------------------------------------------------</td>
<td></td>
</tr>
<tr>
<td><strong>Name</strong></td>
<td>Airport Fuel Facility Reserve</td>
</tr>
<tr>
<td><strong>Type</strong></td>
<td>Municipal</td>
</tr>
<tr>
<td><strong>Category</strong></td>
<td>Municipal Infrastructure Lifecycle, Maintenance and Replacement Reserve</td>
</tr>
<tr>
<td><strong>Purpose</strong></td>
<td>To provide funds for infrastructure lifecycle, maintenance and replacement projects related to the fuel facility located at the Municipal airport.</td>
</tr>
</tbody>
</table>
| **Source of Funding** | a) A markup of 5% on aviation fuel sales made at the airport shall be transferred to this Reserve on an annual basis.  
 b) Budgeted transfers as approved by Council.  
 c) Other sources as approved by Council. |
| **Minimum Balance** | None |
| **Maximum Balance** | None |
| **Restoring Balance** | Not applicable |
| **Application** | Funds from this Reserve will be used to fund the replacement, refurbishment and maintenance of the municipality’s fuel facility located at the municipally owned and operated airport. |
| **Duration** | Ongoing |
| **Interest Bearing** | No |
| **Approved by Council** | DATE |
## Financial Reserves – Description R26

<table>
<thead>
<tr>
<th>Name</th>
<th>Public Transit Vehicle Replacement Reserve</th>
</tr>
</thead>
<tbody>
<tr>
<td>Type</td>
<td>Municipal</td>
</tr>
<tr>
<td>Category</td>
<td>Municipal Infrastructure Lifecycle, Maintenance and Replacement Reserve</td>
</tr>
<tr>
<td>Purpose</td>
<td>To provide funds for the replacement of vehicles required to provide transit service within the municipality.</td>
</tr>
<tr>
<td>Source of Funding</td>
<td>a) Budgeted transfers as approved by Council.</td>
</tr>
<tr>
<td></td>
<td>b) Other sources as approved by Council.</td>
</tr>
<tr>
<td>Minimum Balance</td>
<td>None</td>
</tr>
<tr>
<td>Maximum Balance</td>
<td>None</td>
</tr>
<tr>
<td>Restoring Balance</td>
<td>Not applicable</td>
</tr>
<tr>
<td>Application</td>
<td>Funds from this Reserve will be used to fund the replacement of public transit vehicles within the municipality. The public transit vehicles may or may not be owned and/or operated by the municipality. Funds for vehicles not owned by the municipality will only be disbursed in conjunction with the purchase of a replacement public transit vehicle.</td>
</tr>
<tr>
<td>Duration</td>
<td>Ongoing</td>
</tr>
<tr>
<td>Interest Bearing</td>
<td>No</td>
</tr>
<tr>
<td>Approved by Council</td>
<td>DATE</td>
</tr>
<tr>
<td><strong>Name</strong></td>
<td>Computer Replacement Reserve</td>
</tr>
<tr>
<td>----------</td>
<td>-----------------------------</td>
</tr>
<tr>
<td><strong>Type</strong></td>
<td>Municipal</td>
</tr>
<tr>
<td><strong>Category</strong></td>
<td>Municipal Infrastructure Lifecycle, Maintenance and Replacement Reserve</td>
</tr>
<tr>
<td><strong>Purpose</strong></td>
<td>To provide funds for the replacement of computer hardware/software and/or purchase of expanded computer hardware/software required within the municipality. Computer hardware/software includes, but is not limited to, computer workstations, servers, network components, telecommunications equipment, other computer equipment, user licenses and enterprise licensing solutions.</td>
</tr>
</tbody>
</table>
| **Source of Funding** | a) Annual transfers from departmental operational budgets as approved in conjunction with budget approval by Council.  
b) Budgeted transfers as approved by Council.  
c) Other sources as approved by Council. |
<p>| <strong>Minimum Balance</strong> | None |
| <strong>Maximum Balance</strong> | None |
| <strong>Restoring Balance</strong> | Not applicable |
| <strong>Application</strong> | Funds from this Reserve will be used to fund the replacement of computer hardware within the Municipality and/or purchase of expanded computer hardware required within the municipality. Examples include scheduled workstation replacements for staff within the municipality, replacement of network infrastructure such as switches, software replacement and additional components necessary to ensure redundancy and/or security. |
| <strong>Duration</strong> | Ongoing |
| <strong>Interest Bearing</strong> | No |
| <strong>Approved by Council</strong> | DATE |</p>
<table>
<thead>
<tr>
<th>Name</th>
<th>Gravel Pit Maintenance Reserve</th>
</tr>
</thead>
<tbody>
<tr>
<td>Type</td>
<td>Municipal</td>
</tr>
<tr>
<td>Category</td>
<td>Municipal Infrastructure Lifecycle, Maintenance and Replacement Reserve</td>
</tr>
<tr>
<td>Purpose</td>
<td>To provide funds for the maintenance and eventual closure of gravel pits owned by the municipality. The Reserve is not intended to provide funds for the acquisition / replacement of existing gravel pits.</td>
</tr>
</tbody>
</table>
| Source of Funding         | a) $3.50 per cubic yard of gravel that is sold or used by the municipality.  
b) Budgeted transfers as approved by Council.  
c) Other sources as approved by Council. |
<p>| Minimum Balance           | None                          |
| Maximum Balance           | None                          |
| Restoring Balance         | Not applicable                |
| Application               | Funds from this Reserve will be used to fund the maintenance and eventual closure costs of existing gravel pit sites owned by the municipality. Maintenance and closure costs may include, but are not limited to, construction activities to ensure proper drainage of site, reclamation or environmental control activities as deemed necessary. |
| Duration                  | Ongoing                       |
| Interest Bearing          | No                            |
| Approved by Council       | DATE                          |</p>
<table>
<thead>
<tr>
<th>Name</th>
<th>Municipal Land Reserve</th>
</tr>
</thead>
<tbody>
<tr>
<td>Type</td>
<td>Municipal</td>
</tr>
<tr>
<td>Category</td>
<td>Municipal Special Purpose Reserves</td>
</tr>
<tr>
<td>Purpose</td>
<td>To set aside proceeds from the sale of public reserve lands or cash in lieu of reserve land during the subdivision process.</td>
</tr>
</tbody>
</table>
| Source of Funding           | a) Proceeds from the sale of public reserve lands as approved by Council.  
                             | b) Cash in lieu of reserve land received during subdivision process as approved by Council. |
| Minimum Balance             | None                                 |
| Maximum Balance             | None                                 |
| Restoring Balance           | Not applicable                       |
| Application                 | Funds from this Reserve may be applied to meet the requirements within the MGA. Examples of such expenditures may be for the purposes of acquiring a public park, a public recreation area, school authority purposes or to separate areas of land that are used for different purposes. |
| Duration                    | Ongoing                              |
| Interest Bearing            | Yes                                  |
| Approved by Council         | DATE                                 |
### Financial Reserves – Description R41

<table>
<thead>
<tr>
<th><strong>Name</strong></th>
<th>Land Acquisition and Development Reserve</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Type</strong></td>
<td>Municipal</td>
</tr>
<tr>
<td><strong>Category</strong></td>
<td>Municipal Special Purpose Reserves</td>
</tr>
<tr>
<td><strong>Purpose</strong></td>
<td>To set aside funds to acquire, maintain and develop lands as directed by Council.</td>
</tr>
</tbody>
</table>
| **Source of Funding** | a) Net proceeds from the sale of general land (not public reserve lands)  
                         b) Budgeted transfers as approved by Council.  
                         c) Other funding as approved by Council. |
<p>| <strong>Minimum Balance</strong> | None                                      |
| <strong>Maximum Balance</strong> | None                                      |
| <strong>Restoring Balance</strong> | Not applicable                           |
| <strong>Application</strong> | Funds from this Reserve may be applied to acquire, maintain or develop lands as directed by Council. Expenditures may include, but are not limited to costs to purchase land including realtor fees and other costs of acquisition, construction and servicing costs incurred to develop land, marketing costs related to land developed by the municipality. |
| <strong>Duration</strong>   | Ongoing                                   |
| <strong>Interest Bearing</strong> | Yes                                      |
| <strong>Approved by Council</strong> | DATE                                     |</p>
<table>
<thead>
<tr>
<th>Name</th>
<th>Cemetery Reserve</th>
</tr>
</thead>
<tbody>
<tr>
<td>Type</td>
<td>Municipal</td>
</tr>
<tr>
<td>Category</td>
<td>Municipal Special Purpose Reserves</td>
</tr>
<tr>
<td>Purpose</td>
<td>To fund the maintenance and expansion of continuous foundation at municipal cemetery locations.</td>
</tr>
</tbody>
</table>
| Source of Funding | a) A % of Installation of Monuments/Niches fees are automatically transferred to the Reserve. (NOTE: Not noted within our Fees & Charges – review?)  
b) Budgeted transfers as approved by Council.  
c) Other funding as approved by Council. |
| Minimum Balance   | None                                   |
| Maximum Balance   | None                                   |
| Restoring Balance | Not applicable                         |
| Application       | Funds from this Reserve may be applied to costs associated with construction or maintenance of continuous foundation (often referred to as “runners”) at municipal cemetery locations. Examples of expenditures could be, but are not limited to, construction and concrete costs, removal costs of broken continuous foundations. |
| Duration          | Ongoing                                |
| Interest Bearing  | No                                     |
| Approved by Council | DATE                              |
**Financial Reserves – Description R80**

<table>
<thead>
<tr>
<th>Name</th>
<th>Transportation Offsite Levy Reserve</th>
</tr>
</thead>
<tbody>
<tr>
<td>Type</td>
<td>Municipal</td>
</tr>
<tr>
<td>Category</td>
<td>Municipal Special Purpose Reserves</td>
</tr>
<tr>
<td>Purpose</td>
<td>To record the amount of funding, if any, that the municipality has been required to fund due to the absence of offsite levy funds available for transportation projects in accordance with the municipality’s Offsite Levy Bylaw. The balance in this Reserve will be $0 or less; amounts received in accordance with the Offsite Levy Bylaw prior to the commencement of qualifying projects are recorded as Deferred Revenue and not as a Reserve.</td>
</tr>
</tbody>
</table>
| Source of Funding           | a) Negative balance will be caused by insufficient funds available in Deferred Revenue – Transportation Offsite Levy Receipts to fund qualifying Transportation Offsite Levy projects.  
                             | b) Negative balance will be offset as new transportation offsite levy amounts are received. |
| Minimum Balance             | None                               |
| Maximum Balance             | $0                                 |
| Restoring Balance           | Not applicable                     |
| Application                 | Negative Reserve balance in this Reserve is required to be offset by a matching corresponding balance in the General Infrastructure Reserve. Transportation offsite levy fees received will reduce the negative Reserve balance up to a balance of $0; funds received in excess of this amount will be recorded as Deferred Revenue – Transportation Offsite Levy Receipts. |
| Duration                    | Ongoing                            |
| Interest Bearing            | Yes                                |
| Approved by Council         | DATE                               |
### Financial Reserves – Description R81

<table>
<thead>
<tr>
<th>Name</th>
<th>Storm Offsite Levy Reserve</th>
</tr>
</thead>
<tbody>
<tr>
<td>Type</td>
<td>Municipal</td>
</tr>
<tr>
<td>Category</td>
<td>Municipal Special Purpose Reserves</td>
</tr>
<tr>
<td>Purpose</td>
<td>To record the amount of funding, if any, that the municipality has been required to fund due to the absence of offsite levy funds available for storm projects in accordance with the municipality’s Offsite Levy Bylaw. The balance in this Reserve will be $0 or less; amounts received in accordance with the Offsite Levy Bylaw prior to the commencement of qualifying projects are recorded as Deferred Revenue and not as a Reserve.</td>
</tr>
</tbody>
</table>
| Source of Funding     | a) Negative balance will be caused by insufficient funds available in Deferred Revenue – Storm Offsite Levy Receipts to fund qualifying Storm Offsite Levy projects.  
b) Negative balance will be offset as new storm offsite levy fees are received. |
| Minimum Balance       | None                       |
| Maximum Balance       | $0                         |
| Restoring Balance     | Not applicable             |
| Application           | Negative Reserve balance in this Reserve is required to be offset by a matching corresponding balance in the General Infrastructure Reserve. Storm off-site levy fees received will reduce the negative Reserve balance up to a balance of $0; funds received in excess of this amount will be recorded as Deferred Revenue – Storm Offsite Levy Receipts. |
| Duration              | Ongoing                    |
| Interest Bearing      | Yes                        |
| Approved by Council   | DATE                       |
# Financial Reserves – Description U1

<table>
<thead>
<tr>
<th>Name</th>
<th>Water Utility Rate Stabilization and Contingency Reserve</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Type</strong></td>
<td>Utility</td>
</tr>
<tr>
<td><strong>Category</strong></td>
<td>Stabilization and Contingency Reserves</td>
</tr>
<tr>
<td><strong>Purpose</strong></td>
<td>To provide funds to assist in minimizing volatility in water utility rates during periods of high inflation; to stabilize fluctuations in operational activity; to stabilize the temporary impact of non-recurring and/or unplanned one-time expenditures or losses of revenue.</td>
</tr>
<tr>
<td><strong>Source of Funding</strong></td>
<td>a) Budgeted transfers as approved by Council.</td>
</tr>
<tr>
<td></td>
<td>b) Released funds from the Water Utility Year End Carry Forwards Reserve – Utility Reserve.</td>
</tr>
<tr>
<td></td>
<td>c) Other sources as approved by Council.</td>
</tr>
<tr>
<td><strong>Minimum Balance</strong></td>
<td>$1,000,000</td>
</tr>
<tr>
<td><strong>Maximum Balance</strong></td>
<td>$2,000,000</td>
</tr>
<tr>
<td><strong>Restoring Balance</strong></td>
<td>The balance of this Reserve shall be within the minimum and maximum guidelines as determined within Schedule A and noted above. If draws from the Reserve are utilized causing the balance to go below the minimum requirement, the Reserve shall be replenished within three years from the following sources:</td>
</tr>
<tr>
<td></td>
<td>a) from water utility operating surpluses</td>
</tr>
<tr>
<td></td>
<td>b) from the annual budget funded by water utility rates with a planned transfer to this Reserve in the Utility Operating Budget</td>
</tr>
<tr>
<td><strong>Application</strong></td>
<td>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 water treatment costs, extraordinary events causing a high number of water line breaks requiring repair, unforeseen climatic conditions, or other items that would result in an overall deficit to the water utility’s operations.</td>
</tr>
<tr>
<td><strong>Duration</strong></td>
<td>Ongoing</td>
</tr>
<tr>
<td><strong>Interest Bearing</strong></td>
<td>Yes</td>
</tr>
<tr>
<td><strong>Approved by Council</strong></td>
<td>DATE</td>
</tr>
</tbody>
</table>
## Financial Reserves – Description U2

<table>
<thead>
<tr>
<th>Name</th>
<th>Wastewater Utility Rate Stabilization and Contingency Reserve</th>
</tr>
</thead>
<tbody>
<tr>
<td>Type</td>
<td>Utility</td>
</tr>
<tr>
<td>Category</td>
<td>Stabilization and Contingency Reserves</td>
</tr>
<tr>
<td>Purpose</td>
<td>To provide funds to assist in minimizing volatility in wastewater utility rates during periods of high inflation; to stabilize fluctuations in operational activity; to stabilize the temporary impact of non-recurring and/or unplanned one-time expenditures or losses of revenue.</td>
</tr>
</tbody>
</table>
| Source of Funding          | a) Budgeted transfers as approved by Council.  
                          | b) Released funds from the Wastewater Utility Year End Carry Forwards Reserve – Utility Reserve.  
                          | c) Other sources as approved by Council. |
| Minimum Balance            | $400,000                                                     |
| Maximum Balance            | $1,000,000                                                   |
| Restoring Balance          | The balance of this Reserve shall be within the minimum and maximum guidelines as determined within Schedule A and noted above. If draws from the Reserve are utilized causing the balance to go below the minimum requirement, the Reserve shall be replenished within three years from the following sources: a) from wastewater utility operating surpluses  
                          | b) from the annual budget funded by wastewater utility rates with a planned transfer to this Reserve in the Utility Operating Budget |
| 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 wastewater treatment costs, extraordinary events causing a high number of wastewater issues requiring repairs, unforeseen climatic conditions, or other items that would result in an overall deficit to the water utility’s operations. |
| Duration                   | Ongoing                                                     |
| Interest Bearing          | Yes                                                         |
| Approved by Council        | DATE                                                        |
### Financial Reserves – Description U3

<table>
<thead>
<tr>
<th>Name</th>
<th>Waste Management Stabilization and Contingency Reserve</th>
</tr>
</thead>
<tbody>
<tr>
<td>Type</td>
<td>Utility</td>
</tr>
<tr>
<td>Category</td>
<td>Stabilization and Contingency Reserves</td>
</tr>
<tr>
<td>Purpose</td>
<td>To provide funds to assist in minimizing volatility in solid waste rates during periods of high inflation; to stabilize fluctuations in operational activity; to stabilize the temporary impact of non-recurring and/or unplanned one-time expenditures or losses of revenue.</td>
</tr>
<tr>
<td>Source of Funding</td>
<td>a) Budgeted transfers as approved by Council.</td>
</tr>
<tr>
<td></td>
<td>b) Released funds from the Other Utility Year End Carry Forwards Reserve – Utility Reserve.</td>
</tr>
<tr>
<td></td>
<td>c) Other sources as approved by Council.</td>
</tr>
<tr>
<td>Minimum Balance</td>
<td>$200,000</td>
</tr>
<tr>
<td>Maximum Balance</td>
<td>$500,000</td>
</tr>
<tr>
<td>Restoring Balance</td>
<td>The balance of this Reserve shall be within the minimum and maximum guidelines as determined within Schedule A and noted above. If draws from the Reserve are utilized causing the balance to go below the minimum requirement, the Reserve shall be replenished within three years from the following sources:</td>
</tr>
<tr>
<td></td>
<td>a) from solid waste utility operating surpluses</td>
</tr>
<tr>
<td></td>
<td>b) from the annual budget funded by solid waste utility rates with a planned transfer to this Reserve in the Utility Operating Budget</td>
</tr>
<tr>
<td>Application</td>
<td>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 solid waste collection costs, new regulations impacting waste collection practices, unforeseen climatic conditions, or other items that would result in an overall deficit to the water utility’s operations.</td>
</tr>
<tr>
<td>Duration</td>
<td>Ongoing</td>
</tr>
<tr>
<td>Interest Bearing</td>
<td>Yes</td>
</tr>
<tr>
<td>Approved by Council</td>
<td>DATE</td>
</tr>
</tbody>
</table>
### Financial Reserves – Description U4

<table>
<thead>
<tr>
<th>Name</th>
<th>Recycling Stabilization and Contingency Reserve</th>
</tr>
</thead>
<tbody>
<tr>
<td>Type</td>
<td>Utility</td>
</tr>
<tr>
<td>Category</td>
<td>Stabilization and Contingency Reserves</td>
</tr>
<tr>
<td>Purpose</td>
<td>To provide funds to assist in minimizing volatility in recycling rates during periods of high inflation; to stabilize fluctuations in operational activity; to stabilize the temporary impact of non-recurring and/or unplanned one-time expenditures or losses of revenue.</td>
</tr>
<tr>
<td>Source of Funding</td>
<td>a) Budgeted transfers as approved by Council.</td>
</tr>
<tr>
<td></td>
<td>b) Released funds from the Other Utility Year End Carry Forwards Reserve – Utility Reserve.</td>
</tr>
<tr>
<td></td>
<td>c) Other sources as approved by Council.</td>
</tr>
<tr>
<td>Minimum Balance</td>
<td>$200,000</td>
</tr>
<tr>
<td>Maximum Balance</td>
<td>$500,000</td>
</tr>
<tr>
<td>Restoring Balance</td>
<td>The balance of this Reserve shall be within the minimum and maximum guidelines as determined within Schedule A and noted above. If draws from the Reserve are utilized causing the balance to go below the minimum requirement, the Reserve shall be replenished within three years from the following sources:</td>
</tr>
<tr>
<td></td>
<td>a) from recycling utility operating surpluses</td>
</tr>
<tr>
<td></td>
<td>b) from the annual budget funded by recycling utility rates with a planned transfer to this Reserve in the Utility Operating Budget</td>
</tr>
<tr>
<td>Application</td>
<td>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 losses of revenue due to changes in recyclable materials market, new regulations impacting recycling practices and costs necessary to fulfill requirements, unforeseen climatic conditions, or other items that would result in an overall deficit to the water utility’s operations.</td>
</tr>
<tr>
<td>Duration</td>
<td>Ongoing</td>
</tr>
<tr>
<td>Interest Bearing</td>
<td>Yes</td>
</tr>
<tr>
<td>Approved by Council</td>
<td>DATE</td>
</tr>
</tbody>
</table>
# Financial Reserve Policy

## Financial Reserves – Description U10

<table>
<thead>
<tr>
<th>Name</th>
<th>Water Year End Carry Forwards - Utility Reserve</th>
</tr>
</thead>
<tbody>
<tr>
<td>Type</td>
<td>Utility</td>
</tr>
<tr>
<td>Category</td>
<td>Projects Reserves</td>
</tr>
<tr>
<td>Purpose</td>
<td>To carry the funding for specific water utility operating programs and projects where the service or acquisition was not completed or received by year end, but will occur in the following year. This eliminates the requirement to collect the funds twice for a project that is planned to be completed.</td>
</tr>
<tr>
<td>Source of Funding</td>
<td>The funding required to complete a specific program or project will have been previously approved by Council in the operating budget and will need to continue to be available in the following year.</td>
</tr>
<tr>
<td>Minimum Balance</td>
<td>None</td>
</tr>
<tr>
<td>Maximum Balance</td>
<td>None</td>
</tr>
<tr>
<td>Restoring Balance</td>
<td>Not applicable</td>
</tr>
<tr>
<td>Application</td>
<td>Funds from this Reserve will be used to fund expenditures for the intended purpose as included in the budget approved by Council.</td>
</tr>
<tr>
<td>Duration</td>
<td>a) Projects or programs not completed in the fiscal year they were budgeted for will be carried forward if they are intended to be completed in the following fiscal year as part of the annual Reserve transfer approval process. b) Any project that has not been completed within one year of being carried forward will automatically be Released unless decided otherwise at the discretion of the City Manager. Any funds Released will be reallocated into the respective utility Stabilization and Contingency Reserve and/or the respective utility Infrastructure Lifecycle, Maintenance and Replacement Reserve (water, wastewater, solid waste management or recycling).</td>
</tr>
<tr>
<td>Interest Bearing</td>
<td>No</td>
</tr>
<tr>
<td>Approved by Council</td>
<td>DATE</td>
</tr>
</tbody>
</table>
## Financial Reserves – Description U11

<table>
<thead>
<tr>
<th>Name</th>
<th>Wastewater Year End Carry Forwards - Utility Reserve</th>
</tr>
</thead>
<tbody>
<tr>
<td>Type</td>
<td>Utility</td>
</tr>
<tr>
<td>Category</td>
<td>Projects Reserves</td>
</tr>
<tr>
<td>Purpose</td>
<td>To carry the funding for specific wastewater utility operating programs and projects where the service or acquisition was not completed or received by year end, but will occur in the following year. This eliminates the requirement to collect the funds twice for a project that is planned to be completed.</td>
</tr>
<tr>
<td>Source of Funding</td>
<td>The funding required to complete a specific program or project will have been previously approved by Council in the operating budget and will need to continue to be available in the following year.</td>
</tr>
<tr>
<td>Minimum Balance</td>
<td>None</td>
</tr>
<tr>
<td>Maximum Balance</td>
<td>None</td>
</tr>
<tr>
<td>Restoring Balance</td>
<td>Not applicable</td>
</tr>
<tr>
<td>Application</td>
<td>Funds from this Reserve will be used to fund expenditures for the intended purpose as included in the budget approved by Council.</td>
</tr>
</tbody>
</table>
| Duration | a) Projects or programs not completed in the fiscal year they were budgeted for will be carried forward if they are intended to be completed in the following fiscal year as part of the annual Reserve transfer approval process.  
b) Any project that has not been completed within one year of being carried forward will automatically be Released unless decided otherwise at the discretion of the City Manager. Any funds Released will be reallocated into the respective utility Stabilization and Contingency Reserve and/or the respective utility Infrastructure Lifecycle, Maintenance and Replacement Reserve (water, wastewater, solid waste management or recycling). |
| Interest Bearing | No |
| Approved by Council | DATE |
### Financial Reserves – Description U12

<table>
<thead>
<tr>
<th>Name</th>
<th>Other Year End Carry Forwards - Utility Reserve</th>
</tr>
</thead>
<tbody>
<tr>
<td>Type</td>
<td>Utility</td>
</tr>
<tr>
<td>Category</td>
<td>Projects Reserves</td>
</tr>
<tr>
<td>Purpose</td>
<td>To carry the funding for specific solid waste and recycling utility operating programs and projects where the service or acquisition was not completed or received by year end, but will occur in the following year. This eliminates the requirement to collect the funds twice for a project that is planned to be completed.</td>
</tr>
<tr>
<td>Source of Funding</td>
<td>The funding required to complete a specific program or project will have been previously approved by Council in the operating budget and will need to continue to be available in the following year.</td>
</tr>
<tr>
<td>Minimum Balance</td>
<td>None</td>
</tr>
<tr>
<td>Maximum Balance</td>
<td>None</td>
</tr>
<tr>
<td>Restoring Balance</td>
<td>Not applicable</td>
</tr>
<tr>
<td>Application</td>
<td>Funds from this Reserve will be used to fund expenditures for the intended purpose as included in the budget approved by Council.</td>
</tr>
</tbody>
</table>
| Duration | a) Projects or programs not completed in the fiscal year they were budgeted for will be carried forward if they are intended to be completed in the following fiscal year as part of the annual Reserve transfer approval process.  
   b) Any project that has not been completed within one year of being carried forward will automatically be Released unless decided otherwise at the discretion of the City Manager. Any funds Released will be reallocated into the respective utility Stabilization and Contingency Reserve and/or the respective utility Infrastructure Lifecycle, Maintenance and Replacement Reserve (water, wastewater, solid waste management or recycling). |
<p>| Interest Bearing | No |
| Approved by Council | DATE |</p>
<table>
<thead>
<tr>
<th><strong>Financial Reserves – Description U15</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Name</strong></td>
</tr>
<tr>
<td><strong>Type</strong></td>
</tr>
<tr>
<td><strong>Category</strong></td>
</tr>
<tr>
<td><strong>Purpose</strong></td>
</tr>
</tbody>
</table>
| **Source of Funding** | a) Budgeted transfers as approved by Council.  
b) Allocation of year-end operational surplus as approved by Council.  
c) Other sources as approved by Council.  
Major projects within each respective utility are expected to be funded from the user fees associated with each respective utility. |
| **Minimum Balance** | None |
| **Maximum Balance** | None |
| **Restoring Balance** | Not applicable |
| **Application** | This reserve will be used to fund expenditures relating to specific projects as approved through the budget or as presented to Council. |
| **Duration** | Ongoing |
| **Interest Bearing** | Yes |
| **Approved by Council** | DATE |
### Financial Reserves – Description U20

<table>
<thead>
<tr>
<th>Name</th>
<th>Water Infrastructure Reserve</th>
</tr>
</thead>
<tbody>
<tr>
<td>Type</td>
<td>Utility</td>
</tr>
<tr>
<td>Category</td>
<td>Infrastructure Lifecycle, Maintenance and Replacement Reserve</td>
</tr>
<tr>
<td>Purpose</td>
<td>To provide funds for infrastructure lifecycle, maintenance and replacement projects. Funds would be utilized to meet future municipal requirements for existing assets with respect to replacement, refurbishment and capital maintenance. This Reserve may be utilized for projects related to assets that have a specific, dedicated Infrastructure Lifecycle Reserve if the specific, dedicated Reserve is insufficient to fund the project.</td>
</tr>
</tbody>
</table>
| Source of Funding | a) Budgeted transfers as approved by Council.  
b) Allocation of year-end operating surplus as approved by Council.  
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. |
| Minimum Balance | $2,000,000*  
*The balance of this Reserve for the purpose of determining if the Reserve balance is within the minimum and maximum guidelines shall be calculated as follows:  
Water - General Infrastructure Reserve balance reduced by the Utility Water Offsite Levy Reserve balance. |
| Maximum Balance | None |
| Restoring Balance | The balance of this Reserve shall be within the minimum and maximum guidelines as determined within Schedule A and noted above. If draws from the Reserve are utilized causing the balance to go below the minimum requirement, the Reserve shall be replenished within three years from the following sources:  
a) from other Utility Reserves within the Water Utility  
b) from the operational surplus within the water utility with a planned transfer to this Reserve in the approved budget |
| Application | Funds from this Reserve will be used to the replacement, refurbishment and maintenance of the municipality’s water utility infrastructure assets as approved through the budget, or as presented to Council to minimize the volatility of annual costs. |
| Duration | Ongoing |
| Interest Bearing | Yes |
| Approved by Council | DATE |
# Financial Reserves – Description U30

<table>
<thead>
<tr>
<th>Name</th>
<th>Wastewater Infrastructure Reserve</th>
</tr>
</thead>
<tbody>
<tr>
<td>Type</td>
<td>Utility</td>
</tr>
<tr>
<td>Category</td>
<td>Infrastructure Lifecycle, Maintenance and Replacement Reserve</td>
</tr>
<tr>
<td>Purpose</td>
<td>To provide funds for infrastructure lifecycle, maintenance and replacement projects. Funds would be utilized to meet future municipal requirements for existing assets with respect to replacement, refurbishment and capital maintenance. This Reserve may be utilized for projects related to assets that have a specific, dedicated Infrastructure Lifecycle Reserve if the specific, dedicated Reserve is insufficient to fund the project.</td>
</tr>
</tbody>
</table>
| Source of Funding      | a) Budgeted transfers as approved by Council.  
b) Allocation of year-end operating surplus as approved by Council.  
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. |
| Minimum Balance        | $1,000,000*                       |
|                        | *The balance of this Reserve for the purpose of determining if the Reserve balance is within the minimum and maximum guidelines shall be calculated as follows:  
Wastewater Infrastructure Reserve balance reduced by the Utility Water Offsite Levy Reserve balance. |
| Maximum Balance        | Not applicable                    |
| Restoring Balance      | The balance of this Reserve shall be within the minimum and maximum guidelines as determined within Schedule A and noted above. If draws from the Reserve are utilized causing the balance to go below the minimum requirement, the Reserve shall be replenished within three years from the following sources:  
a) from other Utility Reserves within the Wastewater Utility  
b) from the operational surplus within the wastewater utility with a planned transfer to this Reserve in the approved budget. |
| Application            | Funds from this Reserve will be used to the replacement, refurbishment and maintenance of the Municipality’s wastewater utility infrastructure assets as approved through the budget, or as presented to Council to minimize the volatility of annual costs. |
| Duration               | Ongoing                           |
| Interest Bearing       | Yes                               |
| Approved by Council    | DATE                              |
## Financial Reserves – Description U40

<table>
<thead>
<tr>
<th>Name</th>
<th>Landfill Construction Reserve</th>
</tr>
</thead>
<tbody>
<tr>
<td>Type</td>
<td>Utility</td>
</tr>
<tr>
<td>Category</td>
<td>Infrastructure Lifecycle, Maintenance and Replacement Reserve</td>
</tr>
<tr>
<td>Purpose</td>
<td>The Reserve is controlled by the Regional Landfill Authority. To provide funds for the construction of new infrastructure and capital maintenance required on the existing landfill location(s).</td>
</tr>
</tbody>
</table>
| Source of Funding     | a) Budgeted transfers as approved by Landfill Authority.  
b) Allocation of year-end operating surplus as approved by Landfill Authority.  
c) Other sources as approved by Landfill Authority. |
| Minimum Balance       | $500,000                      |
| Maximum Balance       | None                          |
| Restoring Balance     | The balance of this Reserve shall be within the minimum and maximum guidelines as determined within Schedule A and noted above. If draws from the Reserve are utilized causing the balance to go below the minimum requirement, the Reserve shall be replenished within three years from the following source: a) from the operational surplus within the landfill utility with a planned transfer to this Reserve in the approved budget. |
| Application           | Funds from this Reserve may be used for the construction of new cells, new leachate monitoring systems, access roads and other infrastructure construction costs required at the existing landfill location(s). |
| Duration              | Ongoing                       |
| Interest Bearing      | Yes                           |
| Approved by Council   | DATE                          |
## Financial Reserve Policy

**Financial Reserve Policy**

### Financial Reserves – Description U41

<table>
<thead>
<tr>
<th>Name</th>
<th>Landfill Replacement Reserve</th>
</tr>
</thead>
<tbody>
<tr>
<td>Type</td>
<td>Utility</td>
</tr>
<tr>
<td>Category</td>
<td>Infrastructure Lifecycle, Maintenance and Replacement Reserve</td>
</tr>
<tr>
<td>Purpose</td>
<td>The Reserve is controlled by the Regional Landfill Authority. To provide funds for a replacement landfill location prior to the end of life of existing landfill location.</td>
</tr>
<tr>
<td>Source of Funding</td>
<td>a) Budgeted transfers as approved by Landfill Authority. b) Allocation of year-end operating surplus as approved by Landfill Authority. c) Other sources as approved by Landfill Authority.</td>
</tr>
<tr>
<td>Minimum Balance</td>
<td>None</td>
</tr>
<tr>
<td>Maximum Balance</td>
<td>None</td>
</tr>
<tr>
<td>Restoring Balance</td>
<td>Not applicable</td>
</tr>
<tr>
<td>Application</td>
<td>Funds from this Reserve may be used for expenditures such as land acquisition, site preparation, and other costs associated with the preparation of a new landfill location.</td>
</tr>
<tr>
<td>Duration</td>
<td>Ongoing</td>
</tr>
<tr>
<td>Interest Bearing</td>
<td>Yes</td>
</tr>
<tr>
<td>Approved by Council</td>
<td>DATE</td>
</tr>
</tbody>
</table>
## Financial Reserves – Description U50

<table>
<thead>
<tr>
<th>Name</th>
<th>Solid Waste Management Infrastructure Reserve</th>
</tr>
</thead>
<tbody>
<tr>
<td>Type</td>
<td>Utility</td>
</tr>
<tr>
<td>Category</td>
<td>Infrastructure Lifecycle, Maintenance and Replacement Reserve</td>
</tr>
<tr>
<td>Purpose</td>
<td>To provide funds for infrastructure lifecycle, maintenance and replacement projects. Funds would be utilized to meet future municipal requirements for existing assets with respect to replacement, refurbishment and capital maintenance. This Reserve may be utilized for projects related to assets that have a specific, dedicated Infrastructure Lifecycle Reserve if the specific, dedicated Reserve is insufficient to fund the project.</td>
</tr>
</tbody>
</table>
| Source of Funding | a) Budgeted transfers as approved by Council.  
  b) Allocation of year-end operating surplus as approved by Council.  
  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. |
| Minimum Balance | None |
| Maximum Balance | None |
| Restoring Balance | Not applicable |
| Application | Funds from this Reserve will be used for the replacement, refurbishment and maintenance of the municipality’s solid waste management assets as approved through the budget, or as presented to Council to minimize the volatility of annual costs. Costs may be incurred for solid waste totes, transfer stations and other solid waste management initiatives. |
| Duration | Ongoing |
| Interest Bearing | Yes |
| Approved by Council | DATE |
### Financial Reserves – Description U60

<table>
<thead>
<tr>
<th>Name</th>
<th>Recycling Infrastructure Reserve</th>
</tr>
</thead>
<tbody>
<tr>
<td>Type</td>
<td>Utility</td>
</tr>
<tr>
<td>Category</td>
<td>Infrastructure Lifecycle, Maintenance and Replacement Reserve</td>
</tr>
</tbody>
</table>

**Purpose**

To provide funds for infrastructure lifecycle, maintenance and replacement projects. Funds would be utilized to meet future municipal requirements for existing assets with respect to replacement, refurbishment and capital maintenance. This reserve may be utilized for projects related to assets that have a specific, dedicated Infrastructure Lifecycle Reserve if the specific, dedicated reserve is insufficient to fund the project.

**Source of Funding**

- a) Budgeted transfers as approved by Council.
- b) Allocation of year-end operating surplus as approved by Council.
- 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.

**Minimum Balance**

None

**Maximum Balance**

None

**Restoring Balance**

Not applicable

**Application**

Funds from this Reserve will be used to the replacement, refurbishment and maintenance of the Municipality’s recycling assets as approved through the budget, or as presented to Council to minimize the volatility of annual costs. Costs may be incurred for recycling depots and equipment necessary to operate depots, collection and sorting equipment, and other recycling management initiatives.

**Duration**

Ongoing

**Interest Bearing**

Yes

**Approved by Council**

DATE
<table>
<thead>
<tr>
<th>Name</th>
<th>Water Offsite Levy Reserve</th>
</tr>
</thead>
<tbody>
<tr>
<td>Type</td>
<td>Utility</td>
</tr>
<tr>
<td>Category</td>
<td>Special Purpose Reserves</td>
</tr>
<tr>
<td>Purpose</td>
<td>To record the amount of funding, if any, that the municipality has been required to fund due to the absence of offsite levy funds available for water projects in accordance with the municipality’s Offsite Levy Bylaw. The balance in this Reserve will be $0 or less; amounts received in accordance with the Offsite Levy Bylaw prior to the commencement of qualifying projects are recorded as Deferred Revenue and not as a Reserve.</td>
</tr>
</tbody>
</table>
| Source of Funding        | a) Negative balance will be caused by insufficient funds available in Deferred Revenue – Water Offsite Levy Receipts to fund qualifying Water Offsite Levy projects.  
                          | b) Negative balance will be offset as new water offsite levy amounts are received. |
| Minimum Balance          | None                        |
| Maximum Balance          | $0                          |
| Restoring Balance        | Not applicable              |
| Application              | Negative Reserve balance in this Reserve is required to be offset by a matching corresponding balance in the Water Infrastructure Reserve. Water offsite levy fees received will reduce the negative Reserve balance up to a balance of $0; funds received in excess of this amount will be recorded as Deferred Revenue – Water Offsite Levy Receipts. |
| Duration                 | Ongoing                     |
| Interest Bearing         | Yes                         |
| Approved by Council      | DATE                        |
### Financial Reserve Policy

#### Financial Reserves – Description U81

<table>
<thead>
<tr>
<th>Name</th>
<th>Wastewater Offsite Levy Reserve</th>
</tr>
</thead>
<tbody>
<tr>
<td>Type</td>
<td>Utility</td>
</tr>
<tr>
<td>Category</td>
<td>Special Purpose Reserves</td>
</tr>
<tr>
<td>Purpose</td>
<td>To record the amount of funding, if any, that the municipality has been required to fund due to the absence of offsite levy funds available for water projects in accordance with the municipality’s Offsite Levy Bylaw. The balance in this Reserve will be $0 or less; amounts received in accordance with the Offsite Levy Bylaw prior to the commencement of qualifying projects are recorded as Deferred Revenue and not as a Reserve.</td>
</tr>
<tr>
<td>Source of Funding</td>
<td>c) Negative balance will be caused by insufficient funds available in Deferred Revenue – Wastewater Offsite Levy Receipts to fund qualifying Wastewater Offsite Levy projects. d) Negative balance will be offset as new wastewater offsite levy amounts are received.</td>
</tr>
<tr>
<td>Minimum Balance</td>
<td>None</td>
</tr>
<tr>
<td>Maximum Balance</td>
<td>$0</td>
</tr>
<tr>
<td>Restoring Balance</td>
<td>Not applicable</td>
</tr>
<tr>
<td>Application</td>
<td>Negative Reserve balance in this Reserve is required to be offset by a matching corresponding balance in the Wastewater Infrastructure Reserve. Wastewater off-site levy fees received will reduce the negative Reserve balance up to a balance of $0; funds received in excess of this amount will be recorded as Deferred Revenue – Wastewater Offsite Levy Receipts.</td>
</tr>
<tr>
<td>Duration</td>
<td>Ongoing</td>
</tr>
<tr>
<td>Interest Bearing</td>
<td>Yes</td>
</tr>
<tr>
<td>Approved by Council</td>
<td>DATE</td>
</tr>
</tbody>
</table>
City of Camrose  
Council Policy  

Capital Reserve  

Approval: Motion 154-16  
Policy: FIN 7.9.0  

Approval Date: April 4, 2016  
Effective Date: April 4, 2016  

Policy Statement  

1. Reason For Policy  

1.1 A capital reserve is generally a Restricted or Unrestricted Fund balance that is set aside for long-term capital investment projects or any other large capital requirement that will be incurred in the future.  

1.2 Camrose has adopted a fiscal strategy of setting aside funds for future planned projects, rather than borrowing, the capital reserves are utilized for this purpose.  

1.3 The capital reserves are set aside to ensure that Camrose has adequate funding for a major project or to at least partially finance the project.  

1.4 Contributions to the capital reserve account can be made from government grants, subsidies, donated funds, or can be set aside from regular operations.  

1.5 The reserve may be used for opportunities or emergencies where it may not be feasible, or cost-effective, to absorb the costs during one budget cycle.  

1.6 Mitigating risks is a goal of managing reserves for large and/or unplanned expenditures, while maintaining financial flexibility and reduced vulnerability.  

1.7 Opportunities arise where reserves may be used to provide the financial capability to adapt to local and regional economic conditions.  

2. Purpose  

2.1 The City of Camrose recognizes that establishing reserves is an important component in reaching and maintaining these objectives.
2.2 Reserve funds provide capital financial resources for maintenance/replacement/upgrading of existing infrastructure or construction of new infrastructure.

2.3 The policy is to provide consistent standards and guidelines for the management of existing reserves and the establishment of new reserves.

3. Responsibilities

3.1 City Council to:

3.1.1 Approve by resolution this policy and any amendments.

3.1.2 Consider the allocation of resources for successful implementation of this policy in the annual budget process.

3.2 City Manager to:

3.2.1 Implement policy and establish administrative directives for carrying out the policy.

3.2.2 Ensure Policy and Administrative Directive reviews occur and verify the implementation of policies and directives.

4. Exclusions

4.1 None

5. Definitions

5.1 Restricted Fund – the balance in a reserve which contains funds which are targeted for a specific purpose, project or department, or has limitations where the funds may be used.

5.2 Unrestricted Fund – the total balance in a reserve can be used for any Camrose operating requirement within compliant with the Alberta Municipal Government Act.
6. Capital Reserves

Capital reserves are those reserves that are generally established for a specified purpose, to fund one-time expenditures of a capital nature, and provide funding for capital funding deficits.

6.1 General Capital Reserve

6.1.1 Purpose

To provide a funding source for capital projects approved in the capital budget.

To fund major non-recurring costs related to various emergency events or situations, that cannot be anticipated or budgeted for and it is not feasible to absorb the cost of such events in other budget areas in any given year.

To fund a general capital deficit.

To provide a funding source in the event that grant revenues are not available.

Minimum Balance: $1,000,000
Maximum Balance: $7,000,000

6.1.2 Revenue Source

Annual capital surpluses shall be transferred to this reserve, subject to an annual resolution of Council. This reserve shall be paid interest at the average rate of return on all investments. Any draws that result in a balance below the minimum requirement shall be replenished over a maximum of three years firstly from other operating or capital reserves if available, and secondly from the tax levy through the budget or annual tax levy bylaw.

6.1.3 Expenditure Guidelines

Transfers from this reserve are approved through the annual operating budget or by Council resolution.
6.2 Work in Progress Reserve – General Capital

6.2.1 Purpose

To carry forward approved funding for projects which are not completed at year end. Reserve balance may include funds allocated for special projects not due to start for 2-3 years.

Minimum Balance: None if there are no carry forward projects.

Maximum Balance: $3,000,000 plus allocations for special projects.

6.2.2 Revenue Source

Funding provided in a given year’s capital budget which at year end are not expended which includes tax levy, utility operating funds and transfers from other reserves.

6.2.3 Expenditure Guidelines

With approval by Finance, the department may carry over unexpended funds for two years. With approval by the appropriate management authority (City Manager), the department may carry over the unexpended funds for extended periods as may be required. Transfers from this reserve shall be made by Finance to fund previously approved project costs. Unexpended funds shall be transferred to the general capital reserve.

6.3 Public Transit Reserve

6.3.1 Purpose

To provide support for replacement vehicles, to the Rose City Handivan and other Public Transit initiatives. This reserve is being considered for new Public Transit initiatives beginning in 2016.

Minimum Balance: None

Maximum Balance: $100,000
6.3.2 Revenue Source

This reserve was funded from a transfer equivalent to a grant received from the Province of Alberta that has been eliminated. No new funds have been transferred to this reserve since 2006.

6.3.3 Expenditure Guidelines

Transfers from this reserve are approved by Council resolution and historically have been used to provide funding assistance to the Rose City Handivan for replacement of vehicles.

6.4 Fire Vehicle Replacement Reserve

6.4.1 Purpose

To provide funding for the replacement of firefighting equipment or vehicles.

Minimum Balance: $250,000  
Maximum Balance: $1,500,000

6.4.2 Revenue Source

Funding for this reserve is provided through the annual operating budget.

6.4.3 Expenditure Guidelines

Transfers from this reserve are used to purchase fire vehicle replacement or addition to the fleet. Transfers from this reserve are approved through the annual capital budget or by Council resolution.

6.5 Equipment Replacement Reserve

6.5.1 Purpose

To provide funds for the replacement of the mobile equipment and vehicles.

Minimum Balance: $500,000  
Maximum Balance: $2,500,000
6.5.2 Revenue Source

   Equipment rates generated through equipment rates from usage of
   equipment and vehicles included in the operating budget.

6.5.3 Expenditure Guidelines

   Transfers from this reserve are approved through the annual capital
   budget or Council resolution.

6.6 Airport Fuel Facility Reserve

   Purpose

   6.6.1 To fund the future requirement for a new fuel facility at the
   municipal airport.

   Minimum Balance: None
   Maximum Balance: $250,000

6.6.2 Revenue Source

   Funding is received from a charge per litre of aviation fuel.

6.6.3 Expenditure Guidelines

   Transfers from this reserve are approved through the annual capital
   budget or Council resolution. This reserve may be used for other
   airport expenditures, however, must be paid back within 3 years.

6.7 Cemetery Perpetual Care Reserve

   6.7.1 Purpose

   This reserve is to provide funding perpetual care of the cemetery.

   Minimum Balance: None
   Maximum Balance: $250,000

6.7.2 Revenue Source

   Funding was received from annual contribution from operating
   based on fees established in the cemetery bylaw.
6.7.3 Expenditure Guidelines

Transfers from this reserve are approved through the annual capital budget or Council resolution.

6.8 Offsite Levies – Transportation

6.8.1 Purpose

This reserve is to provide funds for new, replacement or upgrade to transportation infrastructure projects as outlined in the Offsite Levies and Development Charges Bylaw due to growth of the City without placing undue burden on existing city resources.

Minimum Balance: None (dependent on timing of the collection of development charges and the use of funds, it is possible to have a negative balance).

Maximum Balance: None (dependent on timing of the collection of offsite levies and the use of funds, it is possible to have a significant balance).

6.8.2 Revenue Source

Per the Offsite Levies and Development Charges Bylaw, funding is received from offsite levies specific to transportation systems. This reserve shall be paid interest at the average rate of return on all investments or as required by Offsite Levies and Development Charges Bylaw. Reserve may be in a deficit, which would incur a charge of 5%, and then would be funded from future offsite levies.

6.8.3 Expenditure Guidelines

Transfers from this reserve are approved through the annual capital budget or Council resolution.

6.9 Offsite Levies – Water

6.9.1 Purpose

This reserve is to provide funds for new, replacement or upgrades to water supply, treatment and distribution system infrastructure projects as outlined in the Offsite Levies and Development Charges Bylaw.
Bylaw due to growth of the City without placing undue burden on existing city resources.

Minimum Balance: None (dependent on timing of the collection of development charges and the use of funds, it is possible to have a negative balance).

Maximum Balance: None (dependent on timing of the collection of offsite levies and the use of funds, it is possible to have a significant balance).

6.9.2 Revenue Source

Funding received from offsite levies specific to water supply, treatment and distribution systems. This reserve shall be paid interest at the average rate of return on all investments or as required by Offsite Levies and Development Charges Bylaw. Reserve may be in a deficit, which would incur a charge of 5%, and then would be funded from future offsite levies.

6.9.3 Expenditure Guidelines

Transfers from this reserve are approved through the annual capital budget or Council resolution.

6.10 Offsite Levies – Sanitary

6.10.1 Purpose

This reserve is to provide funds for new, replacement or upgrades to sanitary infrastructure projects as outlined in the Offsite Levies and Development Charges Bylaw due to growth of the City without placing undue burden on existing city resources.

Minimum Balance: None (dependent on timing of the collection of development charges and the use of funds, it is possible to have a negative balance).

Maximum Balance: None (dependent on timing of the collection of offsite levies and the use of funds, it is possible to have a significant balance).
6.10.2 Revenue Source

Funding was received from offsite levies specific to sanitary systems. This reserve shall be paid interest at the average rate of return on all investments or as required by Offsite Levies and Development Charges Bylaw. Reserve may be in a deficit, which would incur a charge of 5%, and then would be funded from future offsite levies.

6.10.3 Expenditure Guidelines

Transfers from this reserve are approved through the annual capital budget or Council resolution.

6.11 Offsite Levies – Storm

6.11.1 Purpose

This reserve is to provide funds for new, replacement or upgrade to storm infrastructure projects as outlined in the Offsite Levies and Development Charges Bylaw due to growth of the City without placing undue burden on existing city resources.

Minimum Balance: None (dependent on timing of the collection of development charges and the use of funds, it is possible to have a negative balance).

Maximum Balance: None (dependent on timing of the collection of offsite levies and the use of funds, it is possible to have a significant balance).

6.11.2 Revenue Source

Funding was received from offsite levies specific to storm systems. This reserve shall be paid interest at the average rate of return on all investments or as required by Offsite Levies and Development Charges Bylaw. Reserve may be in a deficit, which would incur a charge of 5%, and then would be funded from future offsite levies.

6.11.3 Expenditure Guidelines

Transfers from this reserve are approved through the annual capital budget or Council resolution.
6.12 Developer Contributions Reserve

6.12.1 Purpose

This reserve is to provide funds for future infrastructure capital projects.

Minimum Balance: None
Maximum Balance: None

6.12.2 Revenue Source

Funding for this reserve is received from developers for utility connection and future infrastructure. When these are received, this reserve is used for future capacity expansion of water collection, treatment or distribution or sanitary projects related to growth.

6.12.3 Expenditure Guidelines

Transfers from this reserve are approved through the annual capital budget or Council resolution.

6.13 Regional Development Contribution Reserve

6.13.1 Purpose

This reserve is to provide funds for future water or sanitary capital projects.

Minimum Balance: None
Maximum Balance: None

6.13.2 Revenue Source

Funding for this reserve is received from developers for utility connection and future infrastructure. When these are received, this reserve is used for future capacity expansion of water collection, treatment or distribution or sanitary projects related to growth.

6.13.3 Expenditure Guidelines

Transfers from this reserve are approved through the annual capital budget or Council resolution.
6.14 Municipal Reserve

6.14.1 Purpose

This reserve is established to meet the requirements of the Municipal Government Act Division 9 – Use and Disposal of Reserve Land. Reserve land includes municipal reserves, school reserves or municipal and school reserves. Reserve land that is sold or cash in lieu of reserve land must be accounted for separately and may be used for specific purposes (MGA 671 (4))

Minimum Balance: None
Maximum Balance: $500,000

6.14.2 Revenue Source

Funding is received from sale of reserve land as described above or cash in lieu of reserve land during the subdivision process. This reserve shall be paid interest at the average rate of return on all investments.

6.14.3 Expenditure Guidelines

Transfers from this reserve are approved through the annual capital budget or Council resolution and must meet the requirements of MGA 671(2); a public park, a public recreation area, school authority purposes or to separate areas of land that are used for different purposes.

6.15 Water Fund Capital Reserve

6.15.1 Purpose

This reserve is to provide funds for new, replacement or upgrades to water supply, treatment and distribution system infrastructure projects.

Minimum Balance: None
Maximum Balance: $5,000,000

6.15.2 Revenue Source

Funding is received annually through water rates.
6.15.3 Expenditure Guidelines

Transfers from this reserve are approved through the annual capital budget or Council resolution.

6.16 Water Fund Projects Reserve

6.16.1 Purpose

This reserve is to provide project funds for new, replacement or upgrades to water supply, treatment and distribution system infrastructure projects.

Minimum Balance: None
Maximum Balance: None

6.16.2 Revenue Source

Funding is received annually through water rates.

6.16.3 Expenditure Guidelines

Transfers from this reserve are approved through the annual capital budget or Council resolution.

6.17 Work in Progress – Water

6.17.1 Purpose

To carry forward approved funding for water capital projects which are not completed at year end.

Minimum Balance: $0 if there are no carry forward projects.
Maximum Balance: $2,000,000 plus allocations for special projects.

6.17.2 Revenue Source

Funding provided in a given year's capital budget which are not expended at year end, which includes utility operating funds and other reserves.
6.17.3 Expenditure Guidelines

With approval by Finance, the department may carry over the unexpended funds for two years. With approval by the appropriate management authority (City Manager), the department may carry over the unexpended funds for extended periods as may be required. Transfers from this reserve shall be made by the Finance to fund previously approved project costs. Unexpended funds shall be transferred to the Water Capital Reserve.

6.18 Sanitary Sewer Capital Reserve

6.18.1 Purpose

This reserve is to provide funds for new, replacement or upgrades to sanitary infrastructure projects.

Minimum Balance: None
Maximum Balance: $15,000,000

6.18.2 Revenue Source

Funding is received annually through sanitary sewer rates.

6.18.3 Expenditure Guidelines

Transfers from this reserve are approved through the annual capital budget or Council resolution.

6.19 Sanitary Sewer Project Reserve

6.19.1 Purpose

This reserve is to provide project funds for new, replacement or upgrades to sanitary infrastructure projects.

Minimum Balance: None
Maximum Balance: None

6.19.2 Revenue Source

Funding is received annually through sanitary sewer rates.
6.19.3 Expenditure Guidelines

Transfers from this reserve are approved through the annual capital budget or Council resolution.

6.20 Work in Progress – Sanitary

6.20.1 Purpose

To carry forward approved funding for sanitary sewer capital projects which are not completed at year end.

Minimum Balance: $0 if there are no carry forward projects.
Maximum Balance: $5,000,000 plus allocations for special projects.

6.20.2 Revenue Source

Funding provided in a given year’s capital budget which at year end are not expended which includes utility operating funds and other reserves.

6.20.3 Expenditure Guidelines

With approval by the Finance, the department may carry over the unexpended funds for two years. With approval by the appropriate management authority (City Manager), the department may carry over the unexpended funds for extended periods as may be required. Transfers from this reserve shall be made by the Finance to fund previously approved project costs. Unexpended funds shall be transferred to the Sanitary Capital Reserve. Funds allocated for a wastewater treatment plant shall be carried forward until this project is constructed.

6.21 Recycling Capital Reserve

6.21.1 Purpose

This reserve is to provide funds for future recycling infrastructure projects.

Minimum Balance: None
Maximum Balance: $500,000
6.21.2 Revenue Source

Funding is received annually through recycling rates.

6.21.3 Expenditure Guidelines

Transfers from this reserve are approved through the annual capital budget or Council resolution. With approval by Finance, the department may carry over the unexpended funds for one year. With approval by the City Manager, the department may carry over the unexpended funds for extended periods as may be required. Transfers of carry over funds from this reserve shall be made by Finance to fund previously approved project costs.

6.22 Solid Waste Management Reserve

6.22.1 Purpose

This reserve is to provide funds for future solid waste management capital projects.

Minimum Balance: None
Maximum Balance: $500,000

6.22.2 Revenue Source

Funding is received annually through solid waste management rates.

6.22.3 Expenditure Guidelines

Transfers from this reserve are approved through the annual capital budget or Council resolution. With approval by Finance, the department may carry over the unexpended funds for one year. With approval by the City Manager, the department may carry over the unexpended funds for extended periods as may be required. Transfers of carry over funds from this reserve shall be made by Finance to fund previously approved project costs.

6.23 Landfill Capital Reserve (controlled by the Landfill Authority)

6.23.1 Purpose

This reserve is to provide funds for future landfill capital projects.
Minimum Balance: None  
Maximum Balance: $2,000,000

6.23.2 Revenue Source
Funding is received annually through landfill fees. This reserve shall be paid interest at the average rate of return on all investments.

6.23.3 Expenditure Guidelines
Transfers from this reserve are approved through the annual capital budget or by Landfill Authority resolution.

6.24 Landfill Closure Reserve (controlled by the Landfill Authority)

6.24.1 Purpose
This reserve is to provide funds for future closure and remediation costs of the existing landfill.

Minimum Balance: None  
Maximum Balance: $2,000,000

6.24.2 Revenue Source
Funding is received annually through landfill fees. This reserve shall be paid interest at the average rate of return on all investments.

6.24.3 Expenditure Guidelines
Transfers from this reserve are approved through the annual capital budget or by Landfill Authority resolution.
6.25 Landfill Replacement Reserve (controlled by the Landfill Authority)

6.25.1 Purpose

This reserve is to provide funds for future replacement land and expansion prior to full completion in the current location for a landfill or recycling.

Minimum Balance: None.
Maximum Balance: None - funds shall accumulate until required.

6.25.2 Revenue Source

Funding is received annually through landfill fees. This reserve shall be paid interest at the average rate of return on all investments.

6.25.3 Expenditure Guidelines

Transfers from this reserve are approved through the annual capital budget or by Landfill Authority resolution.

7. Policy Reviews / Updates

Ongoing, this policy should be reviewed biennially, every two years, or when the policy needs to be changed to add or delete reserves. This policy is a live document, in that it is to ensure that the purpose, minimum and maximum balances, revenue sources and expenditure guidelines are appropriate. Council approval is required for establishing new reserves. Each new reserve must outline the purpose of the reserve, minimum and maximum balances, revenues sources and expenditure guidelines.

8. Reporting

At a minimum, annual reporting will be provided to Council in conjunction with the annual audit. All transfers to and from capital reserves will be approved by Council either during the annual budget process or Council may approve transfers to or from capital reserves at any time during the year.
City of Camrose  
Council Policy  

Operating Reserve

APPROVAL: Motion 154-16  POLICY: FIN 7.10.0
APPROVAL DATE: April 4, 2016  EFFECTIVE DATE: April 4, 2016

1. Reason For Policy

1.1 An operating reserve is either a Restricted or Unrestricted Fund balance set aside to stabilize Camrose finances by providing a cushion against unexpected events, losses of income, and large unbudgeted expenses. Reserves provide sustainable operating finances to maintain the City’s ability to provide adequate levels of municipal services.

1.2 Since operating reserves are most valuable if they are reliable, an important factor in using reserves is also having a realistic plan to replenish them.

1.3 Operating reserves are not to be used to cover a shortfall over the long term. Reserves are intended to allow Camrose to be sustainable through serious events by buying time to implement new strategies.

1.4 Restricted reserves are grants, surpluses and contributions that have been set aside for specific programs or department’s needs.

1.5 Mitigating risks is a goal of managing reserves for large and/or unplanned expenditures, while maintaining financial flexibility and reduced vulnerability.

1.6 Opportunities arise where reserves may be used to provide the financial capability to adapt to local and regional economic conditions.

2. Purpose

2.1 The City of Camrose recognizes that establishing reserves is an important component in reaching and maintaining the above objectives.

2.2 Reserve funds provide financial resources to protect against the need to reduce services levels or raise taxes and fees due to temporary revenue shortfalls or unpredicted one-time expenditures.
2.3 Operating Reserve funds provide operating financial resources during maintenance/replacement/upgrading of existing infrastructure or the operating funds that could be required as part of construction of new infrastructure.

2.4 The policy is to provide consistent standards and guidelines for the management of existing reserves and the establishment of new reserves.

3. Responsibilities

3.1 City Council to:

3.1.1 Approve by resolution this policy and any amendments.

3.1.2 Consider the allocation of resources for successful implementation of this policy in the annual budget process.

3.2 City Manager to:

3.2.1 Implement policy and establish administrative directives for carrying out the policy.

3.2.2 Ensure policy and administrative directive reviews occur and verify the implementation of policies and directives.

4. Exclusions

4.1 None.

5. Definitions

5.1 Restricted Fund – the balance in a reserve which contains funds which are targeted for a specific purpose, project or department, or has limitations where the funds may be used.

5.2 Unrestricted Fund – the total balance in a reserve can be used for any Camrose operating requirement compliant with the Alberta Municipal Government Act.
6. **Operating Reserves**

Operating reserves are those reserves that are established for general and specific purposes, to fund one-time expenditures of an operating nature, and provide funding for operating deficits.

6.1 **General Operating Reserve**

6.1.1 **Purpose**

To fund any one-time operating requirements which are typically larger than normal which, if unfunded, could cause disruption in providing services to the community.

To fund any one-time operating projects which are unbudgeted or unanticipated during the year.

This reserve is intended for operating surpluses, after funding the Financial Stabilization Reserve

<table>
<thead>
<tr>
<th>Minimum Balance:</th>
<th>2% of current year's general operating expenditures.</th>
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<tr>
<td>Maximum Balance:</td>
<td>None</td>
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6.1.2 **Revenue Source:**

Annual operating surpluses in excess of funding required to top up the Financial Stabilization Reserve will be transferred to this reserve, subject to an annual resolution of Council. Unbudgeted or unexpected revenue can be transferred by Council resolution.

6.1.3 **Expenditure Guidelines**

Transfers from this reserve are approved through the annual operating budget or by Council resolution.

6.2 **Financial Stabilization Reserve**

6.2.1 **Purpose**

This fund is the first level of financial support to fund major non-recurring costs related to various emergency events or situations (e.g. inclement weather, environmental hazards) that cannot be anticipated or budgeted, when it is not feasible to absorb the cost of such events in other budget areas in any given year.
Operating Reserve – FIN 7.10.0
April 4, 2016

To offset unrealized revenues that are cyclical in nature and subject to downturns in the economy, e.g. development fees, building permits, and inspection fees.

To fund a general operating deficit.

Minimum Balance: 8% of current year's general operating expenditures.
Maximum Balance: 10% of current year's general operating expenditures.

6.2.2 Revenue Source

Annual operating surpluses shall be transferred to the reserve to the maximum balance allowed, subject to an annual resolution of Council. This reserve shall also be paid interest at the average rate of return on all investments. Amounts may be transferred from the General Operating Reserve if funds are available. Any draws that result in a balance below the minimum requirement shall be replenished over a maximum of three years firstly from operating surpluses, secondly from other reserves if available, and thirdly from the tax levy through the budget or annual tax levy bylaw.

6.2.3 Expenditure Guidelines

By Council resolution, the Financial Stabilization Reserve Fund may be expended to cover any annual general operating deficiencies.

6.3 Computer Replacement Reserve

6.3.1 Purpose

To stabilize annual cost fluctuations and to allow for the ongoing replacement of computer equipment.

Minimum Balance: 20% of current year's replacement cost of the computer equipment.
Maximum Balance: 80% of current year's replacement cost of the computer equipment.
6.32. Revenue Source

Funding for this reserve is provided through department annual operating budgets.

6.3.3 Expenditure Guidelines

Transfers from this reserve are used to purchase replacement computer equipment as required.

Transfers from this reserve are approved through the annual operating budget or for unexpected replacement as required by the IT Manager.

6.4 Budget Appropriation Unexpended (General Operating and Utility Operating)

6.4.1 Purpose

To carry forward approved operational funding for projects which are not expended at year end.

Minimum Balance: $0 if there are no carry forward projects.
Maximum Balance: To be determined by the appropriate management authority and Finance.

6.4.2 Revenue Source

Funding approved through the annual operating budget not fully expended at year end.

6.4.3 Expenditure Guidelines

With approval by Finance, the department may carry over the unexpended funds into the following year’s budget. With approval by the appropriate management authority (City Manager), the department may carry over the unexpended funds for extended periods of time over the initial year. Unexpended funds shall be transferred to the general operating reserve. Transfers from this reserve shall be made by Finance to fund expenditures incurred in the year(s) following.
6.5 Concrete Recycling Reserve

6.5.1 Purpose

To provide funds for the reclamation of the site, currently next to the lagoons, as it is phased out and replaced by a new site. Annual surpluses from the program are held in this reserve for the purpose of funding future crushing costs.

Minimum Balance: $100,000 to be held for future remediation of site.
Maximum Balance: $500,000 which includes $400,000 for future crushing costs and $100,000 for remediation costs.

6.5.2 Revenue Source

Surplus funds from the operations of the concrete recycling program.

6.5.3 Expenditure Guidelines

Transfers from this reserve are approved through the annual operating budget and through Council approval.

6.6 Gravel Pit Maintenance Reserve

6.6.1 Purpose

To fund the on-going maintenance of the gravel pit property and remediation of the property after the gravel is depleted.

Minimum Balance: None
Maximum Balance: $1,000,000

6.6.2 Revenue Source

Funding is received from fees charged based on the volume of gravel hauled. Fees are based on estimated costs and remaining gravel supply.

6.6.3 Expenditure Guidelines

Transfers from this reserve are by Council resolution.
6.7 Facility Maintenance Reserve

6.7.1 Purpose

This reserve is to provide funds for maintenance costs that occur unexpectedly during the year and are unbudgeted and are of a nature that timely repairs are required.

Minimum Balance: None
Maximum Balance: $200,000 (based on an estimate of 2 events of $100,000 each).

6.7.2 Revenue Source

Funding is received in the form of an annual donation received from a vendor with exclusive rights to supply vending machines and concessions. This may be changed in the future with the vending machine situation.

6.7.3 Expenditure Guidelines

Expenditures from this reserve will follow the City’s purchasing policy with approvals from the City Manager or Council resolution. Funds are intended for unbudgeted repairs or maintenance of an urgent nature and not to subsidize the operating budgets for planned repairs or maintenance.

6.8 Water Operating Projects

6.8.1 Purpose

This reserve is to provide operating funds for new, replacement or upgrades to water supply, treatment and distribution system infrastructure projects.

Minimum Balance: None
Maximum Balance: $1,000,000

6.8.2 Revenue Source

Funding is received annually through water rates.
6.8.3 Expenditure Guidelines

Transfers from this reserve are approved through the annual operating budget or Council resolution.

7. Policy Reviews / Updates

Ongoing, this policy should be reviewed biennially, every two years, or when the policy needs to be changed to add or delete reserves. This policy is a live document, in that it is to ensure that the purpose, minimum and maximum balances, revenue sources and expenditure guidelines are appropriate. Council approval is required for establishing new reserves. Each new reserve must outline the purpose of the reserve, minimum and maximum balances, revenues sources and expenditure guidelines.

8. Reporting

At a minimum, annual reporting will be provided to Council in conjunction with the annual audit. All transfers to and from operating reserves will be approved by Council either during the annual budget process or Council may approve transfers to or from operating reserves at any time during the year.