

**Policy statement**

Leduc County is committed to effective stewardship of all county funds in a prudent manner. Reserve funds provide a mechanism to save for future infrastructure, equipment and other requirements; to provide financial stability by reducing the temporary impact of unforeseen, non-recurring, emergent events and to smooth the affect of tax and utility rate increases.

The purpose of this policy is to establish consistent principles, standards and guidelines for the maintenance, management and accounting of reserve funds. The primary purpose of reserve funds is:

- Adherence to statutory requirements;
- Promotion of financial stability and flexibility;
- Stabilization of fluctuations in operating and capital activities;
- Provision for major capital expenditures.

**Definitions**

*Asset* means a resource having physical substance, which are used on a continuing basis in the County’s operations; have useful lives extending beyond one year; are not intended for sale in the normal course of operations; and meet or exceed the financial threshold established in the tangible capital asset administrative directive.

*Capital fund reserves* means a grouping of reserve funds for capital purposes.

*Infrastructure* means the fundamental facilities and systems that support the functionality of the organization

*Infrastructure component* means one or more of the following County owned assets:

- Construction of a road required to give access to a development
- A public utility, as follows:
  - Water or steam
  - Sewage disposal
  - Public transportation operated by or on behalf of the municipality
  - Irrigation
  - Drainage
  - Fuel
  - Electric power
  - Heat
  - Waste management
  - Telecommunications
- Off-street parking, loading and unloading facilities

*Operating fund reserves* means a grouping of reserve funds for operating purposes.

*Priority sector* means one of the key industrial sectors identified in the Leduc County Investment Readiness and Implementation Strategy. These sectors are agriculture, energy, food processing, manufacturing, and transportation and logistics.

*Prudent* means acting with or showing care and thought for the future.

<i>Approval date</i>	<i>July 13, 2021</i>	<i>Motion number</i>	<i>198-21</i>	<i>Page 1 of 35</i>
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*Public Sector Accounting Board (PSAB)* means the independent body with authority to set accounting standards for the public sector, which includes municipalities. The objective of the standards is to meet the needs of the users of financial statements by providing the information needed for accountability and decision-making.

*Reserve description* is found in Schedule B of this policy. Each reserve description includes:

- The overall purpose of the reserve fund;
- The source of the reserve funds;
- When the reserve can be accessed;
- Optimal balance if applicable;
- The lifespan or duration of the reserve fund; and
- Interest entitlement.

*Reserve fund* means a fund with assets that are segregated and restricted to meet the purpose of the reserve fund. Establishment of the reserve fund is based on a statutory requirement or defined liability payable in the future.

*Roll up category* means a high-level category for reporting. The categories include:

- *Asset lifecycle management* category captures all reserve funds that tie to infrastructure lifecycle, maintenance and replacement of Leduc County tangible capital assets
- *Legacy* category captures reserve funds established by compensation received from the City of Edmonton related to the annexation of land from Leduc County as defined in the Province of Alberta Order in Council 359/2018.
- *Special purpose* category captures all reserve funds that meet the needs of future year or year-end carry-forward projects.
- *Stabilization and contingency* category captures all reserve funds that maintain funds to aid in stabilizing and smoothing the temporary impact of unforeseen events or planned fluctuations in activity.
- *Statutory* category captures all reserve funds that are established and managed in accordance with legislation.
- *Utilities* category captures all reserve funds that have a direct relationship to the needs of the capital and operating activities of the County utility functions.

*Stewardship* means the conducting, supervising, or managing of something; especially the careful and responsible management of something entrusted to one’s care.

**Policy authority**

*Legislative implications:*

- *Municipal Government Act (MGA)*
- *Public Sector Accounting Board (PSAB)*

*Bylaw implications:*

- *Community Aggregate Payment Levy - Bylaw 4-20*

<i>Approval date</i>	<i>July 13, 2021</i>	<i>Motion number</i>	<i>198-21</i>	<i>Page 2 of 35</i>
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**Related Municipal Policy**

AM-01 Asset Management  
 ED-01 Legacy Fund

**Related Administrative Directives and/or documents**

FS-D01 Tangible Capital Asset Administrative Directive (under review)

**Policy standards**

1. Council shall approve reserve fund transactions through this reserve policy, annual budget process, or council motion.
2. Council shall approve new reserve funds categories.
3. Use of the capital Municipal Reserve will be in accordance with the *Municipal Government Act* (MGA) section 671.
4. As part of the year-end process,
  - an assessment will be made between the actual balance and the recommended optimal balance,
    - reserve funds that have balances lower than their established optimal balances will be considered in the distribution of an annual operating surplus (if applicable).
    - reserve funds that have balances higher than their established optimal balances will be considered for redirection of funds.
  - identify carry-forward projects with residual balances and transfer the balances to the stabilization and contingency reserve. This transaction can be completed without Council motion.
  - interest earnings will be applied to the reserve funds which have been deemed interest bearing as indicated in the reserve description.
5. Regular reporting to Council will occur
  - Through quarterly financial reporting which will identify the roll up categories and any transfers in or out since the previous reporting.
  - Fiscal year-end reporting will occur in accordance with the annual financial statement presentation.
6. The overall operating reserve balance (less legacy and utility reserves) shall not fall below approximately three months of operating expenses (\$19,700,000).

**Policy responsibilities**

*Council responsibilities:*

- Council shall,
- Approve a Financial Reserves policy.

*Administration responsibilities:*

County Manager or designate shall:

- direct administration to develop the necessary administrative directives to implement this policy; and

<i>Approval date</i>	<i>July 13, 2021</i>	<i>Motion number</i>	<i>198-21</i>	<i>Page 3 of 35</i>
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- approve those administrative directives.

Director of Finance shall:

- create, update and review administrative directives;
- monitor and review the MGA, PSAB and all other regulations for changes at established intervals;
- ensure on-going compliance with the policy;
- provide guidance to departments in complying with the intent of the policy and the accumulation/allocation of funds;
- oversee the daily operational obligations required to meet this policy;
- ensure financial staff is aware and abiding by the policy and associated regulations; and
- maintain and update this policy.

Department heads shall:

- be aware of the policy and associated administrative directives; and
- collaborate with Finance to confirm proposed reserve transfers, allocations and provide input with regard to the optimal balance of reserve funds.

**Monitoring and updating**

- This policy will be posted on Leduc County’s website.
- This policy will be reviewed at least once every four years.

<i>Approval date</i>	<i>July 13, 2021</i>	<i>Motion number</i>	<i>198-21</i>	<i>Page 4 of 35</i>
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**SCHEDULE A**  
**Leduc County Financial Reserve Funds**

<b>Operating Fund Reserves</b>	<b>Optimal Balance</b>
Operating reserves	Overall operating reserves (less legacy and utility reserves) shall not fall below 3 months of operating expenses (\$19,700,000)
Legacy Fund	Replenish funds as per policy ED-01
Stabilization and Contingency	See overall operating reserves
Special Purpose	
Future year initiatives	Not Applicable
Year-end carry-forward projects	Not Applicable
Utilities	
Solid Waste – Curbside pickup	Target of one year of operating expenses. Minimum of \$50,000 to a maximum of \$75,000
Water Distribution – Rate Stabilization	5% of current budgeted operating expenses to a maximum of \$150,000
Water Distribution – Operating, repair and replacement	\$200,000 to a maximum of \$250,000
Water Distribution – Year-end carry-forward projects	Not Applicable
Wastewater Collection – Rate Stabilization	5% of current budgeted operating expenses to a maximum of \$150,000
Wastewater Collection – Operating, Repair and Replacement	\$200,000 to a maximum of \$250,000
Wastewater Collection – Year-end carry-forward projects	Not Applicable
Wastewater Collection - Nisku Transfer Station – Rate Stabilization	5% of current budgeted operating expenses to a maximum of \$150,000
Wastewater Collection - Nisku Transfer Station (Septage Receiving Station) – Operating, Repair and Replacement	\$200,000 to a maximum of \$250,000
Wastewater Collection - Nisku Transfer Station (Septage Receiving Station) – Year-end carry-forward projects	Not Applicable
Wastewater Collection - Lagoons – Rate Stabilization	5% of current budgeted operating expenses to a maximum of \$150,000
Wastewater Collection - Lagoons – Operating, Repair and Replacement	\$200,000 to a maximum of \$250,000
Wastewater Collection - Lagoons – Year-end carry-forward projects	Not Applicable

<b>Capital Fund Reserves</b>	<b>Optimal Balance</b>
Asset Lifecycle Management	
Building Management	To be determined
Engineered Structure Management	To be determined
Fleet Management	To be determined
Land Management	Maximum of 50% of the 10 year capital forecast for land acquisitions
Machinery and Equipment Management	To be determined
Transit Management	To be determined
Special Purpose	
Year-end carry-forward projects	Not Applicable
Statutory	
Municipal Reserve	Not Applicable
Utilities	
Water Distribution – Repair and Replacement	Minimum target is 2.5% of current net book value of tangible capital assets with no maximum
Wastewater Collection – Repair and Replacement	Minimum target is 2.5% of current net book value of tangible capital assets with no maximum
Wastewater Collection - Nisku Transfer Station (Septage Receiving Station) – Repair and Replacement	Minimum target is 2.5% of current net book value of tangible capital assets with no maximum
Wastewater Collection - Lagoons – Repair and Replacement	Minimum target is 2.5% of current net book value of tangible capital assets with no maximum

**SCHEDULE B**  
**Operating Fund Reserve Descriptions**

Operating Fund Reserves – Description	
Fund	Operating
Roll Up Category	Legacy Fund
Sub Category (if applicable)	
Reserve Name	Legacy Fund
Purpose	To contribute financially to key infrastructure projects in accordance with the Legacy Fund policy ED-01
Source of Funding	a) Payments received from the City of Edmonton as compensation related to the annexation of land from Leduc County, as defined in the Province of Alberta Order in Council 359/2018 b) Replenish funds as per policy ED-01 c) Budgeted transfers as approved by Council d) Allocation of the year-end surplus as approved by Council e) Other sources as approved by Council
Optimal Balance	Replenish funds as per policy ED-01
Application of Funds	Will consider using legacy funds for the following purposes: <ul style="list-style-type: none"> <li>• To contribute to an infrastructure component within the County that significantly improves the investment readiness status of the County in one or more of its priority sectors.</li> <li>• As a contribution towards a specific infrastructure component that is required to support a specific development that is planned by an outside party, where that development will contribute to the advancement of one or more of the County’s priority sectors.</li> <li>• As seed money to constitute Leduc County’s portion of an infrastructure component for which a grant application is being made to a senior order of government for funds for the purposes of constructing infrastructure works that improve the investment readiness status of the County in one or more of its priority sectors.</li> </ul>
Duration of Reserve	Ongoing
Interest Bearing	Yes

Operating Fund Reserves – Description	
Fund	Operating
Roll Up Category	Stabilization and Contingency
Sub Category (if applicable)	
Reserve Name	Stabilization and Contingency
Purpose	To provide funds to stabilize tax rates in periods of high inflation and/or negative assessment values. To provide funds to stabilize the temporary impact of unforeseen, non-recurring, emergent, one-time expenditures or losses of revenue and to ensure the orderly provision of services to citizens.
Source of Funding	a) Budgeted transfers as approved by Council b) Allocation of the year-end surplus as approved by Council c) Other sources as approved by Council
Optimal Balance	Refer to operating reserve balance in schedule A
Application of Funds	Funds from this reserve will be used to stabilize tax rates. Funds from this reserve will be used to stabilize the impacts resulting from an unanticipated, unbudgeted event or those that would result in an overall deficit to the municipal operation.
Duration of Reserve	Ongoing
Interest Bearing	No



Operating Fund Reserves – Description	
Fund	Operating
Roll Up Category	Special Purpose
Sub Category (if applicable)	
Reserve Name	Future year initiatives
Purpose	To provide funding for operating projects that will be undertaken over multiple years or in the future; to build funding for non-annual programs and to assist in meeting future funding requirements of projects.
Source of Funding	<ul style="list-style-type: none"> <li>a) Budgeted transfers as approved by Council</li> <li>b) Allocation of the year-end surplus as approved by Council</li> <li>c) Proceeds from the sale of disposed operating items by virtue of this Reserve description as approved by Council</li> <li>d) Other sources as approved by Council</li> </ul>
Optimal Balance	Not applicable
Application of Funds	Funds from this reserve will be used to fund expenditures related to the specific projects as originally presented to Council or approved through the annual budget or long-term plan.
Duration of Reserve	Ongoing
Interest Bearing	No

Operating Fund Reserves – Description	
Fund	Operating
Roll Up Category	Special Purpose
Sub Category (if applicable)	
Reserve Name	Year-end carry-forward projects
Purpose	To provide funding for specific operating programs and projects where the service or acquisition was not completed or received by year-end, but will occur in the following year.
Source of Funding	Funds required to complete a specific program or project, which was previously approved by Council in the annual operating budget and will need to continue in the following year.
Optimal Balance	Not applicable
Application of Funds	Funds from this reserve will be used to fund expenditures related to specific programs and projects as intended in the annual budget approved by Council.
Duration of Reserve	<ul style="list-style-type: none"> <li>a) Projects or programs not completed in the fiscal year that they were budgeted will be carried forward as part of the annual Reserve request and approval process.</li> <li>b) Projects or programs not completed in the carry-forward year will be carried forward as part of the annual Reserve request and approval process.</li> <li>c) Surplus funds from completed projects will be automatically released to the Stabilization and Contingency reserve unless otherwise directed by Council.</li> </ul>
Interest Bearing	No

Operating Fund Reserves – Description	
Fund	Operating
Roll Up Category	Utilities
Sub Category (if applicable)	Solid Waste
Sub Category (if applicable)	Curbside pickup
Reserve Name	Rate Stabilization
Purpose	To provide funding to stabilize curbside pickup rates in the event of unforeseen, non-recurring, emergent expenditures or losses of revenue; to stabilize fluctuations in operating activity and to address the risk of revenue or expenditure volatility.
Source of Funding	a) Budgeted transfers as approved by Council b) Allocation of the year-end surplus as approved by Council c) Other sources as approved by Council
Optimal Balance	Target of one year of operating expenses. Minimum of \$50,000 to a maximum of \$75,000
Application of Funds	Funds from this reserve will be used to mitigate the impact of rate increases within the annual operating budget and for stabilizing unbudgeted impacts resulting from unanticipated events.
Duration of Reserve	Ongoing
Interest Bearing	Yes

Operating Fund Reserves – Description	
Fund	Operating
Roll Up Category	Utilities
Sub Category (if applicable)	Water Distribution
Sub Category (if applicable)	
Reserve Name	Rate Stabilization
Purpose	To provide funding to stabilize water rates in the event of unforeseen, non-recurring, emergent expenditures or losses of revenue; to stabilize fluctuations in operating activity and to address the risk of revenue or expenditure volatility.
Source of Funding	a) Budgeted transfers as approved by Council b) Allocation of the year-end surplus as approved by Council c) Other sources as approved by Council
Optimal Balance	5% of current budgeted operating expenses to a maximum of \$150,000
Application of Funds	Funds from this reserve will be used to mitigate the impact of utility rate increases within the annual operating budget and for stabilizing unbudgeted impacts resulting from unanticipated events.
Duration of Reserve	Ongoing
Interest Bearing	Yes

Operating Fund Reserves – Description	
Fund	Operating
Roll Up Category	Utilities
Sub Category (if applicable)	Water Distribution
Sub Category (if applicable)	
Reserve Name	Operating, repair and replacement
Purpose	To provide funding for facility and equipment repair and/or replacement.
Source of Funding	a) Budgeted transfers as approved by Council b) Allocation of the year-end surplus as approved by Council c) Other sources as approved by Council
Optimal Balance	\$200,000 to a maximum of \$250,000
Application of Funds	Funds from this reserve will be used to fund either budgeted or unforeseen facility or equipment repair and/or replacement.
Duration of Reserve	Ongoing
Interest Bearing	Yes

Operating Fund Reserves – Description	
Fund	Operating
Roll Up Category	Utilities
Sub Category (if applicable)	Water Distribution
Sub Category (if applicable)	
Reserve Name	Year-end carry-forward projects
Purpose	To provide funding for specific operating programs and projects where the service or acquisition was not completed or received by year-end, but will occur in the following year.
Source of Funding	Funds required to complete a specific program or project, which was previously approved by Council in the annual operating budget and will need to continue in the following year.
Optimal Balance	Not applicable
Application of Funds	Funds from this reserve will be used to fund expenditures related to specific programs and projects as intended in the annual budget approved by Council.
Duration of Reserve	<ul style="list-style-type: none"> <li>a) Projects or programs not completed in the fiscal year that they were budgeted will be carried forward as part of the annual reserve request and approval process.</li> <li>b) Projects or programs not completed in the carry-forward year will be carried forward as part of the annual reserve request and approval process.</li> <li>c) Surplus funds from completed projects will be automatically released to the Rate Stabilization reserve unless otherwise directed by Council.</li> </ul>
Interest Bearing	Yes

Operating Fund Reserves – Description	
Fund	Operating
Roll Up Category	Utilities
Sub Category (if applicable)	Wastewater Collection
Sub Category (if applicable)	
Reserve Name	Rate Stabilization
Purpose	To provide funding to stabilize wastewater rates in the event of unforeseen, non-recurring, emergent expenditures or losses of revenue; to stabilize fluctuations in operating activity and to address the risk of revenue or expenditure volatility.
Source of Funding	a) Budgeted transfers as approved by Council b) Allocation of the year-end surplus as approved by Council c) Other sources as approved by Council
Optimal Balance	5% of current budgeted operating expenses to a maximum of \$150,000
Application of Funds	Funds from this reserve will be used to mitigate the impact of utility rate increases within the annual operating budget and for stabilizing unbudgeted impacts resulting from unanticipated events.
Duration of Reserve	Ongoing
Interest Bearing	Yes

Operating Fund Reserves – Description	
Fund	Operating
Roll Up Category	Utilities
Sub Category (if applicable)	Wastewater Collection
Sub Category (if applicable)	
Reserve Name	Operating, Repair and Replacement
Purpose	To provide funding for facility and equipment repair and/or replacement.
Source of Funding	a) Budgeted transfers as approved by Council b) Allocation of the year-end surplus as approved by Council c) Other sources as approved by Council
Optimal Balance	\$200,000 to a maximum of \$250,000
Application of Funds	Funds from this reserve will be used to fund either budgeted or unforeseen facility or equipment repair and/or replacement.
Duration of Reserve	Ongoing
Interest Bearing	Yes



Operating Fund Reserves – Description	
Fund	Operating
Roll Up Category	Utilities
Sub Category (if applicable)	Wastewater Collection
Sub Category (if applicable)	
Reserve Name	Year-end carry-forward projects
Purpose	To provide funding for specific operating programs and projects where the service or acquisition was not completed or received by year-end, but will occur in the following year.
Source of Funding	Funds required to complete a specific program or project, which was previously approved by Council in the annual operating budget and will need to continue in the following year.
Optimal Balance	Not applicable
Application of Funds	Funds from this reserve will be used to fund expenditures related to specific programs and projects as intended in the annual budget approved by Council.
Duration of Reserve	<ul style="list-style-type: none"> <li>a) Projects or programs not completed in the fiscal year that they were budgeted will be carried forward as part of the annual Reserve request and approval process.</li> <li>b) Projects or programs not completed in the carry-forward year will be carried forward as part of the annual Reserve request and approval process.</li> <li>c) Surplus funds from completed projects will be automatically released to the Rate Stabilization reserve unless otherwise directed by Council.</li> </ul>
Interest Bearing	Yes

Operating Fund Reserves – Description	
Fund	Operating
Roll Up Category	Utilities
Sub Category (if applicable)	Wastewater Collection
Sub Category (if applicable)	Nisku Transfer Station (Septage Receiving Station)
Reserve Name	Rate Stabilization
Purpose	To provide funding to stabilize rates in the event of unforeseen, non-recurring, emergent expenditures or losses of revenue; to stabilize fluctuations in operating activity and to address the risk of revenue or expenditure volatility.
Source of Funding	a) Budgeted transfers as approved by Council b) Allocation of the year-end surplus as approved by Council c) Other sources as approved by Council
Optimal Balance	5% of current budgeted operating expenses to a maximum of \$150,000
Application of Funds	Funds from this reserve will be used to mitigate the impact of rate increases within the annual operating budget and for stabilizing unbudgeted impacts resulting from unanticipated events.
Duration of Reserve	Ongoing
Interest Bearing	Yes

Operating Fund Reserves – Description	
Fund	Operating
Roll Up Category	Utilities
Sub Category (if applicable)	Wastewater Collection
Sub Category (if applicable)	Nisku Transfer Station (Septage Receiving Station)
Reserve Name	Operating, Repair and Replacement
Purpose	To provide funding for facility and equipment repair and/or replacement.
Source of Funding	a) Budgeted transfers as approved by Council b) Allocation of the year-end surplus as approved by Council c) Other sources as approved by Council
Optimal Balance	\$200,000 to a maximum of \$250,000
Application of Funds	Funds from this reserve will be used to fund either budgeted or unforeseen facility or equipment repair and/or replacement.
Duration of Reserve	Ongoing
Interest Bearing	Yes

Operating Fund Reserves – Description	
Fund	Operating
Roll Up Category	Utilities
Sub Category (if applicable)	Wastewater Collection
Sub Category (if applicable)	Nisku Transfer Station (Septage Receiving Station)
Reserve Name	Year-end carry-forward projects
Purpose	To provide funding for specific operating programs and projects where the service or acquisition was not completed or received by year-end, but will occur in the following year.
Source of Funding	Funding required to complete a specific program or project, which was previously approved by Council in the annual operating budget and will need to continue in the following year.
Optimal Balance	Not applicable
Application of Funds	Funds from this reserve will be used to fund expenditures related to specific programs and projects as intended in the annual budget approved by Council.
Duration of Reserve	<ul style="list-style-type: none"> <li>a) Projects or programs not completed in the fiscal year that they were budgeted will be carried forward as part of the annual Reserve request and approval process.</li> <li>b) Projects or programs not completed in the carry-forward year will be carried forward as part of the annual Reserve request and approval process.</li> <li>c) Surplus funds from completed projects will be automatically released to the Rate Stabilization reserve unless otherwise directed by Council.</li> </ul>
Interest Bearing	Yes

Operating Fund Reserves – Description	
Fund	Operating
Roll Up Category	Utilities
Sub Category (if applicable)	Wastewater Collection
Sub Category (if applicable)	Lagoons
Reserve Name	Rate Stabilization
Purpose	To provide funding to stabilize rates in the event of unforeseen, non-recurring, emergent expenditures or losses of revenue; to stabilize fluctuations in operating activity and to address the risk of revenue or expenditure volatility.
Source of Funding	a) Budgeted transfers as approved by Council b) Allocation of the year-end surplus as approved by Council c) Other sources as approved by Council
Optimal Balance	5% of current budgeted operating expenses to a maximum of \$150,000
Application of Funds	Funds from this reserve will be used to mitigate the impact of rate increases within the annual operating budget and for stabilizing unbudgeted impacts resulting from unanticipated events.
Duration of Reserve	Ongoing
Interest Bearing	Yes

Operating Fund Reserves – Description	
Fund	Operating
Roll Up Category	Utilities
Sub Category (if applicable)	Wastewater Collection
Sub Category (if applicable)	Lagoons
Reserve Name	Operating, Repair and Replacement
Purpose	To provide funding for facility and equipment repair and/or replacement.
Source of Funding	a) Budgeted transfers as approved by Council b) Allocation of the year-end surplus as approved by Council c) Other sources as approved by Council
Optimal Balance	\$200,000 to a maximum of \$250,000
Application of Funds	Funds from this reserve will be used to fund either budgeted or unforeseen facility or equipment repair and/or replacement.
Duration of Reserve	Ongoing
Interest Bearing	Yes

Operating Fund Reserves – Description	
Fund	Operating
Roll Up Category	Utilities
Sub Category (if applicable)	Wastewater Collection
Sub Category (if applicable)	Lagoons
Reserve Name	Year-end carry-forward projects
Purpose	To provide funding for specific operating programs and projects where the service or acquisition was not completed or received by year-end, but will occur in the following year.
Source of Funding	Funds required to complete a specific program or project, which was previously approved by Council in the annual operating budget and will need to continue in the following year.
Optimal Balance	Not applicable
Application of Funds	Funds from this reserve will be used to fund expenditures related to specific programs and projects as intended in the annual budget approved by Council.
Duration of Reserve	<ul style="list-style-type: none"> <li>a) Projects or programs not completed in the fiscal year that they were budgeted will be carried forward as part of the annual reserve request and approval process.</li> <li>b) Projects or programs not completed in the carry-forward year will be carried forward as part of the annual Reserve request and approval process.</li> <li>c) Surplus funds from completed projects will be automatically released to the Rate Stabilization reserve unless otherwise directed by Council.</li> </ul>
Interest Bearing	Yes

**SCHEDULE C**  
**Capital Fund Reserve Descriptions**

Capital Fund Reserves – Description	
Fund	Capital
Roll Up Category	Asset Lifecycle Management
Sub Category (if applicable)	
Reserve Name	Building Management
Purpose	To provide funding to meet future asset requirements and the scheduled refurbishment of existing infrastructure.
Source of Funding	<ul style="list-style-type: none"> <li>a) Budgeted transfers as approved by Council</li> <li>b) Allocation of the year-end surplus as approved by Council</li> <li>c) Proceeds from the sale of disposed infrastructure assets by virtue of this reserve description as approved by Council</li> <li>d) Other sources as approved by Council</li> </ul>
Optimal Balance	To be determined
Application of Funds	Funds from this reserve will be used to fund the construction, refurbishment or acquisition of a building as approved by Council through the annual budget.
Duration of Reserve	Ongoing
Interest Bearing	No



Capital Fund Reserves – Description	
Fund	Capital
Roll Up Category	Asset Lifecycle Management
Sub Category (if applicable)	
Reserve Name	Engineered Structure Management
Purpose	To provide funding to meet future asset requirements and the scheduled refurbishment of existing infrastructure.
Source of Funding	<ul style="list-style-type: none"> <li>a) Budgeted transfers as approved by Council</li> <li>b) Allocation of the year-end surplus as approved by Council</li> <li>c) Proceeds from the sale of disposed infrastructure assets by virtue of this reserve description as approved by Council</li> <li>d) Other sources as approved by Council</li> </ul>
Optimal Balance	To be determined
Application of Funds	Funds from this reserve will be used to fund the construction, refurbishment or acquisition of engineered structures as approved by Council through the annual budget.
Duration of Reserve	Ongoing
Interest Bearing	No

Capital Fund Reserves – Description	
Fund	Capital
Roll Up Category	Asset Lifecycle Management
Sub Category (if applicable)	
Reserve Name	Fleet Management
Purpose	To provide funds for the scheduled replacement and refurbishment of the County light vehicle fleet.
Source of Funding	<ul style="list-style-type: none"> <li>a) Budgeted transfers as approved by Council</li> <li>b) Allocation of the year-end surplus as approved by Council</li> <li>c) Proceeds from the sale of disposed assets by virtue of this reserve description as approved by Council</li> <li>d) Other sources as approved by Council</li> </ul>
Optimal Balance	To be determined
Application of Funds	Funds from this reserve will be used to fund the replacement and refurbishment of the County light vehicle fleet as approved by Council through the annual budget.
Duration of Reserve	Ongoing
Interest Bearing	No

Capital Fund Reserves – Description	
Fund	Capital
Roll Up Category	Asset Lifecycle Management
Sub Category (if applicable)	
Reserve Name	Land Management
Purpose	To provide funds for future expenditures on land.
Source of Funding	<ul style="list-style-type: none"> <li>a) Budgeted transfers as approved by Council</li> <li>b) Allocation of the year-end surplus as approved by Council</li> <li>c) Proceeds from the sale of disposed assets by virtue of this reserve description in accordance with Section 428.1 of the Municipal Government Act</li> <li>d) Other sources as approved by Council</li> </ul>
Optimal Balance	Maximum of 50% of the 10 year capital forecast for land acquisitions
Application of Funds	<ul style="list-style-type: none"> <li>a) The acquisition of land;</li> <li>b) Servicing costs of land including, but not limited to wastewater, water, roads, electrical, offsite levies and gas;</li> <li>c) Direct costs associated with the acquisition or disposal of land including, but are not limited to advertising, surveys, appraisals, real estate commissions, legal costs, subdivision fee and offsite levies;</li> <li>d) The cost of improvements to land, excluding buildings or structures including, but not limited to, fencing, brushing and clearing of land, demolition of buildings, installation of an approach or any other expenditure that maintains or increases the value of the land asset.</li> </ul>
Duration of Reserve	Ongoing
Interest Bearing	No

Capital Fund Reserves – Description	
Fund	Capital
Roll Up Category	Asset Lifecycle Management
Sub Category (if applicable)	
Reserve Name	Machinery and Equipment Management
Purpose	To provide funds for the scheduled replacement and refurbishment of the County heavy vehicle, equipment and machinery fleet.
Source of Funding	<ul style="list-style-type: none"> <li>a) Budgeted transfers as approved by Council</li> <li>b) Allocation of the year-end surplus as approved by Council</li> <li>c) Proceeds from the sale of disposed assets by virtue of this reserve description as approved by Council</li> <li>d) Other sources as approved by Council</li> </ul>
Optimal Balance	To be determined
Application of Funds	Funds from this reserve will be used to fund the addition, replacement and refurbishment of the County heavy vehicle, equipment and machinery fleet as approved by Council through the annual budget.
Duration of Reserve	Ongoing
Interest Bearing	No

Capital Fund Reserves – Description	
Fund	Capital
Roll Up Category	Asset Lifecycle Management
Sub Category (if applicable)	
Reserve Name	Transit Management
Purpose	To provide funds for the County share of infrastructure as identified in the Transit joint venture agreement.
Source of Funding	<ul style="list-style-type: none"> <li>a) Budgeted transfers as approved by Council</li> <li>b) Allocation of the year-end surplus as approved by Council</li> <li>c) Proceeds from the sale of disposed assets by virtue of this reserve description as approved by Council</li> <li>d) Other sources as approved by Council</li> </ul>
Optimal Balance	To be determined
Application of Funds	Funds from this reserve will be used to fund the County share of asset acquisition as identified in the Transit joint venture agreement.
Duration of Reserve	Ongoing
Interest Bearing	No

Capital Fund Reserves – Description	
Fund	Capital
Roll Up Category	Special Purpose
Sub Category (if applicable)	
Reserve Name	Year-end carry-forward projects
Purpose	To provide funding for specific capital programs and projects where the service or acquisition was not completed or received by year-end, but will occur in the following year.
Source of Funding	Funds required to complete a specific program or project, which was previously approved by Council in the annual budget and will need to continue in the following year.
Optimal Balance	Not applicable
Application of Funds	Funds from this reserve will be used to fund expenditures related to specific programs and projects as approved by Council through the annual budget.
Duration of Reserve	<ul style="list-style-type: none"> <li>a) Projects or programs not completed in the fiscal year that they were budgeted will be carried forward as part of the annual reserve request and approval process.</li> <li>b) Projects or programs not completed in the carry-forward year will be carried forward as part of the annual Reserve request and approval process.</li> <li>c) Surplus funds from completed projects will be automatically released to the Asset Lifecycle Management – Engineered Structure Management reserve unless decided otherwise directed by Council.</li> </ul>
Interest Bearing	No

Capital Fund Reserves – Description	
Fund	Capital
Roll Up Category	Statutory
Sub Category (if applicable)	
Reserve Name	Municipal Reserve
Purpose	To provide funding for new or expanded park, recreation or school authority infrastructure or to separate lands used for different purposes.
Source of Funding	Pursuant to Section 671 of the Municipal Government Act: a) Monies provided in place of municipal reserve lands; b) Proceeds from the sale of municipal reserve lands.
Optimal Balance	Not applicable
Application of Funds	Pursuant to Section 671(2) of the Municipal Government Act, funds from this reserve will be used to fund all or part of the capital cost of the following: a) A public park; b) A public recreation area; c) School authority purposes; d) To an area of land that is used for different purposes. As approved by Council.
Duration of Reserve	Ongoing
Interest Bearing	Yes

Capital Fund Reserves – Description	
Fund	Capital
Roll Up Category	Utilities
Sub Category (if applicable)	Water Distribution
Sub Category (if applicable)	
Reserve Name	Repair and Replacement
Purpose	To provide funding for facility and equipment repair and/or replacement.
Source of Funding	a) Budgeted transfers as approved by Council b) Allocation of the year-end surplus as approved by Council c) Other sources as approved by Council
Optimal Balance	Minimum target is 2.5% of current net book value of tangible capital assets with no maximum
Application of Funds	Funds from this reserve will be used to fund budgeted or unforeseen capital projects related to facility and equipment repair and/or replacement.
Duration of Reserve	Ongoing
Interest Bearing	Yes



Capital Fund Reserves – Description	
Fund	Capital
Roll Up Category	Utilities
Sub Category (if applicable)	Wastewater Collection
Sub Category (if applicable)	
Reserve Name	Repair and Replacement
Purpose	To provide funding for facility and equipment repair and/or replacement.
Source of Funding	a) Budgeted transfers as approved by Council b) Allocation of the year-end surplus as approved by Council c) Other sources as approved by Council
Optimal Balance	Minimum target is 2.5% of current net book value of tangible capital assets with no maximum
Application of Funds	Funds from this reserve will be used to fund budgeted or unforeseen capital projects related to facility and equipment repair and/or replacement.
Duration of Reserve	Ongoing
Interest Bearing	Yes

Capital Fund Reserves – Description	
Fund	Capital
Roll Up Category	Utilities
Sub Category (if applicable)	Wastewater Collection
Sub Category (if applicable)	Nisku Transfer Station (Septage Receiving Station)
Reserve Name	Repair and Replacement
Purpose	To provide funding for facility and equipment repair and/or replacement.
Source of Funding	a) Budgeted transfers as approved by Council b) Allocation of the year-end surplus as approved by Council c) Other sources as approved by Council
Optimal Balance	Minimum target is 2.5% of current net book value of tangible capital assets with no maximum
Application of Funds	Funds from this reserve will be used to fund budgeted or unforeseen capital projects related to facility and equipment repair and/or replacement.
Duration of Reserve	Ongoing
Interest Bearing	Yes

Capital Fund Reserves – Description	
Fund	Capital
Roll Up Category	Utilities
Sub Category (if applicable)	Wastewater Collection
Sub Category (if applicable)	Lagoons
Reserve Name	Repair and Replacement
Purpose	To provide funding for facility and equipment repair and/or replacement.
Source of Funding	a) Budgeted transfers as approved by Council b) Allocation of the year-end surplus as approved by Council c) Other sources as approved by Council
Optimal Balance	Minimum target is 2.5% of current net book value of tangible capital assets with no maximum
Application of Funds	Funds from this reserve will be used to fund budgeted or unforeseen capital projects related to facility and equipment repair and/or replacement.
Duration of Reserve	Ongoing
Interest Bearing	Yes