


<b>Title: RESERVES</b>	
<p><b>Policy No: 1502</b></p> <p><b>Effective Date: May 11, 2020</b></p> <p><b>Motion Number: 20.05.277</b></p> <p><b>Supersedes Policy No: NONE</b></p> <p><b>Review Date: July 31, 2020</b></p>	
<p><b>Purpose:</b> To establish reserves that will allow for future planned and unplanned expenditures required by the municipality.</p>	

## POLICY

### 1. Responsibilities

#### 1.1. Administration

- 1.1.1. Ensure that all transactions regarding reserves are approved by and reported to Council.
- 1.1.2. To transfer funds to and from Reserve Funds as directed by resolution of Council where Council deems that such transfers should occur.
- 1.1.3. Manage reserves in accordance with this procedure.
- 1.1.4. Provide quarterly reports to Council regarding committed reserves and any transfers to and from reserve funds.
- 1.1.5. Present in each annual capital and operating budget the transactions necessary to comply with this procedure, and to bring Reserve Funds to the minimum levels.
- 1.1.6. Quarterly reports shall be provided to Council regarding committed reserves, as well as the transfer to, and transfer from reserves.

#### 1.2. Council

- 1.2.1. Council shall authorize the transfer of funds to and from the Reserves by resolution.

## 2. Reserve Regulations

2.1. Each Reserve Fund shall be regulated as provided below.

## 3. Community Bus Reserve

3.1. Purpose: The reserve fund is established to assist in the replacement costs of the Community Bus.

3.2. Receives: This reserve receives funds at the discretion of Council.

3.3. Interest: This reserve receives 0% of annually earned interest.

## 4. Valleyview and District Medical Clinic Building Reserve

4.1. Purpose: This reserve fund is established to assist in the costs of future construction/upgrades to the Valleyview & District Medical Clinic Building. The Valleyview & District Medical Clinic Committee shall provide a recommendation to Council of funds for the reserve based on their anticipated budget.

4.2. Receives: This reserve receives funds at the discretion of Council.

4.3. Interest: This reserve receives 0% of annually earned interest.

## 5. Valleyview & District Medical Clinic Equipment Reserve

5.1. Purpose: This reserve fund is established to assist in the costs of future purchases or upgrades to equipment housed in the Valleyview & District Medical Clinic Building. The Valleyview & District Medical Clinic Committee shall provide a recommendation to Council of funds for the reserve based on their anticipated budget.

5.2. Receives: This reserve receives funds at the discretion of Council.

5.3. Interest: This reserve receives 0% of annually earned interest.

## 6. Greenview Daycare Funding Reserve

6.1. Purpose: This reserve fund is established to assist in the costs of developing daycare services in Greenview, which may include building and equipment purchases.

6.2. Receives: This reserve receives funds at the discretion of Council.

6.3. Interest: This reserve receives 0% of annually earned interest.

## 7. Road Infrastructure Reserve

7.1. Purpose: This reserve provides funds for future years' road construction budget, based on approved capital plans. This reserve will contain an additional amount of \$2 Million to allow Greenview the ability to react to positive or negative pricing shifts.

7.2. Receives: This reserve receives funds specifically allocated in the operating budget and

receives any amortization of “Engineering Structures – Road.”

7.3. Interest: This reserve receives 10% of annually earned interest.

#### **8. Bridge Replacement Reserve**

8.1. Purpose: This reserve provides funds for future replacement costs of bridges. Annual contribution based on life cycle costing of bridges.

8.2. Receives: This reserve receives funds specifically allocated in the operating budget and receives any amortization of “Engineering Structures – Road.”

8.3. Interest: This reserve receives 5% of annually earned interest.

#### **9. Project Carry Forward Reserve.**

9.1. Purpose: This reserve will hold all funds for projects that have been carried over from one year to a subsequent year. This reserve will be funded as needed in any given year.

9.2. Receives: This reserve receives prior years project carryover funds

9.3. Interest: This reserve receives no interest.

#### **10. Equipment and Vehicle Fleet Reserve**

10.1. Purpose: This reserve ensures funds for replacing equipment and vehicles as per Council’s replacement policy. The annual contribution based on yearly depreciation of vehicles.

10.2. Receives: This reserve receives any amortization of “equipment” or “motor vehicle”. Salvage revenues received from disposal of equipment and vehicles will be placed into this reserve in addition to the annual contribution listed above.

10.3. Interest: This reserve receives 10% of annually earned interest.

10.4. Maximum or Minimum: This reserve should contain a minimum level of funds equal to ten (10%) percent of the “Equipment” and “Automotive Equipment” Audited Financial Statements Tangible Capital Assets Net Book Value. This reserve has no maximum.

#### **11. Disaster Response Reserve**

11.1. Purpose: This reserve provides funds for emergency funding for Greenview to deal with disasters when they occur, with minimal impact to the approved Operating and Capital Budgets.

11.2. Receives: This reserve receives an annual contribution of \$100k.

11.3. Interest: This reserve receives 10% of annually earned interest.

11.4. Maximum or Minimum: This reserve shall have a minimum balance of \$1 Million to a maximum balance of \$3 Million.

**12. Fire Facilities**

- 12.1. Purpose: This reserve provides funds for Greenview's share of replacement or construction of Fire Halls and other fire infrastructure (dry hydrants, etc.) within Greenview and the Towns of Fox Creek and Valleyview.
- 12.2. Receives: This reserve receives annualized contribution based on Fire Hall construction or replacement schedules. Starting with \$7 Million.
- 12.3. Interest: This reserve receives 10% of annually earned interest.

**13. Fire Apparatuses**

- 13.1. Purpose: This reserve provides funds for the purchase of Greenview's fire apparatus for Greenview Fire Stations and Greenview's share of apparatus purchases for the Towns of Valleyview and Fox Creek.
- 13.2. Receives: This reserve receives annualized contribution based on apparatus replacement schedule. Receives any proceeds from sale of apparatus. Minimum value of 300k to allow for any emergency purchases.
- 13.3. Interest: This reserve receives 5% of annually earned interest.

**14. Facilities Reserve**

- 14.1. Purpose: This reserve provides funds for replacement or construction costs for Greenview facilities such as offices and maintenance shops. Facilities relating to utilities and emergency services will be funded through their own respective reserve funds. An
- 14.2. Receives: This reserve receives annual amortization of "Buildings."
- 14.3. Interest: This reserve receives 10% of annually earned interest.

**15. Solid Waste Reclamation Reserve**

- 15.1. Purpose: This reserve provides funds for post closure liability costs for Greenview waste sites such as transfer stations. Post closure liability costs for regional landfills will be budgeted for by Greenview Regional Solid Waste Management Commission.
- 15.2. Receives: This reserve receives funds based on the life cycle of the transfer stations.
- 15.3. Interest: This reserve receives no interest.

**16. Wastewater Reserve**

- 16.1. Purpose: This reserve provides funds for replacement or construction of wastewater collection systems and networks within Greenview. Annual contributions based on depreciation.
- 16.2. Receives: This reserve receives funds based on the life cycle of the wastewater facilities

and the annual amortization.

16.3. Interest: This reserve receives 10% of annually earned interest.

#### 17. Water Reserve

17.1. Purpose: This reserve provides funds for replacement or construction of water distribution systems and networks within Greenview.

17.2. Receives: This reserve receives funds based on the life cycle of the water systems and the annual amortization.

17.3. Interest: This reserve receives 10% of annually earned interest.

#### 18. Developer Contributions

18.1. Purpose: This reserve is funded by cash in lieu payments and off-site levies collected from developers.

18.2. Receives: This reserve receives funds received from development agreements and off-site levies.

18.3. Interest: This reserve receives no interest.

#### 19. Economic Development Reserve

19.1. Purpose: This reserve provides funds for municipal development projects (property development, etc.) as depicted in the long-term capital plan.

19.2. Receives: This reserve receives funds based on Council's Economic Development Plan.

19.3. Interest: This reserve receives no interest.

#### 20. Recreation Reserve

20.1. Purpose: This reserve provides funds for construction or replacement of Greenview's recreation facilities (campgrounds, multiplexes, etc.). Annualized contributions based on depreciation for existing facilities. Annual contribution to be used for development of future facilities.

20.2. Receives: This reserve receives annual Recreation asset amortization plus any other contributions Council provides.

20.3. Interest: This reserve receives 10% of annually earned interest.

#### 21. Green View FCSS Reserve

21.1. Purpose: This reserve is used to set aside FCSS program surpluses from the FCSS programs operated by Greenview on behalf of the Town of Valleyview. The Green View FCSS Board shall determine the use of funds in this reserve.

21.2. Receives: This reserve receives any surplus balance at the end of a financial year.

21.3 Interest: This reserve receives no interest.

21.4 Maximum or Minimum: This reserve has no maximum or minimum.

## 22 Gravel Pit Reclamation Reserve

22.1 Purpose: This reserve is used for the environmental reclamation of landfills and gravel pits and as the source and return of deposits and guarantees regarding reclamation.

22.2 Receives: This reserve receives funds specifically allocated in the operating budget, plus per tonne charges on waste interred by landfills, and gravel mined for Greenview use, to pay for environmental reclamation

22.3 Interest: This reserve receives no interest.

22.4 Maximum or Minimum: This reserve has no maximum or minimum.

## 23 Operating Contingency Reserve

23.1 This reserve provides funds to supply Greenview with emergency operating funds in case of a large scale disaster or other disruption to funding sources. Will be equivalent to \$13M the average of three months operating costs.

23.2 Receives: This reserve receives funds any unallocated surplus funds received during the year.

23.3 Interest: This reserve receives 10% of annually earned interest.