

Parkland County

2014-2017 Municipal Operating & Capital Budget Underlying Budget Philosophy

Excerpt

Restricted Surplus

Administration will continue to develop funding for the County's future capital needs through appropriate restricted surplus transfers and will continue to utilize restricted surplus as a financial strategy in preparing the 2014-2017 budgets. The utilization of restricted surplus enables a municipality to rely less on debenture borrowing and to maintain stability in tax rates by avoiding spikes in years where major onetime items are expended (Policy FI-005).

Relative to restricted surplus, the budget will be prepared based on the following:

- Parkland County will maintain appropriate restricted surplus balances as determined by Council through its restricted surplus policy and planning
- The budget will allocate an appropriate level of funds to restricted surplus in order to maintain services throughout economic cycles
- Use of restricted surplus is planned and is not considered as an alternate funding source in place of good financial practice.

It should be noted that only those capital items identified in restricted surplus can be funded from restricted surplus. Any new capital must come from general taxation until such time as "restricted surplus" is identified. As part of Senior Management's review, new capital may be considered for funding from restricted surplus.