



TOWN OF THREE HILLS

POLICY # 700

GENERAL CAPITAL RESERVE POLICY

Adopted by Council on: July 13, 2020
Resolution No.: 359-2020

1. PURPOSE

- 1.1. The purpose of this Policy is to establish a General Capital Reserve in accordance with Policy 530 – Reserves Policy, as amended.
- 1.2. The General Capital Reserve shall be used to provide funding to accommodate current year capital funding requirements that have not been previously established from existing reserves, such as Christmas Street Lights.
- 1.3. This reserve is intended for use to, at least partially, fund one-time emergent capital projects that require additional funds that exceed the approval annual budget. This may be due to scope changes in work, natural disasters, unique requirements based on ratepayers' requests, reduced funding from other sources (i.e. Government grants) or a dramatic increase in costs due to a one-time special circumstance.

2. AUTHORITY

- 2.1. The authority for this Policy is by resolution of the Council of the Town of Three Hills.
- 2.2. This Policy shall comply with Policy 530 – Reserve Policy, as amended.

3. TARGETS

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|------------------------------------|----------------|
| 3.1. Targeted Minimum Balance: | \$100,000.00 |
| 3.2. Targeted Maximum Balance: | \$1,000,000.00 |
| 3.3. Targeted Annual Contribution: | \$25,000.00 |

4. POLICY GUIDELINES

- 4.1. The General Ledger account for the General Capital Reserve will be GL # 1-4-0000-76100 – General Capital Reserve.
- 4.2. The Chief Administrative Officer, or designate, will ensure the overall effective administration of dedicated reserves in accordance with Policy 530 – Reserves Policy.
- 4.3. Annually, in conjunction with the budget process and the presentation of the audited

financial statements to Council, a list indicating the current and previous year-end balances for this reserve will be provided.

4.4. The use of this reserve to fund any expenditure must be by way of a Council.

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