



SUBJECT: DISCRETIONARY STABILIZATION RESERVES

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1. ELECTION RESERVE

- The purpose of the Election Reserve is to fund all costs related to the municipal election, including any annual costs leading up to the election and the full cost of the election itself
- The target reserve balance in the year of the election, shall be equal to the estimated total cost of the election

2. STABILIZATION RESERVE

a) Uses of the Reserve

- In Annual Budget
 - Shall only be used to offset a potential tax rate increase due to temporary economic conditions or other circumstances/events, that would require an excessive tax rate increase to continue the delivery of existing services
- In Year Post Budget Approval
 - To fully offset an overall annual operating deficit, which would otherwise require a tax rate increase in the subsequent budget year

b) Reserve Balance

- Target year-end balance of the reserve shall be 5% of the prior year's Net Revenues (as defined and calculated in the Financial Information Return)
- Changes to the reserve balance is subject to the following rules:
 - Increases to the balance shall be funded from the operating budget surplus
 - If the surplus is not sufficient to increase the reserve to its target balance, the shortfall will be made up from the following years' surpluses
 - Should the Net Revenues decrease on a year over year basis, the target balance in the reserve shall not be reduced below its current balance

APPROVED: General Government Committee
(AUTHORITY)

15 / 06 / 25
(DATE)

(SIGNATURE)