The District of North Vancouver has established by Bylaw 7706 a capital reserve titled the ‘New Capital and Innovation Reserve Fund’.

This fund will be guided by the following principles:

**Appropriations from the fund will be made subject to:**

1. Being of a capital nature and;
2. Result in the addition of new capital assets or the enhancement of existing capital assets.

**Contributions to the fund will come from the following sources:**

1. Interest earned on the fund’s principal balance;
2. Investment return on innovation capital expenditures;
3. Proceeds from the sale of capital assets removed from community service (equity transfer);
4. Net realized valuation lift associated from the rezoning of lands to higher uses;
5. Proceeds from borrowings;
6. Contributions from the tax levy per Council direction and;
7. Transfer from other funds as per Council direction subject to the provisions of the Community Charter.

**REASON FOR POLICY**

The New Capital and Innovation Fund Reserve has been established to provide Council with measured flexibility to

- add or enhance capital assets in response to emerging or changing community needs
- provide a funding source to invest in innovation projects with a financial return

This policy serves to articulate the source and use of funds of the Reserve.
PROCESS
Request for appropriation of funds from the Reserve can be initiated by a Councillor or Staff and is subject to Council approval of both a:

- Financial Plan Approval Bylaw
- Reserve Fund appropriation Bylaw

Innovation capital repayment terms and schedule will be identified at the time of appropriation.

AUTHORITY TO ACT
Retained by Council.

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<th>May 5, 2008</th>
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