



## FINANCIAL RESERVES

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<b>Policy Number:</b>	13.201.01 2023PO
<b>Policy Review:</b>	Every 5 Years or upon Legislative Change
<b>Policy Owner (Dept.):</b>	Finance Department
<b>Reference(s):</b>	13.210.03 2018PO Annual Budget and Taxation Policy 56.171.05 2012 PO Perpetual Care Policy 78.212.01 2019PO Art Development Policy 13.201.02 2012PO Debt Management Fiscal Policy

### 1. PURPOSE OF POLICY

- 1.1. To establish, maintain and manage Reserve Funds that maintain and improve working capital requirements, support the long-term capital plan, and provide stabilization for fluctuations in operating and capital activities.

### 2. POLICY STATEMENTS

- 2.1. Only Council has the authority to create and close reserves.
- 2.2. All expenditures from reserves and transfers between reserves must have prior approval of Council.
- 2.3. Year-end actual surpluses or deficits will be allocated to/from the related reserve.
- 2.4. Each year the Chief Administrative Officer will prepare a reserve report for Council which will include a section on compliance with this Policy.
- 2.5. The benefit of Reserves include:
  - 2.5.1. Financial replacement of capital assets,
  - 2.5.2. Ability to fund emerging needs,
  - 2.5.3. Fund current and future debt repayments,
  - 2.5.4. Limit tax rate, or user fee, increases,
  - 2.5.5. Provide working capital, and
  - 2.5.6. Ensuring services levels are maintained and not immediately impacted by economic downturns.

### 3. APPLICABILITY

This policy applies to the financial operations of the City of Lacombe.

### 4. DEFINITIONS AND ABBREVIATIONS

- 4.1. **CAO** - means the Chief Administrative Officer of the City of Lacombe.
- 4.2. **City** - means the City of Lacombe.
- 4.3. **Committed** - means funds approved by Council to be used towards a specific expenditure.
- 4.4. **Council** - means elected official, including the mayor.
- 4.5. **Funding Source** – to be sustainable each reserve must identify a funding source, either from internal or external sources including but not limited to:
  - 4.5.1. Transfer of approved budget contributions
  - 4.5.2. Year- end surpluses
  - 4.5.3. Interest
  - 4.5.4. Government Grants
  - 4.5.5. Donations
  - 4.5.6. Development levies
  - 4.5.7. Contributions from other reserves
- 4.6. **Interest Bearing** - means the annual investment income earned on the reserve balance. If a reserve is deemed ‘interest bearing’ (as defined in this Policy), any interest generated is to be retained in the reserve.
- 4.7. **Optimal balance** – means, where applicable, a recommended balance for the reserve to ensure that the respective balances are not depleted to the degree that the reserves are no longer available to serve their intended purposes.
- 4.8. **Perpetual care** - means the preservation, improvement, embellishment, and maintenance, in perpetuity and in a proper manner, of gravestones, grave markers, monuments, lots, plots, compartments, crypts or other space in a cemetery, or of compartments in a columbarium or mausoleum.
- 4.9. **Reallocation** - means the process to change the purpose of reserve funds by transferring the funds from one reserve to another.
- 4.10. **Reserves** – are created when funds are set aside for future purposes. Funds within a Reserve are restricted and could be applied as outlined in the Reserve Description.
- 4.11. **Uncommitted** – means funds that have not yet been approved by Council to be used towards a specific expenditure.

### 5. ROLES AND RESPONSIBILITIES

#### 5.1. Council

5.1.1. Approve Policy.

#### 5.2. Chief Administrative Officer

5.2.1. Ensure staff compliance with this Policy.

5.2.2. Administration of the City's reserves by reviewing and recommending appropriate reserve usage, contributions, and Optimal Balances.

### 6. POLICY DETAILS

#### 6.1. Reserve Categories

6.1.1. Stabilization and Contingency Reserves – A category of reserves established to provide uncommitted funds to stabilize the temporary impact of unforeseen, non-recurring, emergent, one-time expenditures or losses of revenue, to ensure service levels, and to smooth future tax impacts.

6.1.2. Project Reserves – A reserve category capturing the reserves that are established to fund operating and capital projects.

6.1.3. Infrastructure Lifecycle Maintenance and Replacement Reserves - A reserve category capturing the reserves that are established to fund expenditures for the repair, lifecycle replacement or upgrade of City infrastructure, equipment, or vehicles. Also reserves established to provide funds to assist in meeting future requirements for the expansion, replacement, refurbishment and maintenance of utility assets or infrastructure as well as for operating and capital projects required to meet customer service delivery objectives.

6.1.4. Specific Purpose Reserves – A reserve category capturing other reserves that have a specific purpose, which is outlined in the reserve's description.

6.1.5. Restricted Reserves – A reserve category capturing reserve funds where allowable uses are established by an authority other than the City, fall under legislative requirements, or are restricted by an agreement with an outside third party.

6.1.6. Offsite Development Levy Reserve – A reserve category capturing the reserves established to hold developer levies collected through developer agreements to fund new assets/infrastructure required due to the growth of the City without placing an undue burden on existing city resources.

#### 6.2. Guiding Principles

6.2.1. All reserve transactions shall be approved by Council prior to the transaction occurring. Funding to and from the Reserve will be approved through Council via:

## COUNCIL POLICY



- 6.2.1.1. Existing municipal policies;
  - 6.2.1.2. The annual budget process;
  - 6.2.1.3. The year end Reserve request and approval process;
  - 6.2.1.4. The approved Reserve Description; or
  - 6.2.1.5. Council resolution
- 6.2.2. Reserve Reports should be prepared annually and contain the following:
- 6.2.2.1. Reserve name;
  - 6.2.2.2. Reserve category;
  - 6.2.2.3. Overall purpose of the reserve;
  - 6.2.2.4. Source(s) of funding;
  - 6.2.2.5. Specific use of funds;
  - 6.2.2.6. Optimal balance formula, if applicable
  - 6.2.2.7. Duration of the reserve; and
  - 6.2.2.8. Whether or not the reserve is Interest Bearing.
- 6.2.3. Reserves shall be funded by either internal or external sources as defined in the reserve report.
- 6.2.4. Where appropriate, each reserve shall be supported by a multi-year projection for receipt and disbursement of funds. These projections shall be updated annually as part of the budget process.
- 6.2.5. Interest Bearing reserves, as indicated in the reserve report, are allocated a portion of the City's annual investment income based on the interest earned if held in a separate bank account. The interest allocation is calculated annually as follows:

Interest Allocation = Average Reserve Balance x Return on Investment.

If a reserve is deemed Interest Bearing, interest is applied to the respective reserve; otherwise, interest is applied to operations.

## COUNCIL POLICY



### 7. END OF POLICY

Original Signed

\_\_\_\_\_  
Signature of Mayor

Original Signed

\_\_\_\_\_  
Signature of CAO

Approved at April 11, 2023 Council Meeting

\_\_\_\_\_  
Date

Approved at April 11, 2023 Council Meeting

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Date

### POLICY RECORD

#### Approval and Amendment History

Date of Council Meeting	Council Motion Number	Description
April 11, 2023		

#### Review History

Date of Policy Owner's Review	Description/Action Taken or Required
March 2023	Create Policy, replaces 13.201.01 2012 Reserve and Equity Accounts Policy



## SCHEDULE A – RESERVES

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### Internally Restricted Reserves

Stabilization and Contingency Reserves	General Operating Reserve
	Police Operating Reserve
	Utilities Operating Reserve
Infrastructure, Lifecycle Maintenance, and Replacement Reserves	Active and Open Spaces Reserve
	Accessible Transportation Reserve
	Fire Equipment Reserve
	Fleet and Equipment Replacement Reserve
	General Capital Reserve
	Information Technology Replacement Reserve
	Police Capital Reserve
	Solid Waste Reserve
	Storm Sewer System Reserve
	Roads Reserve
	Waste Water System Reserve
Specific Purpose Reserve	Water System Reserve
	Urban Forrest Reserve
	Community Builder Fund Reserve
	Environment Reclamation Reserve
Specific Purpose Reserve	Land Reserve
	Municipal Art Reserve

### Externally Restricted Reserves

Restricted Reserves	Lacombe Fire Shared Equipment Reserve
	Perpetual Care Reserve - Cemetery
	Municipal Lands Reserve
Developer Levy Reserves	Offsite Levy Reserve - Roads
	Offsite Levy Reserve- Waste Water
	Offsite Levy Reserve - Water



### SCHEDULE B – RESERVE DESCRIPTIONS

Financial Reserves - Description	
Reserve Name	General Operating Reserve
Reserve Category	Stabilization and Contingency Reserves
Purpose	A contingency fund for emergent, non-recurring, one-time expenditures or loss of revenue that will not be built into the operating budget in future years. To also provide funds to smooth future property tax increases during periods of high inflation, revenue, or expense volatility, and to stabilize fluctuations in operating activities
Source of Funding	1) Allocation of annual operating budget surplus 2) If deemed appropriate, annual contribution from operations 3) Other sources as approved by Council
Use of Funds	These funds are not Committed and can be used to protect the City against any unforeseen costs that will cause the City to incur an operating deficit. Funds will be used for stabilizing unbudgeted impacts because of unanticipated events. Examples are losses incurred due increased emergency response costs, unforeseen climactic events, declines in revenues, special projects, or other items that would result in an overall deficit.
Optimal Balance	4% of prior year's Municipal Requisition.
Duration	Ongoing
Interest Bearing	No



### SCHEDULE B – RESERVE DESCRIPTIONS

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Financial Reserves - Description	
Reserve Name	Police Operating Reserve
Reserve Category	Stabilization and Contingency Reserves
Purpose	A contingency fund for emergent, non-recurring, one-time expenditures, or loss of revenue incurred by the Lacombe Police Service.
Source of Funding	1) Allocation of annual operating budget surplus 2) If deemed appropriate, annual contribution from operations 3) Other sources as approved by Council
Use of Funds	These funds are not Committed and can be used to protect the City against any unforeseen operating costs within the Police Department that will cause the City to incur an operating deficit.
Optimal Balance	4% of prior year's operating expenses for the Lacombe Police Service.
Duration	Ongoing
Interest Bearing	No



### SCHEDULE B – RESERVE DESCRIPTIONS

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Financial Reserves - Description	
Reserve Name	Utilities Operating Reserve
Reserve Category	Stabilization and Contingency Reserves
Purpose	A contingency fund for emergent, non-recurring, one-time expenditures, or loss of revenue in the Utility (Water, Wastewater and Solid Waste) Departments.
Source of Funding	1) Allocation of annual operating budget surplus from Utility Departments 2) If deemed appropriate, annual contribution from operations 3) Other sources as approved by Council
Use of Funds	These funds are not Committed and can be used to protect the City against any unforeseen operating costs within the Utility Departments that will cause the City to incur an operating deficit.
Optimal Balance	5% of prior year’s Utility operating expenses (Water, Wastewater and Solid Waste).
Duration	Ongoing
Interest Bearing	No

### SCHEDULE B – RESERVE DESCRIPTIONS

Financial Reserves - Description	
Reserve Name	Active and Open Spaces Reserve
Reserve Category	Infrastructure, Lifecycle Maintenance and Replacement Reserves
Purpose	To fund capital multi-year projects that will be undertaken in the future for the maintenance, improvement, or replacement of outdoor recreation spaces parks, playgrounds, and sports fields.
Source of Funding	1) Annual budget transfers as approved by Council 2) Other sources as approved by Council.
Use of Funds	This Reserve will be used to fund expenditures relating to the specific projects as originally presented to Council or approved through budget.
Optimal Balance	Annual average of 10-year Capital Plan Funding Requirements.
Duration	Ongoing
Interest Bearing	No



### SCHEDULE B – RESERVE DESCRIPTIONS

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Financial Reserves - Description	
Reserve Name	Accessible Transportation Reserve
Reserve Category	Infrastructure, Lifecycle Maintenance and Replacement Reserves
Purpose	To fund the replacement of accessible transportation vehicles (Connex).
Source of Funding	1) Annual contribution from operations. 2) Proceeds from the sale of accessible transportation vehicles. 3) Grants or contributions from other government agencies.
Use of Funds	To replace the accessible transportation vehicles.
Optimal Balance	\$50k
Duration	Ongoing
Interest Bearing	No



### SCHEDULE B – RESERVE DESCRIPTIONS

Financial Reserves - Description	
Reserve Name	Fire Equipment Reserve
Reserve Category	Infrastructure, Lifecycle Maintenance and Replacement Reserves
Purpose	To fund the replacement of municipal vehicles and equipment included in the City's Fire Department.
Source of Funding	1) Annual contribution from operations 2) Proceeds from the sale of fleet vehicles and equipment
Use of Funds	To replace municipal vehicles and equipment included in the City's Fire Department.
Optimal Balance	Annual 10-year rolling average of fire equipment replacement.
Duration	Ongoing
Interest Bearing	No



### SCHEDULE B – RESERVE DESCRIPTIONS

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Financial Reserves - Description	
Reserve Name	Fleet and Equipment Replacement Reserve
Reserve Category	Infrastructure, Lifecycle Maintenance and Replacement Reserves
Purpose	To fund the replacement of municipal vehicles and equipment included in the City's fleet.
Source of Funding	1) Annual contribution from operations 2) Proceeds from the sale of fleet vehicles and equipment
Use of Funds	To purchase vehicles and equipment included in the City's fleet.
Optimal Balance	Annual 10-year rolling average of fleet and equipment replacement.
Duration	Ongoing
Interest Bearing	No



### SCHEDULE B – RESERVE DESCRIPTIONS

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Financial Reserves - Description	
Reserve Name	General Capital Reserve
Reserve Category	Infrastructure, Lifecycle Maintenance and Replacement Reserves
Purpose	To fund operating and capital multi-year projects that will be undertaken in the future, to build funding for non-annual programs, and assist in meeting future funding requirements for projects.
Source of Funding	1) Annual budget transfers as approved by Council 2) Allocation of Year-End Operating Surplus 3) Proceeds from sale of disposed assets 4) Other sources as approved by Council. 5) If deemed appropriate, annual contribution from operations
Use of Funds	This Reserve will be used to fund expenditures relating to the specific projects as originally presented to Council or approved through budget.
Optimal Balance	Annual average of 10-Year Capital Plan Funding Requirements.
Duration	Ongoing
Interest Bearing	No



### SCHEDULE B – RESERVE DESCRIPTIONS

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Financial Reserves - Description	
Reserve Name	Information Technology Replacement Reserve
Reserve Category	Infrastructure, Lifecycle Maintenance and Replacement Reserves
Purpose	To fund the replacement of Information Technology equipment.
Source of Funding	1) Annual contribution from operations 2) Proceeds from the sale of IT equipment
Use of Funds	To replace IT equipment, as per the replacement schedule.
Optimal Balance	Annual 10-year rolling average for IT Equipment replacement.
Duration	Ongoing
Interest Bearing	No



### SCHEDULE B – RESERVE DESCRIPTIONS

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Financial Reserves - Description	
Reserve Name	Police Capital Reserve
Reserve Category	Infrastructure, Lifecycle Maintenance and Replacement Reserves
Purpose	To fund the replacement of Police Department vehicles and equipment.
Source of Funding	1) Annual contribution from operations 2) Proceeds from the sale of Police Vehicles
Use of Funds	To purchase vehicles and equipment for the Police Department.
Optimal Balance	Annual 10-year rolling average for Police Department fleet replacement.
Duration	Ongoing
Interest Bearing	No



### SCHEDULE B – RESERVE DESCRIPTIONS

Financial Reserves - Description	
Reserve Name	Solid Waste Reserve
Reserve Category	Infrastructure, Lifecycle Maintenance and Replacement Reserves
Purpose	To provide funding for the expansion, replacement, refurbishment, and maintenance of the City's solid waste infrastructure, or to fund studies required for future planning purposes.
Source of Funding	1) Annual contributions from the solid waste operating budget 2) Other sources as approve by Council
Use of Funds	Replacement of the City's utility infrastructure and related equipment based on the long-term capital plan. Including but not limited to solid waste systems.
Optimal Balance	Annual average of 10-year Capital Plan Funding Requirements.
Duration	Ongoing
Interest Bearing	Yes

### SCHEDULE B – RESERVE DESCRIPTIONS

Financial Reserves - Description	
Reserve Name	Storm Sewer System Reserve
Reserve Category	Infrastructure, Lifecycle Maintenance and Replacement Reserves
Purpose	To provide funding for the expansion, replacement, refurbishment and maintenance of the City's Storm sewer infrastructure, equipment, or to fund studies required for future planning purposes.
Source of Funding	1) Annual contributions from the operating budget 2) Other sources as approved by Council
Use of Funds	Replacement of the City's utility infrastructure and related equipment based on the long-term capital plan. Including but not limited to storm sewer systems.
Optimal Balance	Annual average of 10-year Capital Plan Funding Requirements.
Duration	Ongoing
Interest Bearing	No



**SCHEDULE B – RESERVE DESCRIPTIONS**

Financial Reserves - Description	
Reserve Name	Roads Reserve
Reserve Category	Infrastructure, Lifecycle Maintenance and Replacement Reserves
Purpose	To fund the replacement, refurbishment, and maintenance of roads within the City of Lacombe.
Source of Funding	1) Annual contributions from the operating budget 2) Special Paving Tax 3) Local Improvement Tax 4) Other sources as approved by Council
Use of Funds	Road and pavement rehabilitation, repairing sidewalks, painting crosswalks, and traffic signs.
Optimal Balance	Annual average of 10-year Capital Plan Funding Requirements.
Duration	Ongoing
Interest Bearing	No

### SCHEDULE B – RESERVE DESCRIPTIONS

Financial Reserves - Description	
Reserve Name	Waste Water System Reserve
Reserve Category	Infrastructure, Lifecycle Maintenance and Replacement Reserves
Purpose	To provide funding for the expansion, replacement, refurbishment, and maintenance of the City's wastewater infrastructure, or to fund studies required for future planning purposes.
Source of Funding	1) Annual contributions from the waste water utility operating budget 2) Allocation of the annual waste water utility operating budget surplus 3) Other sources as approve by Council
Use of Funds	Replacement of the City's utility infrastructure and related equipment based on the long-term capital plan. Including but not limited to wastewater collection and transmission systems.
Optimal Balance	Average of 10-year Capital Plan Funding Requirements.
Duration	Ongoing
Interest Bearing	Yes

### SCHEDULE B – RESERVE DESCRIPTIONS

Financial Reserves - Description	
Reserve Name	Water System Reserve
Reserve Category	Infrastructure, Lifecycle Maintenance and Replacement Reserves
Purpose	To provide funding for the expansion, replacement, refurbishment, and maintenance of the City’s water infrastructure or to fund studies required for future planning purposes.
Source of Funding	1) Annual contributions from the water utility operating budget 2) Allocation of the annual water utility operating budget surplus 3) Other sources as approved by Council
Use of Funds	Replacement of the City’s utility infrastructure and related equipment based on the long-term capital plan. Including but not limited to water transmission and distribution systems.
Optimal Balance	Annual average of 10-year Capital Plan Funding Requirements.
Duration	Ongoing
Interest Bearing	Yes

### SCHEDULE B – RESERVE DESCRIPTIONS

Financial Reserves - Description	
Reserve Name	Urban Forest Reserve
Reserve Category	Infrastructure, Lifecycle Maintenance and Replacement Reserves
Purpose	To provide funding for the expansion, replacement, refurbishment, and maintenance of the City's trees, shrubs, and vegetation, or to fund studies required for future planning purposes.
Source of Funding	1) Annual budget transfers as approved by Council
Use of Funds	For the purposes of supporting, growing, and enhancing the urban forest in the City of Lacombe. This includes capital and operating costs of planting and maintaining trees; developing and maintaining urban forest management systems; purchasing land for the purpose of planting trees; research, outreach, and education initiatives regarding the urban forest.
Optimal Balance	\$50,000
Duration	Ongoing
Interest Bearing	No



### SCHEDULE B – RESERVE DESCRIPTIONS

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Financial Reserves - Description	
Reserve Name	Community Builder Fund Reserve
Reserve Category	Specific Purpose Reserve
Purpose	To fund Community Grant applications that exceed \$10,000
Source of Funding	<ol style="list-style-type: none"> <li>1) Annual budget transfers as approved by Council</li> <li>2) Any unexpended funds from the annual Community Builder grant program.</li> </ol>
Use of Funds	Support for recreation and culture projects within Lacombe.
Optimal Balance	None.
Duration	Ongoing
Interest Bearing	No



### SCHEDULE B – RESERVE DESCRIPTIONS

Financial Reserves - Description	
Reserve Name	Environmental Reclamation Reserve
Reserve Category	Specific Purpose Reserve
Purpose	To fund costs for gravel pit stripping and land reclamation.
Source of Funding	1) Annual budget transfers as approved by Council. 2) Other sources as approved by Council. 3) Deferred Revenue for aggregate pit reclamation
Use of Funds	This Reserve will be used to fund expenditures relating to the specific reclamation projects, planning studies, surveys and Demolition as presented to Council or approved through budget.
Optimal Balance	Average of 10-year Demolition and Reclamation Projects
Duration	Ongoing
Interest Bearing	No



### SCHEDULE B – RESERVE DESCRIPTIONS

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Financial Reserves - Description	
Reserve Name	Land Reserve
Reserve Category	Specific Purpose Reserve
Purpose	To fund the acquisition and maintenance of land classified under the Land Available for Resale Inventory.
Source of Funding	1) Proceeds from the sale of land 2) Other sources as approved by Council
Use of Funds	1) Future purchases of Land 2) Servicing costs 3) Payments on Debentures which have been issued for land acquisitions 4) Costs associated with the purchase or disposal of land. (e.g., advertising, surveys, appraisals, real estate commissions, legal costs, subdivision fees) 5) Engineering or planning studies required for the preparation of land for resale or improvement
Optimal Balance	0
Duration	Ongoing
Interest Bearing	No



**SCHEDULE B – RESERVE DESCRIPTIONS**

Financial Reserves - Description	
Reserve Name	Municipal Art Reserve
Reserve Category	Specific Purpose Reserve
Purpose	To provide funds for the purchase and maintenance of public art. These funds will be used to build a visual art collection and can also be used for arts programming.
Source of Funding	1) Annual contributions from the operating budget for murals 2) Contribution from Capital Projects as per the Art Development Policy 3) Other sources as approved by Council.
Use of Funds	For art programming, conservation and purchase of City-wide public art including but not limited to: Sculptures, paintings, drawings, installations, prints, photography, murals, mosaics, or multi-media projects.
Optimal Balance	Not Applicable
Duration	Ongoing
Interest Bearing	No



### SCHEDULE B – RESERVE DESCRIPTIONS

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Financial Reserves - Description	
Reserve Name	Lacombe Fire Shared Equipment Reserve (TO BE CLOSED WHEN RECONCILED TO \$0 BALANCE)
Reserve Category	Restricted Reserve
Purpose	Established to record the City' of Lacombe's portion of the surplus from Shared Equipment with the Lacombe County. Lacombe County prepares an annual Schedule of Revenue and Expenses for Shared Fire Equipment. This schedule is reviewed by their auditors and sent to City of Lacombe. 50% of the net revenue is added to the City of Lacombe’s Fire Shared Equipment reserve each year.
Source of Funding	Lacombe County Receives revenue for responses to Alberta's numbered highways (2, 2A, 12 etc.). This shared net revenue recorded in this reserve is 50% of the Shared operating surplus from Lacombe County's Shared Equipment.
Use of Funds	To offset the City of Lacombe's purchase of County of Lacombe's equipment
Optimal Balance	Not Applicable
Duration	Ongoing – until funds are disbursed.
Interest Bearing	Yes – by Lacombe County

### SCHEDULE B – RESERVE DESCRIPTIONS

Financial Reserves - Description	
Reserve Name	Perpetual Care Reserve - Cemetery
Reserve Category	Restricted Reserve
Purpose	This fund provides the primary means for the detailed care and maintenance of the cemetery grounds, as required by the Alberta Cemetery Act.
Source of Funding	1) Perpetual Care Fees for cemetery lot and columbarium purchases. 2) Other sources as approved by Council.
Use of Funds	Principle should remain in the fund and interest earned can be utilized for maintenance, as recommended for specific expenditures, as part of the budget process.
Optimal Balance	No maximum limit
Duration	Ongoing
Interest Bearing	Yes

### SCHEDULE B – RESERVE DESCRIPTIONS

Financial Reserves - Description	
Reserve Name	Municipal Lands Reserve
Reserve Category	Restricted Reserve
Purpose	To hold funds received by developers in place of required municipal land dedications (municipal reserve land, school reserve land) the interest earned on that money as per Municipal Government Act
Source of Funding	1) Developer payments in lieu of providing municipal reserve land 2) Sale proceeds from the disposal of any municipal or school reserve land
Use of Funds	May only be used for purposes referred to in the MGA; a public park, a public recreation area, school board purposes, and separate areas of land that are used for different purposes.
Optimal Balance	Not Applicable
Duration	Ongoing
Interest Bearing	Yes

### SCHEDULE B – RESERVE DESCRIPTIONS

Financial Reserves - Description	
Reserve Name	Offsite Levy Reserve - Roads
Reserve Category	Developer Levy Reserve
Purpose	To assist with financing the City's infrastructure related to growth and development
Source of Funding	1) Developer levies which are collected through developer agreements that establish levy payments and specific projects to be completed
Use of Funds	For future expansion of the City's network of arterial roads, and associated traffic control infrastructure.
Optimal Balance	Not Applicable - Developer contributions are on a uniform per-hectare basis. The balance in this reserve will be in a negative state unless the City stops growing for a prolonged period.
Duration	Ongoing
Interest Bearing	Yes

### SCHEDULE B – RESERVE DESCRIPTIONS

Financial Reserves - Description	
Reserve Name	Offsite Levy Reserve – Waste Water
Reserve Category	Developer Levy Reserve
Purpose	To assist with financing the City's infrastructure related to growth and development
Source of Funding	1) Developer levies which are collected through developer agreements that establish levy payments and specific projects to be completed
Use of Funds	For future expansion of City's sanitary sewer infrastructure.
Optimal Balance	Not Applicable - Developer contributions are on a uniform per-hectare basis. The balance in this reserve will be in a negative state unless the City stops growing for a prolonged period.
Duration	Ongoing
Interest Bearing	Yes



### SCHEDULE B – RESERVE DESCRIPTIONS

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Financial Reserves - Description	
Reserve Name	Offsite Levy Reserve - Water
Reserve Category	Developer Levy Reserve
Purpose	To assist with financing the City's infrastructure related to growth and development
Source of Funding	1) Developer levies which are collected through developer agreements that establish levy payments and specific projects to be completed
Use of Funds	For future expansion of City's water lines infrastructure
Optimal Balance	Not Applicable - Developer contributions are on a uniform per-hectare basis. The balance in this reserve will be in a negative state unless the City stops growing for a prolonged period.
Duration	Ongoing
Interest Bearing	Yes