



**SUBJECT: DISCRETIONARY RESERVE
ADMINISTRATION**

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1. TYPES

Discretionary reserves are classified as:

- a) Capital
 - Provide full or partial funding for projects contained in the Capital Budget/Long Range Capital Forecast
 - May be used to fund unbudgeted capital projects that occur subsequent to the approval of the budget
- b) Stabilization
 - If required, may be utilized in the operating budget, or subsequent to approval of the operating budget, to minimize or offset short term, temporary, tax rate increases resulting from specific events (refer to Policy #122 Discretionary Stabilization Reserves for details)

2. ALLOCATION OF INTEREST INCOME

- All general levy interest income above \$981,100 (2015 budget amount) may be allocated to Discretionary Capital Reserves
- The reserves that are allocated interest and the method of allocation, shall be in accordance with Finance Department procedures

3. ANNUAL INCREASE IN GENERAL LEVY BUDGET ALLOCATIONS

- The total general levy budget allocations to Discretionary Reserves, may increase by a maximum of 25% of the additional taxation revenue generated from Assessment Growth
- The Director of Finance/Treasurer may recommend additional increases for Council's consideration as part of the annual budget

4. APPROVAL OF GENERAL LEVY RESERVE ALLOCATIONS

- The general levy budget allocations used to fund the Capital Budget/Long Range Capital Forecast, shall be approved at the same General Government Committee meeting where the Capital Budget/Long Range Capital Forecast is reviewed and recommended to Council for approval
- These allocations are integral to the funding of the entire Capital Budget/Long Range Capital Forecast and as a result, cannot be changed as part of the Annual Operating Budget review and approval process

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5. ALLOCATION OF OPERATING BUDGET SURPLUS

- The annual Operating Budget Surplus shall first be allocated to the Stabilization Reserve, in order to increase the reserve to its target balance (refer to Policy #122 Discretionary Stabilization Reserves)
- The remainder of the surplus will be allocated based on recommendations by the Director of Finance/Treasurer
- The recommendations are subject to review and approval by Council, through a General Government Committee report
- Changes to the recommended allocations, if any, will be recorded in the following fiscal year

6. SUPPLEMENTARY TAXES

- The annual budget for supplementary tax revenue shall not exceed \$500,000
- Where actual supplementary tax revenues exceed the budget, the surplus amount from supplementary taxes shall be allocated to the Post Growth Capital Reserve

APPROVED: General Government Committee
(AUTHORITY)

15 / 06 / 25
(DATE)

(SIGNATURE)