



DISTRICT OF WEST KELOWNA

COUNCIL POLICY MANUAL

Pages: 1 of 1

Approval Date: 2009-DEC-08

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| DEPARTMENT: | FINANCE DEPARTMENT |
| SUBJECT: | MINIMUM RESERVE BALANCES |

Purpose:

To develop a guideline for the creation, maintenance, and use of financial reserve accounts; to maintain a level of financial resources sufficient to protect against reducing service levels or raising taxes and fees due to temporary revenue shortfalls or unpredicted one-time expenditures.

Policy:

Recommended reserve minimum balances for the District of West Kelowna:

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| Reserve for Future Expenditures | 15% of operating expenses |
| Policing Reserve | 8.33% or one month of the 2014 operating budget |
| Capital Reserve | 150% of the five year requests (equals 5.5% of current assets) |
| Equipment Reserve | Four years of purchase requests |
| Debt | No more than 3% tax increase per year and maximum borrowing limited to 15% of District's revenue |

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| Previous Revision/s: none |
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