

Financial Structure & Reserve Administration Policy

Purpose

Defines the EDC’s financial structure, fund categories, and rules for creating, using, and closing restricted funds. Ensures transparency, compliance, and long-term stability.

Fund Categories

1. Unrestricted Operating Balance

- Used for admin, professional services, and Council-directed non-capital projects (when no reserve exists).

2. Restricted Capital Fund

- Used only for Council-approved capital projects on City-owned or City-controlled land.
- Capital projects must follow statutory requirements and public hearing procedures.

3. Restricted Non-Capital Reserve (Temporary)

- Used only for temporary, reversible non-capital projects.
- May be used on City-approved projects located on leased property (e.g., Corps land) when the project is non-capital and complies with lease terms.
- Created during FY26.
- Expires when depleted.
- May be replenished when the EDC adopts a Workplan & Budget that includes new non-capital projects aligned with Council’s adopted priorities.
- Non-capital project ideas may originate from the EDC, provided they are small, reversible, and aligned with Council’s stated priorities. Council direction is only required for capital projects, not non-capital initiatives.

Creation of Restricted Funds

Restricted funds may be created only when:

1. City Council identifies a priority, and
2. The EDC adopts a Revised Workplan & Budget reflecting that direction.

Use of Restricted Funds

Restricted funds may only be used for their intended purpose. They cannot be transferred, repurposed, or used for admin.

Capital Fund Transfers

10% of sales tax revenue is transferred annually into the Capital Fund to support future capital projects.

Why This Matters

This policy creates a clear, modern financial structure that protects the Board, supports transparency, and ensures compliance with Chapters 501/505.

IX. SUMMARY

This revision provides a **resident-informed, Council-aligned, and legally compliant** Revised Workplan that supports communication, volunteerism, business clarity, and community gathering — all through small, reversible, non-capital projects that maintain maximum flexibility and political safety.

The Restricted Non-Capital Reserve is **temporary**, expires when depleted, and will only be recreated if Council directs a new non-capital project.

Approved by MPR Directors April 13, 2026 as part of the Revised FY25 Workplan and Budget