



CITY POLICY

POLICY NUMBER: C605

REFERENCE:

ADOPTED BY:

City Council This date will be added
when Council approves amendment

SUPERSEDES:

New

PREPARED BY: Financial and Corporate Services

DATE: June 21, 2018

TITLE: **Edmonton Police Service Reserve**

Policy Statement:

1. In compliance with this policy, Reserve and Equity Accounts Policy C217C and the Municipal Government Act, the establishment of an Edmonton Police Service Reserve and the transfers to and from the reserve requires Council approval through the budget.
2. The Edmonton Police Service Reserve is established to manage operational surpluses and deficits of the Edmonton Police Service over time. This reserve is non-interest bearing.
3. One hundred percent of any annual Edmonton Police Service operating surplus will be placed in the Edmonton Police Service Reserve. One hundred percent of any annual operating deficit will be drawn from the Edmonton Police Service Reserve. In the event the reserve falls into a deficit position, a strategy will be developed by the Edmonton Police Service, to be approved by City Council, in order to achieve a balanced position over a period not to exceed three years, starting with the subsequent year operating budget. The strategy may include replenishing the reserve with any unplanned one-time revenues, adjustments to capital priorities and managing operating expenditures.
4. The Edmonton Police Service Reserve may be used to fund one-time operating requirements and Edmonton Police Service capital projects. Funding from the reserve for capital projects will require approval from City Council.



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5. The Edmonton Police Service Reserve balance, as well as establishment or review of the minimum balance, will be reviewed a minimum of every three years, with recommendations made to City Council.
6. The Edmonton Police Service Reserve does not exempt the Edmonton Police Service from following the City of Edmonton capital budgeting processes, including capital budget carry forward processes.

The purpose of this policy is to:

1. Provide guidelines for a reserve that will permit the Edmonton Police Service to retain and manage operational surpluses and deficits within the City of Edmonton's overall accumulated surplus.



CITY PROCEDURE

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1. DEFINITIONS

1.1 Reserve Account represents amounts appropriated from accumulated surplus for designated requirements.

1.2 Edmonton Police Service Reserve is an uncommitted Reserve Account established for the purpose of managing operational surpluses and deficits of the Edmonton Police Service.

2. PROCEDURES

2.1 City Manager to:

- a) Recommend to City Council approval of this Policy and amendments thereto.
- b) Recommend to City Council approval of the establishment of and changes to the Edmonton Police Service Reserve.

Edmonton Police Commission to:

- c) Recommend transfers to or from the reserve.
- d) Recommend to City Council a strategy to replenish the Edmonton Police Service Reserve if the reserve balance falls into a deficit position.

2.2 Transfers to and from the reserve will be approved through the budget.

2.3 The Chief Financial Officer will undertake a detailed review of the Edmonton Police Service Reserve every three years as part of the City of Edmonton's reserve review process.



CITY PROCEDURE

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2.4 One hundred percent of the Edmonton Police Service annual operating surplus or deficit is to be transferred to or from the Edmonton Police Service Reserve.

2.5 In the event the reserve falls into a deficit position, a strategy will be developed by the Edmonton Police Service, to be approved by City Council, in order to achieve a balanced position over a period not to exceed three years, starting with the subsequent year operating budget. The strategy may include replenishing the reserve with any unplanned one-time revenues, adjustments to capital priorities and managing operating expenditures.

2.6 The Edmonton Police Service may choose to fund one-time operating budget requirements from the Edmonton Police Service Reserve after considering the general financial position and the balance of the Edmonton Police Service Reserve.

2.7 The Edmonton Police Service Reserve may be used to fund Edmonton Police Service capital projects as approved by City Council. The use of reserve funds must be reported back to City Council through the City of Edmonton's financial reporting process and the supplemental capital budget adjustment process.

2.8 The Edmonton Police Service Reserve does not exempt the Edmonton Police Service from following the City of Edmonton capital budgeting processes, including capital budget carry forward processes.

2.9 Transfers to and from the Edmonton Police Service Reserve will be reported to City Council as part of the City of Edmonton's financial performance reporting process.