



Briefing Note

Title	Reserve Policy Amendment
Issue	That Council review the amended Reserve Policy (<i>PLY_Reserve_Policy_2016</i>)
Previous Council Direction	<p>March 28, 2017 – Motion 131/17 That Council approve the Significant Tax Revenue Growth Policy.</p> <p>February 23, 2016 – Motion 304/16 That Council approve the Reserve Policy as presented.</p> <p>August 27, 2013 – Motion 360/13 That County Council approves the document titled “Summary of Fiscal Principles, Practices, and Policies” as the working document used to guide Administration in the planning and execution of County affairs as directed by Council.</p>
Report	<p><u>Background Information</u></p> <ul style="list-style-type: none"> • The Reserve Policy was established to manage emergent or future financial needs, to stabilize tax rates, to reduce the need for debt financing and to set aside funds for the replacement of existing equipment, facilities and future projects. • There are twenty-five (25) reserve types under the policy. Each reserve type has a well-defined purpose and funding source(s). • The Significant Tax Revenue Growth Policy establishes priority areas for significant growth in tax revenues from industrial development. • The policy integrates with the fiscal framework approved by Council and is intended to enhance accountability and transparency and to guide strategic investments that could improve quality of life for residents. • Significant Tax Revenue Growth is fully allocated to the seven (7) priority areas under the Significant Tax Revenue Growth Policy. • The County will make annual allocations to these priority areas. Due to the size and scope of the anticipated projects and programs, annual allocations may not be fully utilized within the year. • Creating additional reserves dedicated to priority areas under the Significant Tax Revenue Growth Policy will enhance financial

	<p>management and accountability of significant revenue inflows to the County.</p> <ul style="list-style-type: none"> • There are seven proposed changes to the policy. • These proposed reserves will align the Significant Tax Revenue Growth Policy to the Reserve Policy. • <u>Significant Tax Growth Reserve – Infrastructure</u> - Unspent tax growth revenue allocated to Road Infrastructure will be tracked in this reserve. Also, infrastructure projects that will be cancelled or completed under budget will remain in this reserve to fund infrastructure projects under the Significant Tax Revenue Growth Policy. • <u>Heartland Mitigation Strategy Reserve</u> - Revenue allocations to Heartland Mitigation Strategy Priority Area (through the Significant Tax Revenue Growth Policy) will be placed in this reserve, if it is not spent in the current year. The reserve will be used for projects/initiatives that improve the quality of life of residents in the heartland area as approved by Council under the Significant Tax Revenue Growth Policy. • <u>Tax Stabilization Revenue</u> - Revenue allocations to the Tax Stabilization priority not utilized in the current year will be place in this reserve for future use. • <u>Service Level Increase Reserve</u> - To provide funds for one-time enhanced and new services to residents resulting from implementation of projects or initiatives under the Significant Tax Revenue Growth Policy. • <u>Community Building Reserve</u> - To provide grants to municipalities and community associations within the County for capital projects allocated through the Significant Tax Revenue Growth Policy. • <u>Offsite Recovery Reserve</u> will also be created. Offsite levies paid by developers for offsite infrastructure front-ended by the County will be placed in the reserve. The reserve is intended for front-ending offsite infrastructure in the County. • The scope of the <u>Vehicle and Equipment</u> Reserve (8.15) is expanded to include funding for emergency equipment rental and repairs in case of equipment breakdown. The scope of the planning reserve is amended for clarity. <p><u>External Communication</u></p> <ul style="list-style-type: none"> • None. <p><u>Relevant Policy/Legislation/Practices:</u></p> <ul style="list-style-type: none"> • Significant Tax Revenue Growth Policy • Summary of Fiscal Principles, Practices and Policies
Implication	<p><u>Strategic Alignment:</u></p> <p>Sturgeon County is financially stable and fiscally responsible – A strong Reserve Policy will increase the financial stability and sustainability of Sturgeon County. An effective reserve policy can create a strong foundation</p>

	<p>to ensure funds are being used responsibly while increasing transparency within Sturgeon County.</p> <p><u>Organizational:</u></p> <p>The amended Reserve Policy provides the guidance to administration to manage the significant tax revenues and supports Council during deliberations to maintain the financial sustainability of Sturgeon County.</p> <p><u>Financial:</u></p> <p>Allocations to Priority Areas are approved by Council through the County's annual budget. Unspent allocations at year-end will be transferred to the newly created reserves.</p>
Follow up Action	At Council's direction, bring the amended Reserve Policy to a future Regular Council Meeting.
Attachment(s)	<ol style="list-style-type: none"> 1. Amended Reserve Policy 2. Reserve Policy - Current 3. Summary of Fiscal Principles, Practices and Policies 4. Significant Tax Revenue Growth Policy
Report Reviewed by:	<div>  <p>Ed Kaemingh, Manager Financial Services</p> </div> <div>  <p>Rick Wojtkiw, GM Corporate Support</p> </div>