

Regional Service Commission 11

Policy Fin – 01 (a)

Operating and Capital Reserves

The Board is committed to conservative financial management particularly with respect to planning for contingencies and unforeseen events. As a result, it will be the policy of the Commission to carry the following levels of operating reserves for its divisions:

DIVISION	PERCENTAGE OF REVENUE	DOLLAR AMOUNT
PLANNING & DEVELOPMENT	2.5%	\$25,000
LANDFILL	3.0%	\$215,000
POWER GENERATION FUND	3.5%	\$26,000

Consistent with this approach to operating reserves the Board is also committed to establishing appropriate levels of capital reserves in the operating divisions. It will be the policy of the Commission to carry the following levels of capital reserves for its divisions:

DIVISION	DOLLAR AMOUNT
PLANNING & DEVELOPMENT	\$8,000
LANDFILL	\$1,200,000
POWER GENERATION FUND	\$800,000

At the date of approval of this policy it is acknowledged that the Planning and Landfill Divisions are carrying the required reserve level and no additional action is necessary. With respect to the Power Generation Division staff are instructed to prepare their budget recommendations to have any operating surplus generated transferred to reserves until such time as the targeted level is reached.

In addition, the Finance Committee is directed to review this policy annually as part of their budget development process and bring any adjustments they deem necessary to restore the fund in question to the targeted levels in this policy to the Board.

Date Approved: _____

Chair: _____

Executive Director: _____