



# **R.M. OF LUMSDEN NO. 189**

## **Financial Reserve Policy**

**Amended by Council August 7, 2025**



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## Purpose

The purpose of the Financial Reserve Policy is to provide for long term sustainable funding from own-source revenue for the purchase of equipment and investments into infrastructure improvements and/or replacements with annual reserve contributions. Council recognizes the importance of trying to keep the property tax mill rate stable and predictable for ratepayers as well as an increasing need to address deteriorating/aging infrastructure in the municipality. The annual budget is to reflect a 2% increase, where applicable, to the reserve contributions from the previous budget year to represent inflationary costs to construction and equipment to help ensure the annual contribution rate is adequate to finance future costs.

## Fire Equipment Reserve

*5992-220-0000-0*

These funds are for replacement and/or purchase of fire equipment as approved by RM Council. This reserve is created to evenly fund the purchase of fire equipment, on a cost-shared basis with the Town of Lumsden in accordance with the Lumsden and District Fire Agreement.

Contributions into this reserve are based on an annual mill rate contribution (\$50,000 in 2015 – contribution increase by 2% each year) (in 2022, the contribution was increased by \$16,000 in recognition of inflation that would affect the cost of future capital projects and purchases including the fire hall expansion and fire truck replacement.

## Wascana Creek Rechannel

*5992-910-0000-0*

This is a project specific reserve. An engineered design for the realignment of the Wascana Creek along Seven Bridges Road has been completed. The purpose of this project is to reduce the risk of bridge failure and increase road stability. The estimated cost of this project that was received in 2014 was \$414,540.

The municipality has submitted an application under the Building Canada Fund for this project but, as of the date of adoption of this policy, have not received a decision. Council recognizes the importance of the completion of this project, regardless of grant approval and as such created this reserve to fund the project.

Contributions to this reserve will be \$69,090 annually until the project is fully funded.

## Equipment

*5992-311-0000-0*

These funds are for replacement and/or purchase of equipment as approved by RM Council. The RM has an equipment replacement schedule and contributions to this reserve will fund that equipment replacement schedule. The schedule anticipates the next 10 years of purchases/replacements, and may be revised during the annual budgetary process.



## Grader Reserve

5992-311-GRAD-0

These funds are for replacement and/or purchase of motor graders as approved by RM Council. The RM has a grader replacement schedule and contributions to this reserve will fund that grader replacement schedule. The schedule anticipates the next 10 years of purchases/replacements, and may be revised during the annual budgetary process.

## Deer Valley Hamlet Maintenance Reserve

### **40% of Hamlet Allocation**

5992-910-HAML-0

As per section 69(2) of *The Municipalities Act* the RM of Lumsden has established a Reserve fund for the Organized Hamlet of Deer Valley. Contributions to the reserve are based on 40% of municipal tax revenue generated within the boundaries of Deer Valley. Reserve funds are to be used on activities and services that benefit the residents of Deer Valley. Activities and services can include, but not limited to, the following:

- Contracted snow removal
- Curbside garbage and recycling pickup
- Snow removal
- General maintenance activities
- Professional services

## Emergency Reserve

5992-230-0000-0

The Emergency Reserve is a fund to assist with unplanned events such as emergencies or disasters within the RM. Annual contributions to this reserve commenced in 2017 with \$10,000 from the mill rate. Contributions increase each year by 2%.

## Gravel Pit Reserve

5992-321-0000-0

The fund was established with the intention of purchasing land with a gravel source. Annual contributions to this reserve commenced in 2017 with \$20,000 from the mill rate. Contributions increase each year by 2%.



## Deer Valley Hamlet (Capital) Reserve

### **30% of Hamlet Allocation**

**(Policy Adopted on March 23, 2017, Resolution #2017-160)**

*5992-910-HAML-0*

These funds are to be used to fund capital projects within the Organized Hamlet of Deer Valley where there is a long-term benefit to the hamlet. Funds may be used for engineering/design, land acquisition, and construction costs. One-time major repair costs due to a capital failure may be considered for funding at the discretion of Council. The fund represents 30% of the municipal tax revenue generated within the boundaries of Deer Valley and can be accessed by the Deer Valley Hamlet Board through their annual budget submission and subsequent approval by Council.

## Road Reserve

### **Infrastructure Renewal Reserve**

*5992-321-0000-0*

*5992-321-0001-0 (Servicing Fees)*

The RM of Lumsden requires developers to construct internal roadways, sidewalks and communal water and sewer. This infrastructure will be added to the RM's asset inventory, and as such, will at some point require some capital investment.

This reserve establishes a fund for capital projects in certain commercial, industrial and residential subdivisions where paved roadways and/or communal utility infrastructure (ie. Communal water/sewer) is required. Funds may be used for engineering/design, land acquisition, and construction costs of infrastructure within the particular subdivision. One-time major repair costs due to a capital failure may be considered for funding, at the discretion of Council.

Contributions into this reserve are based on an annual mill rate contribution. (\$200,000 in 2015 – contribution increase by 2% each year) in addition to servicing agreement fees that are collected for developments that impact non-paved roads. Additional contributions, in addition to the regular annual contribution, may be made at the discretion of council to help fund large projects in the capital plan.

## Public Reserve – Cash in Lieu

*5992-600-0000-0*

Under section 186 of the *Planning and Development Act* Council may require the owner of a parcel of land that is subject to a subdivision proposal, to provide land for municipal reserve or provide money in place of a municipal reserve. The Planning and Development Act further states that a market value appraisal must be provided or, the amount dedicated as cash-in-lieu can be recommended by the municipality and agreed to by the applicant and the approving authority.



## R.M OF LUMSDEN NO. 189 FINANCIAL RESERVE POLICY

The funds in the public reserve are intended to assist the creation of public recreational areas on public or municipal reserves in the municipality. Applications shall be eligible for the funding of 30% of the total project cost, not including in-kind costs, to a maximum of \$3,000 per project. Applications shall be limited to one (1) per year from each ratepayer, resident, club or association. “Ratepayers, residents, clubs or associations” refer to persons or entities within the RM of Lumsden No. 189 or on the Assessment or Tax Roll. Preference shall be given to projects that meet accessibility standards. Eligible applications shall include the following uses on land designated as municipal or public reserve where it is clear that the expenditure shall benefit the public as a whole:

- A public park or buffer strip, a natural area,
- A public recreation area including playground equipment,
- School purposes, a building or facility
- A building or facility used and owned by a charitable corporation as defined by the Non-Profit Corporations Act,
- Public Agricultural or horticultural uses,
- Any other specific or general use that the Minister may provide by regulation.

### Bridges

5992-313-0000-0

This reserve is intended for use to undertake bridge and culvert projects where there shall be a long-term benefit to the RM as a whole over a period of time. Funds may be used for Engineering/design, land acquisition and construction costs. The bridge reserve was previously part of the road reserve but was split out into a separate reserve in 2018. In 2020, a contribution from the mill rate of \$125,000 was established, and shall escalate each year by 2%

### General

5992-110-0000-0

#### History

This Reserve is for improvements to the Municipal Office. Improvements to the Municipal Office are shared 50/50 with the Town of Lumsden.

#### *Principles*

- ***For building renovations and/or additions and office technology***
- ***For large office furniture requirements (ie. desk, workspace accommodation, etc.)***

### Municipal Office Relocation

5992-111-0000-0

On December 17, 2020, RM Council passed a resolution to create Municipal Office Reserve. It is conceivable that administrative staff will grow as both the Town and RM grow. The office is at near capacity now. This reserve may be used to purchase land, construct a new building or renovate the existing building. *Note: there has been no research into renovation, only talk of a second level.*



## Municipal Public Works Shop – Relocation

5992-300-0000-0

On December 17, 2020, the RM Council passed a resolution to create a Public Works Shop Reserve. It is feasible that the current shop may be relocated to a more central location. It is currently 5.5 miles from our west border. This reserve may be used to purchase land and construct a new building. The present location will not support more buildings.

## Walking Trail Bridge Reserve

In 2018, the RM received a donation for a walking trail bridge located at NW-7-21-21 (located between Lumsden Beach and Buena Vista). The money was transferred to a reserve and is to be used for future maintenance of this walking bridge.

## Pavement

5992-321-PAVE-0

5992-321-0002-0

**Paved Roads:** As the population of the RM of Lumsden grows and the demands change, the RM wants to maintain a program of continually improving the pavement road infrastructure. Some of these projects may be significant and/or may only happen periodically. This reserve is to accumulate or hold funds for expenditures on paved roads. Types of projects may include re-paving, road base development, micro sealing, etc.

Contributions into this reserve are based on 100% of the Canada Community-Building Fund (CCFB) revenue received plus an annual mill rate contribution (\$172,406 in 2015 – contribution increase by 2% each year), as well as service agreement fees collected for developments that impact paved roads (for example, the 2023 Chobanik residential subdivision on Grid 734).

**Non-Paved Roads:** Additional contributions to a separate pavement reserve will be based on 30% of municipal taxes (net taxes where abatements apply) generated within the boundaries of Webfam Developments at Exit B, where road surfaces are not yet paved (as of 2024). Contributions begin in the year that the subdivision is first taxed, regardless of whether land is vacant or not. Maintenance expenses, such as dust control costs on the Exit B Service Road within the Webfam Subdivision, will be funded by this reserve. The reserve will continue to accumulate each year and the funds may be used toward the eventual paving of the subdivision. This Reserve can also be accessed to fund major (non-pavement-related) road work in the Exit B subdivision (Webfam).

## Glenada Greens/Kennell Church Funds in Trust

2911-080-0000-0

2912-080-0000-0

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FINANCIAL RESERVE POLICY**



These funds are held in trust since the 1990's. The accounts have references to 'Hidden Valley', 'Kennell Cemetery', 'Snoasis' and 'Kennell Lutheran Church'. Reserve interest ceased in 2019.

## Heritage Home

In 2020, the RM of Lumsden made a \$10,000 donation towards the roofing repairs on the Lumsden and District Heritage Home. The home subsequently received grant funding from the province and the funds were returned to the RM. The RM has set this \$10,000 aside for future contributions towards other repairs should the need arise. There are no annual contributions to this reserve from the mill rate.

*Revised 2020 – Library/Legion Added*

*Revised 2020 – Municipal Shop and Office Added*

*Revised 2021 – New Deal Gas Tax Grant – Name changed (see Pavement Reserve)*

*Revised 2022 – Added policy statement for Emergency Reserve, Gravel Pit Reserve, Bridge Reserve, General Reserve, Walking Trail Reserve, Glenada Greens/Kennell Church Funds Reserve and Heritage Home Reserve*

*Revised 2024 – Pavement Reserve – Identify Separately – Exit B 30% Less Dust Control*

*Revised 2024 – Library/Legion Reserve Eliminated – Building Improvements can be Financed by the Cash-in-Lieu Account. The December 31, 2023 Reserve Balance of \$17,573.75 (3275-010-0000-1) was transferred out of the Reserve during the 2024 budget process; leaving a nil balance.*

*Revised 2024 - Removed Lumsden Sports Association contribution - See Sept 19, 2024 Minutes*

*Revised 2025 – LSA Reserve Eliminated. Recreation can be funded by the Cash-in-Lieu account. The December 31, 2024 Reserve Balance of \$9,581.92 (3270-010-0000-1) was transferred out of the Reserve during the 2025 budget process; leaving a nil balance.*