

Proposed Amendments to the Reserve for Future Expenditures Policy No. C03-003

Impoundment Program Stabilization Reserve

Purpose

1. To accumulate funds for the purpose of offsetting any deficits in the Impoundment Program due to revenue shortfalls or unexpected expenditures in any given year.
2. To stabilize the effect annual fluctuations in impoundment volumes have on the mill rate.
3. To provide a source of funds to finance unexpected or non-cyclical costs associating 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 annual operating revenues minus operating expenditures for the Impoundment Program.

Application of Funds

The Impoundment Program Stabilization Reserve (Reserve) shall be used to finance a deficit in impound operations, 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

The balance of the Reserve shall be capped at 100% of the current year's budgeted operating expenses.

Should the Reserve surpass the established ceiling for more than three consecutive years, Administration will revisit the existing Impound 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 Division or designate shall administer the Reserve.

All expenditures qualifying as capital projects require City Council approval.