

**POLICY # PD 012**

**MUNICIPAL RESERVES**

<b>APPROVAL DATE:</b>	<b>10-12-13 (December 2013)</b>	<b>CROSS-REFERENCE</b>	FI 004 – Reserve Policy
<b>RESPONSIBILITY:</b>	Planning & Development		
<b>APPROVER:</b>	Council	<b>APPENDICES:</b>	
<b>REVISION DATE (s):</b>	July 27, 2021 2021-07-14; March 29, 2022 2022-03-45	<b>REVIEW DATE:</b>	March 2023

**POLICY STATEMENT**

The County of Vermilion River strives to remain consistent and transparent in its process regarding the subdivision of lands and the legislated requirements for applicants.

**BACKGROUND**

The County of Vermilion River recognized the need to establish a policy regarding the legislated options under the Alberta Municipal Government Act (MGA) with regards to Municipal and School Reserves. Under Section 671(2) of the MGA, the use of reserve monies collected can only be used:

*“Municipal Reserve, school reserve or municipal and school reserve may be used by a municipality or school board or by them jointly only for any or all of the following purposes:*

- a) A public park;*
- b) A public recreation area;*
- c) School board purposes;*
- d) To separate areas of land that are used for different purposes.”*

## OBJECTIVE

To provide the process and guidelines as to the collection and distribution of municipal and school reserve funds as per MGA section 666(1) and 271(2). Some examples are, but not limited to, public park development, recreational use, assist schools in land or capital in growing and expanding educational needs, and providing land for affordable usage.

## SCOPE

INTERNAL STAKEHOLDERS	EXTERNAL STAKEHOLDERS
Administration	Ratepayers / Non-Profit Organizations
Council	Local School Boards

## DEFINITIONS

**Council** is the whole of the elected officials for the County of Vermilion River in the Province of Alberta.

**County** is the County of Vermilion River.

**MGA** is the Municipal Government Act including amendments made thereto.

**Park Trust Fund** means the use or disposal of municipal reserve land or monies

**Public Park** means an area of green space, with or without apparatus (i.e. playground, courts etc.), that is municipally owned and accessible by the public for use.

**Public Recreation Area** means an outdoor or indoor area that allows the public to enjoy recreational activities (i.e. soccer fields, baseball diamonds, campgrounds, day use areas, community halls etc.)

**Public Use** as defined in this Policy shall mean the use of municipally owned facilities and lands and facilities and lands that are managed by nonprofit organizations and/or associations. It does not include the use of privately owned facilities and lands that are for profit that the public also can access. (Privately owned facilities and lands can access funding via Policy PD 021 – Community Enhancement Funding)

**Ratepayer(s)** are taxpaying residents of the County of Vermilion River.

**Reserve Land** means environmental reserve, conservation reserve, municipal reserve, community services reserve, school reserve, or municipal and school reserve and as defined under Part 17, Division 8 of the MGA

**School Board Purpose** means requests from a recognized School Board for funds to be used only for school educational needs within the County.

**Subdivision Authority** means a subdivision authority established under Part 17, Division 3 of the MGA.

## COLLECTION OF MUNICIPAL RESERVE FUNDS

1. Historically, the County has opted to take money instead of land when dealing with Municipal Reserves. In select cases, the County's Subdivision Authority decides, with consultation of County staff and/or Council, that land be provided. County Administration works with the Subdivision Authority and the subdivision applicant in determining the appropriate form of Municipal Reserve to be provided.
  - a. A proposed subdivision of land may be subject to providing reserve land or money in place of land;
    - i. Reserves may not exceed 10% of the parcel of land, less the land required to be provided as Environmental Reserve and the land made subject to an Environmental Reserve Easement.
    - ii. Any combination of land or money in place of land shall follow Section 666 of the MGA.
  - b. If money is requested in lieu of land, it shall be in accordance with Section 667 of the MGA or shall be decided upon the Subdivision Authority in consultation with the Director of Planning and Development.
  - c. The amount of money in place of land will be equal to 10% of the lands being subdivided and subject to Part 3 of this Policy. Should it not meet any of Part 3 of this Policy then a market value appraisal shall be completed and 10% of the appraisal provided based on the approved subdivision titled parcel(s), determined in accordance with Section 667 of the MGA.
  - d. Lands dedicated for the provision of roads or utilities, including stormwater management systems, shall be considered developable lands and will be included in the calculation of the Municipal Reserve.
  - e. Where applicable, policies found within an Intermunicipal Development Plan, between the County and its neighbour, relating to the collection and/or deferment of Municipal Reserves, shall be adhered to.

Reserves or money in place of land may be deferred in accordance with Section 669 of the MGA where deemed appropriate by County Administration and the County's Subdivision Authority.

2. A Subdivision Authority, as per Section 663 of the MGA, may not require reserve land or money in-lieu of land if one lot is created from a quarter section, land has been subdivided into larger lots for agricultural purposes, creation of smaller lot (2 acres or less) and if reserves have already been provided on title.
3. Where it is determined that, in accordance with this policy, money shall be provided to satisfy the Municipal Reserve requirements for a subdivision, the following process shall be utilized:
  - a. On parcels being subdivided (which are not affected by Section 663 of the MGA), that DO NOT fall within a designated Area Structure Plan or an Intermunicipal Development Plan Area of the County, and DO NOT have exceptional circumstances that could impact value, the valuation of Municipal Reserve calculation shall be **\$1,500/acre**.
  - b. On parcels being subdivided for multi-lot residential purposes, which are:
    - i. Within an approved Area Structure Plan
    - ii. Which are within the allowable limit of single-lot subdivisions as per the County's



Municipal Development Plan, and which further

1. DO NOT fall within the Intermunicipal Development Plan Areas of the County, and
2. DO NOT have exceptional circumstances that could impact Value,

The valuation for Municipal Reserve allocation shall be the County's assessed value unless the applicant contests the County's assessed value. If the County's assessed value is contested by the applicant, then the applicant will be required to provide an appraisal completed by a qualified assessor per Section 667 of the MGA. If an appraisal is received, then the Municipal Reserve calculation shall be the value as indicated in the appraisal.

- c. For subdivisions occurring on lands that are:
  - i. Business, commercial and industrial zoned;
  - ii. Fall within an Intermunicipal Development Plan Area; or
  - iii. Have exceptional circumstances that could impact value,

The calculation for money in place of land for Municipal Reserve shall be in accordance with Section 667(1) of the MGA, with all costs incurred borne by the applicant in their entirety, and shall be based on the total acreage amount shown on the final plan of survey approved by the County's Subdivision Authority.

- d. Should the final submitted plan of survey be altered prior to registration at Land Titles, the revised survey plan shall be submitted to the County and the Subdivision Authority and a re-calculation of the Municipal Reserve shall occur.
4. Payment of Municipal Reserve shall be required prior to final conditions release and registration of the newly created parcel(s) at Land Titles.

## DISTRIBUTION OF MUNICIPAL RESERVE FUNDS

As per Section 671(2) of the Municipal Government Act:

"Municipal Reserve, school reserve, or municipal and school reserve may be used by a municipality or school board or by them jointly for any or all of the following purposes:

- a) A public park;
- b) A public recreation area;
- c) School board purposes;
- d) To separate areas of land that are used for different purposes."

## PARK TRUST (MUNICIPAL) RESERVE FUNDS

1. Park Trust funds can be used for any of the other purposes, besides school, that are identified in Section 671(2) of the MGA, and provide a benefit to the region within the County of Vermilion River municipal boundary.
2. These funds may be used for **capital projects** for Public Use facilities and/or lands, including but

not limited to:

- a. Soccer field development (not operational)
- b. Ball diamond development (not operational)
- c. Installation or replacement of playground equipment
- d. Development of natural area (i.e. development of trails, initial clean-up of area for safety purposes, installation of apparatus (playground equipment, picnic tables etc.))
- e. Capital installation or repairs (not operational) to community facilities (i.e. replacement of necessary utilities (gas, water, etc.), repair/replacement of structural portions (walls, floors, roofs) etc.)
- f. Separation of the lands to accommodate any of the above.

3. Funds will be distributed based on the following criteria:

a. One-time payments towards larger facility projects:

- i. Payment of up to 50% maximum of a project value, up to \$100,000.
- ii. Payment of up to a maximum of \$75,000 for project valued over \$100,000 to a maximum project value of \$2,500,000.
- iii. Council shall determine allotment of funding for projects valued over \$2,500,000.

b. Smaller projects may apply once during a five (5) year period and must benefit County residents or the majority of residents in the region within the municipal boundary of the County:

- i. Payment of 50% of the total cost of the smaller project to a maximum of \$10,000 per project in a five (5) year period.

c. The following conditions apply to both of parts (a) and (b) above:

- i. The organization/association must specify the party responsible for the maintenance of the equipment and grounds and include specifications in the agreement.
- ii. The project plan and budget must be included with the application for review and consideration by administration and recommendation to Council.
- iii. The project must be started within 90 days of receiving the funds from the County and must be completed within two (2) years.

4. A project report must be submitted to the County, within thirty (30) days, upon completion of the project detailing the project and funding used.

5. Recognition will be coordinated through the County and organization/association directly.

6. If Park Trust funds are received for a capital project, Community Enhancement Funding (Policy PD #021) funds cannot be used for the same project. Only one source of funding (either Park Trust or Community Enhancement Funding) will be accessible for the same project in the same year, unless approved by recommended department and /or approved by Council.

**SCHOOL RESERVE FUNDS**

1. Money collected in place of School Reserve will be accounted for separately and interest earned on the accumulated funds shall be added back into the School Reserve.
2. The County will establish with the School Board(s), each year, the number of schools in the County and the available funding to each of the schools.
3. Priority will be given to projects that enhance the long-term educational value and provide a direct benefit to the children.
4. Each school may receive a maximum of \$5,000 every two (2) years or over a two (2) year period, dependent on available funding.
5. All schools must submit requests for funding to their respective school board.
6. Upon endorsement, the School Board will forward the request along with the background information to the County for approval.
7. Once approval is obtained, funds for all school applications will be distributed to the sponsoring School Board. The School Board will then distribute the funds to the individual schools. The school will need to submit a project completion report within twelve (12) months of receiving the funds.
  - a. No additional funding will be provided until reporting has been completed.
8. Recognition will be coordinated through the sponsoring school board and school applying for funding and shall adhere to Policy PD 021 (Community Funding Policy), part 8, that the school board or individual school recognize the County for funding within 90 days of receiving approval from the County.

**ROLES AND RESPONSIBILITIES**

<b>ROLE/TASK</b>	<b>TITLE (s) OF PERSON RESPONSIBLE</b>
<b>HANDLING INQUIRIES</b>	Community Services Coordinator
<b>MONITORING REVIEWS AND REVISIONS</b>	Director of Planning and Development
<b>IMPLEMENTING POLICY</b>	Council
<b>COMMUNICATING POLICY</b>	Chief Administrative Officer