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# Financial Trust & Reserves

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Resolution: 2017-01-23-16

Review Date: May (Annually)

Related Bylaws: N/A

Amendments: 2017-09-14-03; 2018-04-12-078, 2020-08-13-195

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## **Purpose**

The Village of Hussar believes it is in the best interests of its taxpayers to have various reserves set up to be used for special projects or to keep the property tax mill rate predictable and stable over time.

## **General Guidelines**

Except where specifically provided for, all transfers to and from reserves and trusts must be made by Council resolution (or as per the approved annual budget).

Transfers made to reserves as per the approved budget are deemed to be a transfer from municipal taxes.

Sufficient financial assets shall be held by the Village to fund the total balance of all reserves and trusts.

## **Reserves**

### **Campground Reserve**

The Campground Reserve contains funds for future campground capital upgrades or major maintenance projects.

Any surplus revenue over expenses in the campground accounts at year end shall be transferred to the campground reserve by Council resolution prior to the approval of the financial statements for that year.

This reserve shall be held in the Village Reserves Elite Savings account at the bank. No interest shall be paid on this reserve.

### **Capital Infrastructure Reserve**

The Capital Infrastructure Reserve contains funds for future capital infrastructure projects or major maintenance projects including, but not limited to, water, sewer, stormwater, solid waste, and building infrastructure.

Any surplus revenue over expenses at year end for the following departments: water, wastewater, solid waste, and roads, shall be transferred to the capital infrastructure reserve by Council resolution prior to the approval of the financial statements for that year.

This reserve shall be held in the Village Reserves Elite Savings account at the bank and all interest revenue paid to this account shall be considered as part of the Capital Infrastructure Reserve regardless of any other reserve funds being held in the Village Reserves Elite Savings account.

#### **Cemetery Trust**

The Cemetery Trust contains funds for future cemetery capital upgrades or major maintenance projects. This trust is the result of donations made for the purpose of maintaining and upgrading the Hussar Cemetery.

Funds may be transferred to the Cemetery Trust from Cemetery Perpetual Fund by Council resolution.

This trust shall be held in its own account at the bank and any interest revenue received shall be considered to be a part of this trust.

#### **Equipment Reserve**

The Equipment Reserve contains funds for future capital equipment purchases.

Transfers to and from the Equipment Reserve shall be made by Council resolution.

This reserve shall be held in its own account at the bank and any interest revenue received shall be considered to be a part of this reserve.

#### **First Responders Trust**

The First Responders Reserve contains funds to be used for the benefit of the Emergency First Responder Team (EFRT). This trust is the result of donations made for the purpose of purchasing and maintaining equipment and providing training to the EFRT.

Council will determine the specific use of these funds by Council resolution at the request of the EFRT.

This trust shall be held in its own account at the bank and any interest revenue received shall be considered to be a part of the trust.

#### **Mayors Memorial Trust**

The Mayors Memorial Trust contains funds for the updating of the Mayors' Memorial located at the Village Office. This trust is the result of funds provided to the Village for the purpose of constructing and updating the Mayors Memorial.

At the end of an individual Mayor's term in office, these funds will be utilized to inscribe the Mayor's full name and term dates on the memorial. Council resolution is not required for the expense of these funds towards the prescribed purpose.

This trust shall be held in its own account at the bank and any interest revenue received shall be considered to be a part of the trust.

**Operating Reserve**

The Operating Reserve contains funds that may be used for operating programs or projects where funding sources change dramatically year over year in order to help maintain a stable and predictable mill rate, or where extra unforeseen operating costs are experienced throughout the year.

Any total surplus revenue over expenses at year end, excluding any funds transferred to another reserve as per this policy, shall be transferred to the operating reserve by Council resolution prior to the approval of the financial statements of that year.

This reserve will be maintained at a maximum balance of \$10,000. Any amount to be transferred to this reserve that will cause it to be in excess of \$10,000 will be transferred to the Capital Infrastructure Reserve. Council may, by resolution, transfer funds to this reserve from the Capital Infrastructure Reserve to maintain the maximum balance of \$10,000.

This reserve shall be held in the Village Reserves Elite Savings account at the bank. No interest shall be paid on this reserve.

**Walking Trail Trust**

The Walking Trail Trust contains funds for the future construction of a walking trail in the Village. This trust is the result of donations made by individuals and organizations for the purpose of constructing a walking trail within the Village.

This trust shall be held in its own account at the bank and any interest revenue received shall be considered to be a part of the trust.

**Emergency Management Reserve**

The Emergency Management reserve contains funds for the Emergency Management Committee. This reserve is the result of funds provided by the Village and donations for the purpose of emergency management supplies, which include but are not limited to beds, blankets, pillows, food, flashlights, candles first aid kits, etc.

These funds will be utilized by the Director of Emergency Management upon discussions with the Emergency Management Committee. Council resolution is not required for the expense of these funds towards the prescribed purpose.

This reserve shall be held in its own account at the bank and any interest revenue received shall be considered to be a part of the reserve.

**2028 Centennial Reserve**

The 2028 Centennial reserve contains funds for the Village of Hussar 2028 Centennial Event. This reserve is the result of funds provided by the Village and donations for the purpose of hosting a Centennial Event in the year 2028.

These funds will be utilized by the Chief Administrative Officer upon discussions with Council and Centennial Events Committee. Council resolution is not required for the expense of these funds towards the prescribed purpose.

This reserve shall be held in its own account at the bank and any interest revenue received shall be considered to be a part of the reserve.