



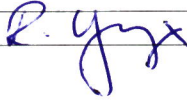
City of Leduc Policy

Policy Title: Reserve Policy

Policy No: 12.02:3

Supersedes: Previous
Policy No. 12.02:3 effective
October 10, 1995

Revision #: 1

Council Authority: Council
Approval Date: September 13, 2021
Effective Date: September 13, 2021
Relevant Legislation: Municipal Government Act
Relevant Council Date of Resolution(s):
Relevant Bylaw and Date(s):
Authority's Signature: 

Policy Objective

The purpose of this policy is to provide guidelines for the establishment and management of City of Leduc ("City") reserves, as well as the transfers to and from these reserves. The reserves are necessary to provide funding for the City's current and future capital and operating budget requirements, while providing stabilization for fluctuations in operating and capital activities. The policy will also ensure that all reserve transactions are approved by Council.

Policy Statement

The City of Leduc strives to sustain a financially viable municipality that provides an adequate level of municipal services and supports the City's long-term capital plan. The reserve policy is intended to achieve these goals by enhancing the City's financial strength, flexibility, cash flow management and ability to achieve Council's vision and Strategic Plan.

The City is committed to the principles of the Long Term Fiscal Sustainability Plan and working within its framework.

Reserve transactions will support and adhere to the Municipal Government Act ("MGA") or other legal requirements and the principles below.

Principles

1. In compliance with this policy and the MGA, the establishment, amendment and closure of all reserve accounts, as well as the transfers to and from these accounts require Council approval
2. Corporate risk will be mitigated through the effective management of City reserves.
3. Reserve balances will be reviewed through the Reserve Model on an annual basis as part of the budget process. The Reserve Model is a financial model that utilizes annual budgeted values, not including committed funds, to determine the optimal balance