


Reserve Policy – Unallocated Capital Levy Reserve		Corporate Services Department
Policy No: XXX - X		
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POLICY STATEMENT	This Policy sets out the guidelines for the sources, uses and appropriate target level for the balance in the Unallocated Capital Levy Reserve.
PURPOSE	The Unallocated Capital Levy Reserve was established as a capital budget stabilization reserve for the tax supported capital budget rather than a capital asset replacement reserve.
SCOPE	This Policy applies to all City employees that manage financial resources.
PRINCIPLES	<p>The following principles apply to this Policy:</p> <p>Authority:</p> <ul style="list-style-type: none"> • All uses of the funds in the Reserve must be approved by City Council either by a budget submission, by a separate Council report or by a motion of City Council. • Staff in the operating departments must make a request of the Financial Planning Policy Division of the Corporate Services Department responsible for reserves for approval to use the Reserve. All relevant information is to be included with the request. • The General Manager of Finance and Corporate Services has the authority to recommend the use of the reserve or other reserves to fund expenses or revenue shortfalls. <p>The source of funds that are to be transferred to this reserve include:</p> <ul style="list-style-type: none"> • up to 100% of Capital Financing Surplus subject to the overall corporate surplus in the tax operating budget. • Repayment of principal plus interest for any internal borrowings from the reserve as per policies and procedures. • Unused funds from capital projects approved for closures which were originally funded from operating fund. • Investment income earned on the reserve's balance as per policies and procedures <p>The use of funds from this reserve is permitted if other sources of funding are not available. Uses may include:</p> <ul style="list-style-type: none"> • capital projects in the tax supported capital budget financing plan. • emergency capital repairs to tax supported . • capital projects not included in the yearly tax supported capital budget submission.

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RESERVE BALANCE TARGET LEVEL	The balance in the reserve has a target level %, target level \$ and ceiling as follows: Target Level %: 10% of the five year average Tax supported Capital Budget for expenditures Target Level \$: \$24 million Ceiling: N/A.		
GOVERNING LEGISLATION	There is no legislation governing the use of this reserve.		
RESPONSIBILITY FOR THE POLICY	Corporate Services Department Director of Financial Planning and Policy		
POLICY HISTORY	This reserve policy replaces the general reserve policies that were approved by Council in October 2005 (Report FCS0511).		