



Beaver Emergency Services Commission

Policy # 26.1 Operating Reserve Policy

Board Approval Date: 5 December 2013

Chairman:

Arnold Hanson

Vice Chairman: Deb Dueck



# Operating Reserve Policy

**POLICY: OPERATING RESERVE**

**POLICY  
AND PROCEDURE  
HANDBOOK**

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**PURPOSE:**

To establish a general operating reserve. This reserve will provide funding in order to retain a stable municipal taxation structure and to accommodate any emergency requiring repairs to BESC assets, such as buildings, equipment, or a major incident; that cannot be predicted (e.g. such as Beaver Hill Lake fire).

**Policy Statement and Guidelines:**

1. The Regional Fire Chief shall ensure the overall effective administration of dedicated reserve in accordance with this policy, recommending changes in policy or guidelines to BESC Board to ensure they are employed to the benefit of the Regional Municipal Partners.
2. Annually, in conjunction with the budget process and the presentation of the audited financial statements to the BESC Board, a list indicating the current and previous year-end balances for this reserve will be provided
3. The amount of Operating Reserve fund target of \$200,000 shall be calculated each year after approval of the annual budget. 50% of the annual operating surplus being allocated to the operating reserve, and 50% being allocated back to the Municipal Partners as surplus, until the target amount of \$200,000 has been reached. When the Operating Reserve has been funded, 100% of future operating surplus will be allocated back to the Municipal Partners. This shall be reported to the BESC Board of Directors, and included in financial reports.
4. The use of this reserve to fund any expenditure must be by way of BESC Board resolution or motion

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