

CORPORATE POLICY



Policy Title: **Surplus Allocation Policy**
Policy Category: **Financial Control**
Policy No.: FC-003
Department: Finance
Approval Date: April 16, 2018
Revision Date: December 11, 2023
Author: Kim Reger
Attachments: N/A
Related Documents/Legislation: CORP2023-029 Allocation of 2022 Surplus
Key Word(s): Surplus, Allocation

POLICY STATEMENT:

This policy prescribes the annual allocation of property-tax operating surplus.

PURPOSE:

1. Provide a funding source for unanticipated one-time extraordinary expenditures (Tax Rate Stabilization Reserve).
2. Provide a funding source to address the infrastructure deficit (Capital Infrastructure Reinvestment Reserve Fund).
3. Provide a funding source to address Green House Gas emission reduction targets (Climate Action Reserve Fund).
4. Provide a funding source to address Library expansion and rehabilitation needs (Library Expansion and Rehabilitation Reserve Fund).
5. Ensure surpluses are not spent until they are realized

DEFINITIONS:

N/A

SCOPE:

All departments.

Mandatory Policy, *Municipal Act*: No

Policy Administration Team, Review Date Sept. 29, 2023

Corporate Management Team, Review Date Oct. 11, 2023

POLICY COMMUNICATION:

This policy will be posted on the City Intranet. Staff will be advised of the policy via distribution to the Operational Leadership Team and Corporate Management Team.

POLICY:

1. That the required amount of the final reported property-tax funded surplus be allocated to the reserves and reserve funds as requested in the annual Reserve and Reserve Fund Report.
2. That 25% of any reported property-tax surplus be allocated to the Tax Rate Stabilization Reserve;
3. That 25% of any reported property-tax surplus be allocated to the Capital Infrastructure Reinvestment Reserve Fund;
4. That 25% of any reported property-tax surplus be allocated to the Climate Action Reserve Fund;
5. That 25% of any reported property-tax surplus be allocated to the Library Expansion and Rehabilitation Reserve Fund.
6. No use or allocation of the surplus shall occur until the final surplus is reported to Council by staff.

COMPLIANCE:

In cases of policy violation, the City may investigate and determine appropriate corrective action.