

<b>Policy Number:</b>	<b>C-222</b>
<b>Policy Owner:</b>	<b>Financial Services</b>
<b>Adopted By:</b>	<b>Council</b>
<b>Adoption Date:</b>	<b>2017 June 06</b>
<b>Effective Date:</b>	<b>2025 June 03</b>
<b>Date Last Amended:</b>	<b>2025 June 03</b>
<b>Date Last Reviewed:</b>	<b>2025 May 13</b>

## Purpose

- 1 The purpose of this policy is to ensure Rocky View County's financial stability and flexibility by setting aside funds for unforeseen events and opportunities, major capital expenditures, and to support operational fluctuations and asset management.



## Policy Statement

- 2 The County creates reserve funds to ensure its long-term financial stability in sustaining service delivery and growth. Reserve funds provide financial flexibility, ensure stable and predictable funding, safeguard and optimize existing assets, and provide contingency funding in emergencies.
- 3 All contributions to and withdrawals from reserves and reserve funds require Council approval.
- 4 Council may allocate reserve funds through the annual budget process or by resolution of Council.
- 5 Funding levels are set for each reserve or reserve fund, reviewed annually, and adjusted as needed to ensure adequacy for future obligations.
- 6 Reserve management aligns with best practices, generally accepted accounting principles, and relevant legislation.



## Policy

### Governance

- 7 This policy applies to all County reserve funds except those governed explicitly by other legislation.
- 8 The Chief Administrative Officer, per the *Chief Administrative Officer Bylaw* and the CAO Delegation Order, ensures the County's reserve funds are created, amended, administered, and closed in compliance with this policy and practices that align with the required legislation.
- 9 Reserve funds will be regularly reported to Council through:
  - (1) a reserve fund report; and
  - (2) a reserve continuity schedule that will include year-to-date balances and committed reserve transactions that have not yet occurred.

### Managing Reserve Funds

- 10 Reserves are identified as capital or operating, with a specific purpose, regulatory or third-party requirement. A new reserve is considered where funds must be internally or externally restricted to serve a predetermined requirement. Reserve funds will be maintained in the following categories and sub-categories:
  - (1) Internally restricted reserves:
    - (a) Municipal Tax Stabilization Reserves;
    - (b) Municipal Lifecycle (Repair, Maintenance, and Replacement) Reserves;
    - (c) Municipal Specific Purpose Reserves; and
    - (d) Utility Reserves
  - (2) Externally restricted reserves:
    - (a) Municipal Reserves (MR) Cash-in-Lieu Reserves, as per the *Municipal Government Act*; and
    - (b) Developer Off-site Levies Reserves, as per the *Municipal Government Act* or the County's off-site levy bylaws.

- 11 Reserve account balances are determined based on the purpose of the reserve in question. Each required reserve balance must be substantiated with data evidence that speaks to County obligations necessitating the amounts required.
- 12 Transfer to and from reserves will be carried out by the Chief Administrative Officer upon the approval of:
  - (1) Council through a resolution of Council;
  - (2) Council through the approval of the annual budget; or
  - (3) the Chief Administrative Officer in relation to interest income earned on reserves as required by policy and practices; and
  - (4) the Chief Administrative Officer in the case of an externally restricted:
    - (a) Reserves as required by the relevant legislation.
- 13 Administration will review reserve balances as part of regular financial reporting.
- 14 Annual surpluses from the County's operating budget are transferred to the Tax Stabilization Reserve. This transfer does not require Council approval.
- 15 Withdrawals or transfers from a reserve must not exceed the reserve fund balance.
- 16 All reserve funds are invested in interest-bearing instruments regulated by the *Municipal Government Act* and Rocky View County's *Investment Policy*. Reserve funds cannot be invested for a term exceeding their expected need date.
- 17 Interest income from reserve fund investing activities will accrue to a specific reserve if the reserve is required by regulation or a third party. Otherwise, all interest income is retained in the County's general revenue account.



## References

### Legal Authorities

### Related Plans, Bylaws, Policies, etc.

- *Municipal Government Act*, RSA 2000, c M-26
- *Chief Administrative Officer Bylaw C-7350-2014*
- *CAO Delegation Order*
- *Regional Stormwater Off-Site Levy Bylaw C-8547-2024*
- *Regional Transportation Off-Site Levy Bylaw C-8549-2024*

Related Procedures	<ul style="list-style-type: none"> <li>• <i>Regional Water and Wastewater Off-Site Levy Bylaw C-8548-2024</i></li> <li>• <i>Community Recreation Facilities Off-Site Levy Bylaw C-8550-2024</i></li> <li>• <i>Investment Policy C-201</i></li> </ul>
Other	<ul style="list-style-type: none"> <li>• N/A</li> <li>• N/A</li> </ul>



## Policy History

Amendment Date(s) – Amendment Description	<ul style="list-style-type: none"> <li>• 2024 May 28 – Policy name changed from <i>Reserve Fund Policy</i> to <i>Managing Reserve Funds</i>; updated to align with current policy standards and visual identity; updated to reflect current practices for interest allocation, accrual to reserves, categorization of reserve accounts as Capital or Operating, and reserve account balances.</li> <li>• 2025 June 3 – Alignment with the County’s Fiscal Management Strategy, the policy was amended to include the authorizing authority to transfer funds to and from reserves; the reserve tracking form was removed and will be maintained administratively.</li> </ul>
Review Date(s) – Review Outcome Description	<ul style="list-style-type: none"> <li>• N/A</li> </ul>



## Definitions

18 In this policy:

- (1) “Chief Administrative Officer” or “CAO” means the Chief Administrative Officer of Rocky View County as defined in the *Municipal Government Act* or their authorized delegate;
- (2) “Council” means the duly elected Council of Rocky View County;
- (3) “reserve fund” means an account set up by Rocky View County to meet any unexpected costs that may arise in the future as well as the future costs of upkeep;

- (4) “Rocky View County” or “the County” means Rocky View County as a municipal corporation and the geographical area within its jurisdictional boundaries, as the context requires; and
- (5) “surplus” means the portion of overall revenues that exceeds the overall expenses.