

APPENDIX 4

Development Review Program Stabilization Reserve: Proposed Amendments to the Reserve For Future Expenditures Policy No. C03-003

Development Review Program Stabilization Reserve

Purpose

1. To accumulate funds for the purpose of offsetting any deficits in the Development Review Program due to revenue shortfalls from a decline in number of development permit and land use applications.
2. To stabilize the effect annual fluctuations in development applications has on the mill rate.
3. To provide a source of funds to finance unexpected or non-cyclical costs associated with programming requirements and special projects.

Source of Funds

The provision shall be a yearly balancing item which will equal any positive amount arising from the year's operating revenues minus operating expenditures for the Development Review Program.

Application of Funds

The Development Review Program Stabilization Reserve shall be used to finance a deficit in the Development Review Program, arising when actual expenditures for the program exceed the actual revenues on a yearly basis. Funds may also be used to finance non-cyclical costs associated with programming needs, equipment, or special projects.

Reserve Balance Limitation

1. The balance of the reserve shall be capped at 100% of the current year's budgeted operating expenses.
2. Should the Reserve surpass the established ceiling for more than three consecutive years, the Administration will revisit the existing development permit and land use application fees, review forecast volumes and make appropriate recommendations to modify the fees. During the three-year period the surplus will remain in the Reserve.

Responsibility

The General Manager, Community Services Department or designate shall administer the Reserve.

All expenditures qualifying as capital projects require City Council approval.