

THE CITY OF CALGARY
RESERVES AND LONG TERM LIABILITIES
BALANCES 2019

July 2020

TABLE OF CONTENTS

REPORT OVERVIEW	2
RESERVES BALANCES FINANCIAL TABLES	4
5-Year Trend of Balances	5
Variance Explanations for Current Year Change.....	6
Investment Income Allocations – 5 Year Trend	9
Balance Conditions	10
Balance by Reserve Type	11
2019 Reserve Department Ownership Schedule.....	12
GLOSSARY	14
APPENDIX - RESERVES AND LONG TERM LIABILITIES	15

REPORT OVERVIEW

INTRODUCTION

Finance presents a report on Reserves and Long Term Liabilities to the Priorities and Finance Committee (PFC) on an annual basis in accordance with the requirements contained within Council Policy on Reserves CFO013. This report is a supplement to The City of Calgary's Annual Report and provides detailed financial information on the reserves including the reserves terms and financial details for each individual reserve as an appendix. The financial information includes reserves balances, trending information, variances, conditions on balances, balances by reserve type and investment income allocations to reserves. Each reserve's appendix includes the approved terms for the reserve and financial details for the past five years. In addition to the information on individual reserves, the appendix includes details of capital deposit balances and employee benefit obligation balances categorized as long term liabilities in The City of Calgary's Annual Report. This report supports the Priorities and Finance Committee in the exercise of its mandate for oversight of financial planning and reporting in accordance with the duties and functions defined within Bylaw 35M2017.

BACKGROUND

The creation, use and management of reserve funds through a formalized financial reserve policy is a best practice and consistent feature of municipal financial control in most large cities in Canada and the United States. Reserves are part of strong fiscal management that allow for funds to be spent judiciously over time. Reserves are used to accumulate funds to replace capital assets, and also to provide a measure of financial flexibility to react to budget shortfalls or the financial impact of significant unexpected issues in a timely manner. A properly balanced approach to the planning and use of reserves is considered strong financial management and is a key component of The City's strong credit rating.

RESERVES MANAGEMENT AND REPORTING

Council Policy on Reserves CFO013 (Council Policy) defines how reserves are created, amended, closed, administered and reviewed. Council approves the creation, amendment and closure of all reserves. Administration is responsible for managing the reserves in accordance with the Council-approved purpose and any or all conditions and/or restrictions placed upon the reserve. Revenue sources and expenditures from reserves are included in the budget and any adjustments approved by Council. Council Policy also defines the annual reporting requirement for reserves and the triennial review process for every active reserve.

Administration Policy on Financial Reserves FA-050 establishes further guidelines and criteria for proper administration of financial reserves and defines the roles and responsibilities of all parties associated with administering financial reserves. Business Units through their designated Operational Leads and Financial Leads are responsible for ensuring that the reserve funds are being used in accordance with the approved terms for the reserve, are recorded and reported in accordance with established practices and comply with the documentation standards defined within the procedures in Administration Policy on Financial Reserves. Corporate Financial Reporting within the Finance business unit is responsible for ensuring that the reserve balances are accurately reported in The City's Annual Audited Financial Statements and in the Annual Reserves Report.

In accordance with the roles and responsibilities defined within these policies and procedures, Corporate Financial Reporting has established, managed and coordinated reserves processes, financial and reporting controls procedures for the review of each individual reserve, reconciliation of the reserves portfolio and developing The City of Calgary Reserves and Long Term Liabilities Balances 2019 report.

OVERVIEW OF 2019 CHANGES

Following changes were noted during the compilation of the 2019 report:

- The Major Capital Project Reserve was created and added to Capital Reserves as approved by Council on April 29, 2019. This reserve was funded by contributions from the Fiscal Stability Reserve, Lifecycle Maintenance & Upgrade Reserve, Budget Savings Account, Tax Loss Provision Reserve and Real Estate Services Reserve.
- The Cash-in-Lieu Lifecycle Sustainment Reserve was created and added to Sustainment Reserves. This reserve was funded by the Parking Land Acquisition Reserve in its entirety.
- Per recommendations of 2019 Triennial Reserve Review process, three reserves moved from capital to sustainment categorization. These reserves are Corporate Housing Reserve, Fleet Services Capital Reserve and the Revolving Fund Reserve for General Land Purchases
- Two reserves underwent a name change. The Fleet Services Capital Reserve is now called the Fleet Services Reserve. In addition, the Calgary Building Services and Calgary Community Standards Business Licence Sustainment Reserve were split into two different reserves now called the Business Licence Sustainment Reserve and the Planning & Development Reserve

INVESTMENT INCOME ALLOCATIONS

The Treasury group within the Finance business unit is mandated with the management of the investments at The City. In accordance with this mandate, Treasury manages all of the reserve funds. An allocation of interest is made only to those reserves that have been approved to receive investment income in accordance with the terms of the reserve approved by Council. Investment income allocations are also made to eligible capital deposits and other eligible fund balances. In 2019, \$59.3 million in investment income was allocated to the reserves approved to receive investment income allocations. Investment income earned on reserves balances that are not approved to receive investment income allocations are transferred to general revenue.

LONG TERM LIABILITIES

In addition to reserves, The City has commitments in the form of long term liabilities, such as, capital deposits and employee benefit obligations. Capital deposits are funds available for the purpose of capital spending and have specific restrictions and conditions around their usage. Employee benefit obligations is another significant liability held by City with specific purpose and contractual conditions. Due to the significant balance of these liabilities, these amounts are also included in this report for informational purposes.

RESERVES BALANCES

FINANCIAL TABLES

5 YEAR TREND
AS AT DECEMBER 31, 2015 - 2019
(\$'000's)

This report includes reserves balances information for the past five years and provides balance trends for each reserve. The reserves are grouped as operating, capital or sustainment and the reserve type is included for each reserve to provide more context in understanding the balance trends.

	Type	Appx. Pg.	2019	2018	2017 (Restated)	2016	2015 (Restated)
Operating Reserves							
Calgary Heritage Authority Reserve	E	19	1,680	1,771	1,772	1,765	1,770
Calgary Police Service Court Fine Revenue Operating Reserve	C	20	4,000	4,000	4,000	4,000	4,000
Calgary Police Service Helicopter Maintenance	CF	21	2,236	2,473	2,352	2,390	3,024
Children's Reserve Fund	E	22	4,844	4,702	4,723	4,693	4,605
ENMAX Dividend Stabilization Reserve	C	23	14,500	13,000	20,000	20,000	20,000
Family & Community Support Service (FCSS) Stabilization Fund	C	24	3,679	3,685	4,361	5,504	5,704
Fiscal Stability Reserve	C	26	536,284	656,282	573,721	556,561	547,811
Group Life Reserve	L	28	1,965	1,637	1,725	1,685	1,580
Health, Safety and Wellness Reserve	CF	30	17,276	17,799	18,813	15,984	13,271
Heritage Incentive Reserve	CF	32	1,229	1,242	1,205	965	1,087
Mall Programming Fund	C	34	865	835	813	788	770
Parking Revenue Reinvestment Reserve	CF	36	4,918	3,884	2,133	-	-
Parks Foundation Reserve	E	37	2,327	2,471	2,407	2,376	2,395
Self - Insurance Reserve	L	38	7,000	7,000	7,000	7,000	7,000
Snow and Ice Control (SNIC) Reserve	C	40	-	5,426	12,482	15,000	8,940
Tax Loss Provision Reserve	C	42	-	37,398	37,398	37,398	37,398
			602,803	763,605	694,905	676,109	659,355
Capital Reserves							
911 Communications Centre Capital Financing Reserve	CF	43	25,377	25,055	26,243	24,141	18,577
Artificial Turf Field Lifecycle Reserve	C/CF	44	5,456	4,803	3,271	3,015	2,221
Asphalt and Crusher Plant Lifecycle Capital Reserve	CF	45	6,058	6,120	6,443	7,500	6,367
Calgary Police Service Capital Reserve	CF	46	37,825	40,868	40,209	40,254	34,349
Community Investment Reserve	CF	48	61,481	43,704	39,079	102,204	152,379
Debt Servicing Reserve	C	50	52,570	52,570	52,570	52,570	52,570
Downtown Improvement Fund	CF	52	2,800	2,777	3,050	3,684	3,629
Information Technology Reserve	CF	54	35,643	37,286	27,711	20,746	18,658
LED Street Light Re-Lamping Reserve	CF	56	4,802	5,414	4,537	5,688	5,528
Legacy Parks Reserve	CF	58	7,889	7,025	8,155	10,558	18,450
Lifecycle Maintenance and Upgrade Reserve	CF	60	245,554	248,660	171,056	116,122	149,391
Major Capital Project Reserve	CF	62	423,516	-	-	-	-
Parking Land Acquisition Reserve	Closed CF	64	-	42,851	41,719	40,772	38,215
Reserve for Future Capital	C/CF	66	357,467	305,675	305,420	327,014	354,190
TELUS Convention Centre Reserve	L	68	213	200	20	242	213
			1,266,651	823,008	729,483	754,510	854,737
Sustainment Reserves							
(combined operating & capital reserves)							
Budget Savings Account Reserve	CF	70	91,251	135,198	157,334	130,103	60,905
Business License Sustainment Reserve (formerly CCS)	CF	72	11,966	10,234	9,583	7,249	4,701
Cash-in-Lieu Lifecycle Sustainment Reserve	CF	73	42,477	-	-	-	-
Community Sustainability Reserve	L	74	1,856	2,062	2,119	2,123	2,270
Corporate Housing Reserve	L	76	33,952	31,622	30,383	29,885	38,504
Fleet Services Reserve (formerly Capital)	CF	78	8,338	9,766	10,933	14,326	10,456
Golf Course Levy Reserve	C/CF	79	3,744	2,763	2,777	1,712	1,126
Livery Transport Services	CF	80	5,834	4,818	4,145	3,737	4,076
Millican-Ogden Community Enhancement	Closed CF	81	-	-	-	5	132
Opportunity Calgary Investment Fund (formerly Economic Development)	L	82	95,853	101,047	55,000	-	-
Parks Endowment and Sustainment Reserve	C/E	84	2,886	4,510	4,494	3,118	2,328
Perpetual Care of the Municipal Cemetery System Reserve	CF	86	21,457	19,519	18,221	15,905	13,949
Planning & Development Reserve (formerly CBS)	C/CF	88	81,707	77,908	86,752	99,114	93,707
Public Art Reserve	CF	90	8,048	6,768	5,883	5,105	4,093
Real Estate Services	CF	92	98,202	82,935	70,795	63,969	68,396
Revolving Fund Reserve for General Land Purchases	C/CF	94	135,487	119,750	102,118	101,073	86,881
Utility Sustainment Reserve	C/CF	96	156,957	175,255	141,661	133,033	83,257
Waste and Recycling Sustainment Reserve	C/CF	98	67,312	63,083	64,802	48,019	48,809
			867,327	847,238	767,000	658,476	523,590
Total Reserves			2,736,781	2,433,851	2,191,388	2,089,095	2,037,682

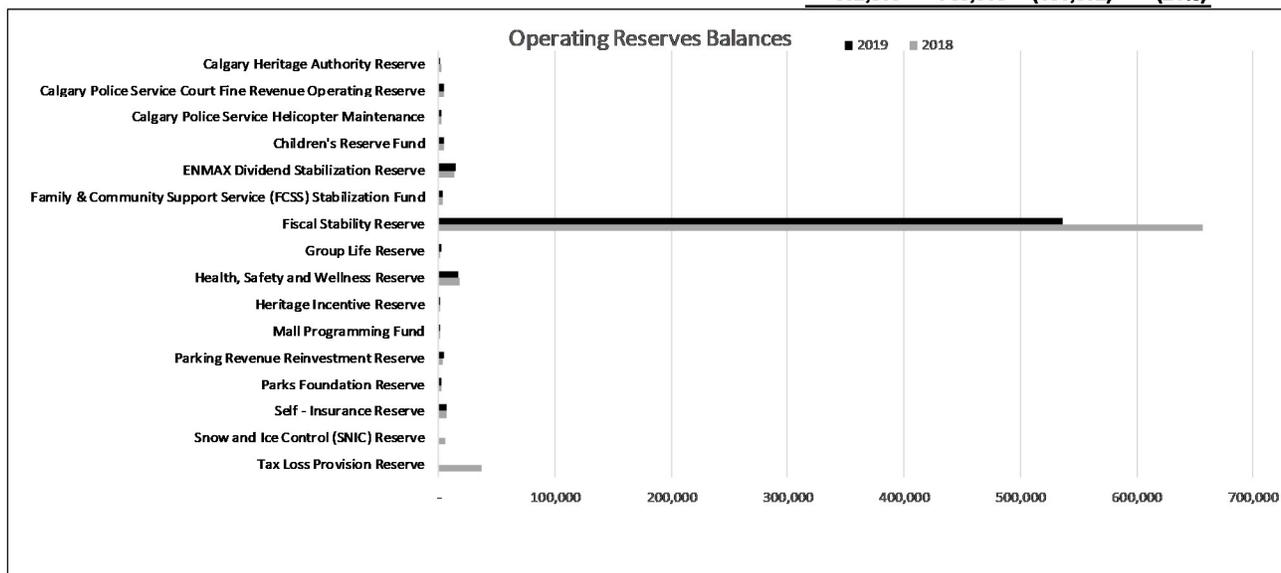
Reserve Type:

- C - Contingency Reserve:** A reserve to fund approved actions during an unexpected event. Reserve is not expected to have a budget but will generally have conditions as to adequacy of balances.
- CF - Cashflow Reserve:** A reserve to fund planned future actions with the purpose of smoothing cash demands. These reserves will generally have a budget for expenditures.
- E - Endowment (Type) Reserve:** A fund created to provide income for long-term ongoing purpose. Such funds are usually held in perpetuity and no encroachment on capital is allowed.
- L - Legislated/Contractual Requirement:** A reserve created and maintained by legislation or external agreements. The legislation or agreement defines the terms of the reserve.

CURRENT YEAR CHANGE - OPERATING
AS AT DECEMBER 31
(\$'000's)

This report provides explanations for the year-on-year change in reserve balances for the operating reserves. The threshold used for providing explanations is \$4,000 or 20% increase or decrease in reserves balances relative to the prior year.

	Type	Appx. Pg.	2019	2018	Change \$	Change %	Change Note
Operating Reserves							
Calgary Heritage Authority Reserve	E	19	1,680	1,771	(91)	(5%)	
Calgary Police Service Court Fine Revenue Operating Reserve	C	20	4,000	4,000	-	0%	
Calgary Police Service Helicopter Maintenance	CF	21	2,236	2,473	(237)	(10%)	
Children's Reserve Fund	E	22	4,844	4,702	142	3%	
ENMAX Dividend Stabilization Reserve	C	23	14,500	13,000	1,500	12%	
Family & Community Support Service (FCSS) Stabilization Fund	C	24	3,679	3,685	(6)	0%	
Fiscal Stability Reserve	C	26	536,284	656,282	(119,998)	(18%)	1
Group Life Reserve	L	28	1,965	1,637	328	20%	2
Health, Safety and Wellness Reserve	CF	30	17,276	17,799	(523)	(3%)	
Heritage Incentive Reserve	CF	32	1,229	1,242	(13)	(1%)	
Mall Programming Fund	C	34	865	835	30	4%	
Parking Revenue Reinvestment Reserve	CF	36	4,918	3,884	1,034	27%	3
Parks Foundation Reserve	E	37	2,327	2,471	(144)	(6%)	
Self - Insurance Reserve	L	38	7,000	7,000	-	0%	
Snow and Ice Control (SNIC) Reserve	C	40	-	5,426	(5,426)	(100%)	4
Tax Loss Provision Reserve	C	42	-	37,398	(37,398)	(100%)	5
			602,803	763,605	(160,802)	(21%)	



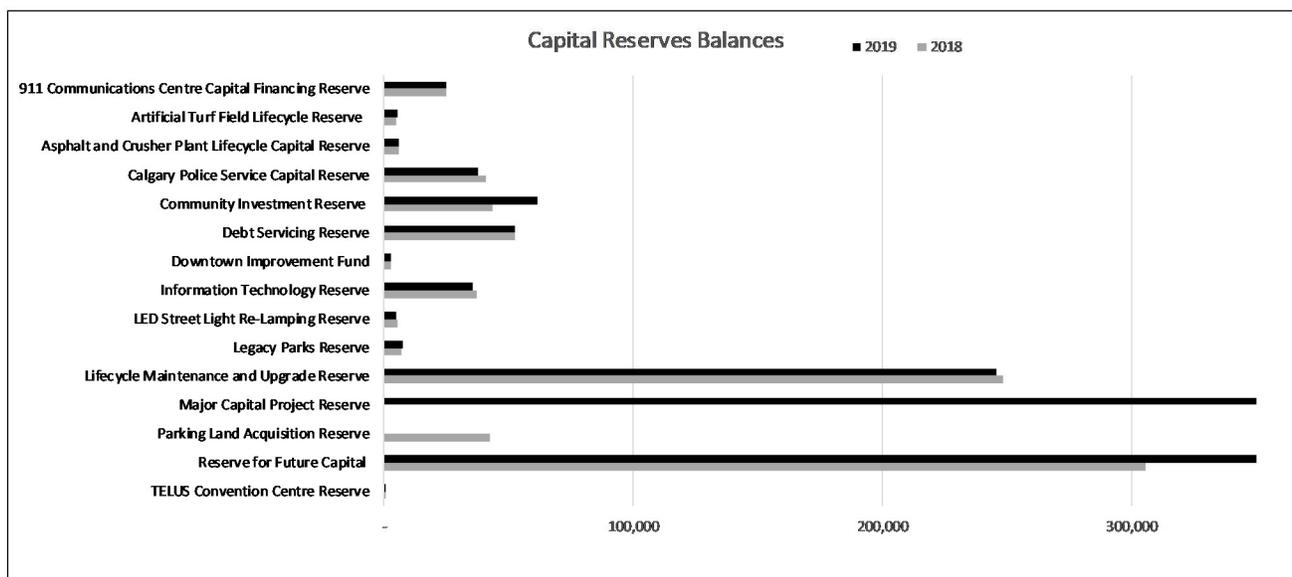
Change Explanation (Threshold: Greater than 20% or \$4,000):

- 1. Fiscal Stability Reserve:** The decrease is primarily due to the \$308 million transfer to fund the Major Capital Projects Reserve, offset by increased surplus compared to prior year.
- 2. Group Life Reserve:** The increase is due to the contractual minimum balance required in accordance with terms and conditions of the Group Life Benefit contract.
- 3. Parking Revenue Reinvestment Reserve:** The increase in balance is due to the higher contributions from Calgary Parking Authority to the reserve, as compared to the contributions to operations from the reserve.
- 4. Snow and Ice Control Reserve:** The depletion of the reserve is due to higher expenditures for the higher snowfall in 2019. The snowfall was approximately 36 per cent higher than the previous 5 year average, causing higher usage of vehicle and equipment, sanding, salting, snow removal, and plowing.
- 5. Tax Loss Provision Reserve:** The decrease is due to a transfer of the full balance to the Major Capital Projects Reserve as per PFC2019-0525.

CURRENT YEAR CHANGE - CAPITAL
AS AT DECEMBER 31
(\$'000's)

This report provides explanations for the year-on-year change in reserve balances for the capital reserves. The threshold used for providing explanations is \$4,000 or 20% increase or decrease in reserves balances relative to the prior year.

		Appx.			Change	Change	Change
	Type	Pg.	2019	2018	\$	%	Note
Capital Reserves							
911 Communications Centre Capital Financing Reserve	CF	43	25,377	25,055	322	1%	
Artificial Turf Field Lifecycle Reserve	C/CF	44	5,456	4,803	653	14%	
Asphalt and Crusher Plant Lifecycle Capital Reserve	CF	45	6,058	6,120	(62)	(1%)	
Calgary Police Service Capital Reserve	CF	46	37,825	40,868	(3,043)	(7%)	
Community Investment Reserve	CF	48	61,481	43,704	17,777	41%	1
Debt Servicing Reserve	C	50	52,570	52,570	-	0%	
Downtown Improvement Fund	CF	52	2,800	2,777	23	1%	
Information Technology Reserve	CF	54	35,643	37,286	(1,643)	(4%)	
LED Street Light Re-Lamping Reserve	CF	56	4,802	5,414	(612)	(11%)	
Legacy Parks Reserve	CF	58	7,889	7,025	864	12%	
Lifecycle Maintenance and Upgrade Reserve	CF	60	245,554	248,660	(3,106)	(1%)	
Major Capital Project Reserve	CF	62	423,516	-	423,516	100%	2
Parking Land Acquisition Reserve	Closed CF	64	-	42,851	(42,851)	(100%)	3
Reserve for Future Capital	C/CF	66	357,467	305,675	51,792	17%	4
TELUS Convention Centre Reserve	L	68	213	200	13	7%	
			1,266,651	823,008	443,643	54%	



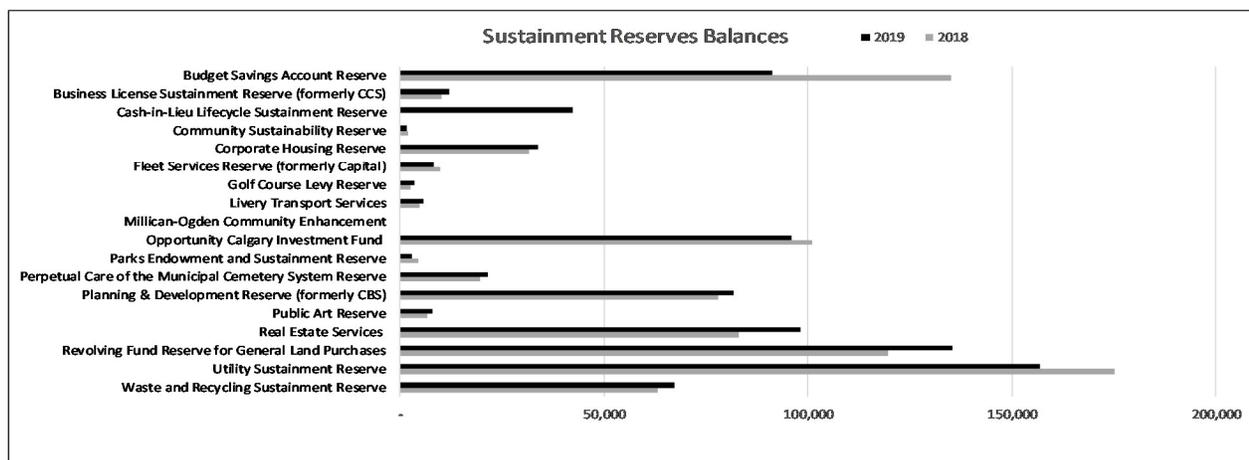
Change Explanation (Threshold: Greater than 20% or \$4,000):

- Community Investment Reserve:** The increase in the reserve balance is due to consistent contributions from the funding sources and offset by lower capital spend needs due to capital project progress and timing.
- Major Capital Project Reserve:** This reserve was created in 2019 to fund long term capital projects. Funding was received from various reserves as detailed on page 62-63.
- Parking Land Acquisition Reserve:** This reserve was closed in 2019 and the balance transferred to the Cash-in-Lieu Lifecycle Sustainment Reserve, approved by PFC2018-1125.
- Reserve for Future Capital:** The increase in this reserve is primarily due to higher contribution from operations for pay-as-you-go funding for new communities from Infrastructure Calgary, excess ENMAX local access fees, loan repayments from other business units and Provincial flood reimbursement payments.

CURRENT YEAR CHANGE - SUSTAINMENT
AS AT DECEMBER 31
(\$000's)

This report provides explanations for the year-on-year change in reserve balances for the sustainment reserves. The threshold used for providing explanations is \$4,000 or 20% increase or decrease in reserves balances relative to the prior year.

	Appx.		2019	2018	Change \$	Change %	Change Note
	Type	Pg.					
Sustainment Reserves (combined operating & capital reserves)							
Budget Savings Account Reserve	CF	70	91,251	135,198	(43,947)	(33%)	1
Business Licence Sustainment Reserve (formerly CCS)	CF	72	11,966	10,234	1,732	17%	
Cash-in-Lieu Lifecycle Sustainment Reserve	CF	73	42,477	-	42,477	100%	2
Community Sustainability Reserve	L	74	1,856	2,062	(206)	(10%)	
Corporate Housing Reserve	L	76	33,952	31,622	2,330	7%	
Fleet Services Reserve (formerly Capital)	CF	78	8,338	9,766	(1,428)	(15%)	
Golf Course Levy Reserve	C/CF	79	3,744	2,763	981	36%	3
Livery Transport Services	CF	80	5,834	4,818	1,016	21%	4
Opportunity Calgary Investment Fund (formerly Economic Development)	L	82	95,853	101,047	(5,194)	(5%)	5
Parks Endowment and Sustainment Reserve	C/E	84	2,886	4,510	(1,624)	(36%)	6
Perpetual Care of the Municipal Cemetery System Reserve	CF	86	21,457	19,519	1,938	10%	
Planning & Development Reserve (formerly CBS)	C/CF	88	81,707	77,908	3,799	5%	
Public Art Reserve	CF	90	8,048	6,768	1,280	19%	
Real Estate Services	CF	92	98,202	82,935	15,267	18%	7
Revolving Fund Reserve for General Land Purchases	C/CF	94	135,487	119,750	15,737	13%	8
Utility Sustainment Reserve	C/CF	96	156,957	175,255	(18,298)	(10%)	9
Waste and Recycling Sustainment Reserve	C/CF	98	67,312	63,083	4,229	7%	10
			867,327	847,238	20,089	2%	



Change Explanation (Threshold: Greater than 20% or \$4,000):

- Budget Savings Account:** The reserve decreased due to higher contributions to operations for one-time items, transfers to business units to fund HR accommodation costs and transfers to the Major Capital Project Reserve. This was partially offset by budget savings contributions from business units.
- Cash-in- Lieu Lifecycle:** This is a new reserve created in 2019 to fund the lifecycle operating and capital needs for existing cash-in-lieu parking facilities managed by the Calgary Parking Authority.
- Golf Course Levy:** The increase in reserve balance is due to the higher contribution from operations to reserve.
- Livery Transport Services:** The increase in reserve balance is due to higher operating surplus due to transportation network companies (rideshare) becoming more established and adding more drivers to their business and associated fees.
- Opportunity Calgary Investment Fund:** The decrease in the reserve balance is due to disbursements made to organizations as per PFC2018-0187 terms of reference.
- Parks Endowment and Sustainment:** The decrease in reserve balance is due to funding set aside for Century Gardens being utilized during 2019.
- Real Estate Services:** The increase in the reserve is due to higher net industrial sales, offset by transfer to Major Capital projects reserve.
- Revolving Fund:** The increase in the reserve balance is due to including a new funding source (net acquisition fees) along with higher amounts of repayments by business units for land transactions.
- Utility Sustainment:** The decrease in reserve balance is due to higher capital financing costs than interest earned and contributions from operations.
- Waste and Recycling:** The increase in reserve balance is due to lower contributions to operations related to landfill closure liability and fleet business model.

INVESTMENT INCOME ALLOCATIONS
FOR THE YEARS ENDED DECEMBER 31, 2015 - 2019
(\$000's)

This report includes information on the eligibility for investment income allocations for each reserve. For reserves that are approved to receive investment income allocations, the report provides a five year history of the allocations for these reserves. Investment income not allocated to reserves is allocated to general revenue.

	Type	Appx. Pg.	Investment Income Allocations	2019	2018	2017	2016	2015
						(Restated)	(Restated)	(Restated)
Operating Reserves								
Calgary Heritage Authority Reserve	E	19	Y	59	47	55	40	43
Calgary Police Service Court Fine Revenue Operating Reserve	C	20	N	-	-	-	-	-
Calgary Police Service Helicopter Maintenance	CF	21	N	-	-	-	-	-
Children's Reserve Fund	E	22	Y	167	129	150	105	115
ENMAX Dividend Stabilization Reserve	C	23	N	-	-	-	-	-
Family & Community Support Service (FCSS) Stabilization Fund	C	24	Y	125	106	149	92	-
Fiscal Stability Reserve	C	26	Y	15,765	15,215	16,651	12,319	11,465
Group Life Reserve	L	28	Y	57	46	53	36	37
Health, Safety and Wellness Reserve	CF	30	N	-	-	-	-	-
Heritage Incentive Reserve	CF	32	Y	47	35	-	-	-
Mall Programming Fund	C	34	Y	30	22	25	18	18
Parking Revenue Reinvestment Reserve	CF	36	N	-	-	-	-	-
Parks Foundation Reserve	E	37	Y	148	192	173	140	213
Self - Insurance Reserve	L	38	Y	-	-	-	-	-
Snow and Ice Control (SNIC) Reserve	C	40	N	-	-	-	-	-
Tax Loss Provision Reserve	C	42	N	-	-	-	-	-
				16,398	15,792	17,256	12,750	11,891
Capital Reserves								
911 Communications Centre Capital Financing Reserve	CF	43	N	-	-	-	-	-
Artificial Turf Field Lifecycle Reserve	C/CF	44	Y	181	109	97	59	45
Asphalt and Crusher Plant Lifecycle Capital Reserve	CF	45	Y	71	117	156	107	60
Calgary Police Service Capital Reserve	CF	46	P	34	16	30	19	20
Community Investment Reserve	CF	48	Y	1,748	1,336	3,348	5,860	7,369
Debt Servicing Reserve	C	50	Y	2,088	1,645	1,863	1,177	1,340
Downtown Improvement Fund	CF	52	Y	97	83	107	83	87
Information Technology Reserve	CF	54	P	182	106	374	211	209
LED Street Light Re-Lamping Reserve	CF	56	N	-	-	-	-	-
Legacy Parks Reserve	CF	58	Y	234	192	255	335	449
Lifecycle Maintenance and Upgrade Reserve	CF	60	N	-	-	-	-	-
Major Capital Project Reserve	CF	62	Y	10,272	-	-	-	-
Parking Land Acquisition Reserve	Closed CF	64	Y	-	1,132	1,308	876	810
Reserve for Future Capital	C/CF	66	N	-	-	-	-	-
TELUS Convention Centre Reserve	L	68	N	-	-	-	-	-
				14,907	4,736	7,538	8,727	10,389
Sustainment Reserves								
(combined operating & capital reserves)								
Budget Savings Account Reserve	CF	70	N	-	-	-	-	-
Business License Sustainment Reserve (formerly CCS)	CF	72	Y	406	295	299	146	92
Cash-in-Lieu Lifecycle Sustainment Reserve	CF	73	Y	1,246	-	-	-	-
Community Sustainability Reserve	L	74	N	-	-	-	-	-
Corporate Housing Reserve	L	76	Y	936	655	754	645	762
Fleet Services Reserve (formerly Capital)	CF	78	N	-	-	-	-	-
Golf Course Levy Reserve	C/CF	79	Y	112	75	74	36	25
Livery Transport Services	CF	80	Y	185	117	119	86	110
Millican-Ogden Community Enhancement	Closed CF	81	N	-	-	-	-	-
Opportunity Calgary Investment Fund (formerly Economic Development)	L	82	Y	2,842	1,858	-	-	-
Parks Endowment and Sustainment Reserve	C/E	84	Y	148	112	131	61	44
Perpetual Care of the Municipal Cemetery System Reserve	CF	86	Y	720	512	552	347	335
Planning & Development Reserve (formerly CBS)	C/CF	88	Y	2,844	1,961	3,159	2,131	2,056
Public Art Reserve	CF	90	N	-	-	-	-	-
Real Estate Services	CF	92	P	453	168	198	145	149
Revolving Fund Reserve for General Land Purchases	C/CF	94	Y	3,972	2,827	2,917	2,086	2,031
Utility Sustainment Reserve	C/CF	96	Y	9,042	5,164	4,469	2,774	2,091
Waste and Recycling Sustainment Reserve	C/CF	98	Y	5,186	3,821	3,974	2,575	2,705
				28,092	17,565	16,646	11,032	10,400
Total Investment Income Allocations to Reserves				59,397	38,093	41,440	32,509	32,680

Investment Income Allocations:

Y - Receives allocations

N - Does not receive allocations and investment income allocated to general revenue

P - A component receives an allocation

BALANCE CONDITIONS
AS AT DECEMBER 31, 2019
(\$000's)

Council approved reserves conditions as to balances at the time reserves were created or subsequent to their creation. This report provides information on the balance conditions for each reserve that has an approved balance condition.

	Type	Appx. Pg.	2019	Reserve Balance Conditions			
				Minimum	Maximum	Target	Principal
Operating Reserves							
Calgary Heritage Authority Reserve	E	19	1,680	-	-	-	1,338
Calgary Police Service Court Fine Revenue Operating Reserve	C	20	4,000	-	-	-	-
Calgary Police Service Helicopter Maintenance	CF	21	2,236	-	-	-	-
Children's Reserve Fund	E	22	4,844	-	-	-	-
ENMAX Dividend Stabilization Reserve	C	23	14,500	-	20,000	-	-
Family & Community Support Service (FCSS) Stabilization Fund	C	24	3,679	-	-	-	-
Fiscal Stability Reserve	C	26	536,284	169,668	-	509,004	-
Group Life Reserve	L	28	1,965	1,965	-	-	-
Health, Safety and Wellness Reserve	CF	30	17,276	-	-	-	-
Heritage Incentive Reserve	CF	32	1,229	-	-	-	-
Mall Programming Fund	C	34	865	-	-	-	688
Parking Revenue Reinvestment Reserve	CF	36	4,918	-	-	-	-
Parks Foundation Reserve	E	37	2,327	-	-	-	2,000
Self - Insurance Reserve	L	38	7,000	2,000	7,000	-	7,000
Snow and Ice Control (SNIC) Reserve	C	40	-	-	15,000	-	-
Tax Loss Provision Reserve	C	42	-	-	41,546	-	-
Capital Reserves							
911 Communications Centre Capital Financing Reserve	CF	43	25,377	-	-	-	-
Artificial Turf Field Lifecycle Reserve	C/CF	44	5,456	-	-	-	299
Asphalt and Crusher Plant Lifecycle Capital Reserve	CF	45	6,058	-	7,500	-	-
Calgary Police Service Capital Reserve ⁽¹⁾	CF	46	37,825	-	2,500	-	-
Community Investment Reserve	CF	48	61,481	-	-	-	-
Debt Servicing Reserve	C	50	52,570	-	-	-	-
Downtown Improvement Fund	CF	52	2,800	-	-	-	-
Information Technology Reserve ⁽²⁾	CF	54	35,643	6,500	8,100	-	-
LED Street Light Re-Lamping Reserve	CF	56	4,802	-	-	-	-
Legacy Parks Reserve	CF	58	7,889	-	-	-	-
Lifecycle Maintenance and Upgrade Reserve	CF	60	245,554	-	-	-	-
Major Capital Project Reserve	CF	62	423,516	-	-	-	-
Parking Land Acquisition Reserve	Closed CF	64	-	-	-	-	-
Reserve for Future Capital	C/CF	66	357,467	-	-	80,211	-
TELUS Convention Centre Reserve	L	68	213	200	-	-	-
Sustainment Reserves							
(combined operating & capital reserves)							
Budget Savings Account Reserve	CF	70	91,251	-	-	-	-
Business License Sustainment Reserve (formerly CCS)	CF	72	11,966	-	-	-	-
Cash-in-Lieu Lifecycle Sustainment Reserve	CF	73	42,477	-	-	-	-
Community Sustainability Reserve	L	74	1,856	-	-	-	-
Corporate Housing Reserve	L	76	33,952	-	-	-	-
Fleet Services Reserve (formerly Capital)	CF	78	8,338	-	10,000	-	-
Golf Course Levy Reserve	C/CF	79	3,744	-	-	-	-
Livery Transport Services	CF	80	5,834	-	-	-	-
Millican-Ogden Community Enhancement	Closed CF	81	-	-	-	-	-
Opportunity Calgary Investment Fund (formerly Economic Development)	L	82	95,853	-	-	-	-
Parks Endowment and Sustainment Reserve	C/E	84	2,886	-	-	-	419
Perpetual Care of the Municipal Cemetery System Reserve	CF	86	21,457	-	-	-	-
Planning & Development Reserve (formerly CBS)	C/CF	88	81,707	-	-	59,421	-
Public Art Reserve	CF	90	8,048	-	-	-	-
Real Estate Services	CF	92	98,202	-	-	-	-
Revolving Fund Reserve for General Land Purchases	C/CF	94	135,487	-	-	-	-
Utility Sustainment Reserve	C/CF	96	156,957	-	-	70,110	-
Waste and Recycling Sustainment Reserve	C/CF	98	67,312	-	-	13,990	-

(1) The maximum amount for Calgary Police Service Capital Reserve only relates to the Pay-As-You-Go portion of the reserve.

(2) The minimum and maximum amounts for Information Technology reserve only relate to the Hardware Replacement portion of the reserve.

BALANCE BY RESERVE TYPE
AS AT DECEMBER 31, 2019
(\$'000's)

This report categorizes the reserve balances as at 2019 December 31 by the reserves business type. This provides additional context in interpreting the reserves balances.

	Type	Appx. Pg.	2019	Reserve Balance by Business Type			
				Contingency	Cashflow	Endowment	Legislated
Operating Reserves							
Calgary Heritage Authority Reserve	E	19	1,680	-	-	1,680	-
Calgary Police Service Court Fine Revenue Operating Reserve	C	20	4,000	-	4,000	-	-
Calgary Police Service Helicopter Maintenance	CF	21	2,236	-	2,236	-	-
Children's Reserve Fund	E	22	4,844	-	-	4,844	-
ENMAX Dividend Stabilization Reserve	C	23	14,500	14,500	-	-	-
Family & Community Support Service (FCSS) Stabilization Fund	C	24	3,679	3,679	-	-	-
Fiscal Stability Reserve	C	26	536,284	536,284	-	-	-
Group Life Reserve	L	28	1,965	-	-	-	1,965
Health, Safety and Wellness Reserve	CF	30	17,276	-	17,276	-	-
Heritage Incentive Reserve	CF	32	1,229	-	1,229	-	-
Mall Programming Fund	C	34	865	865	-	-	-
Parking Revenue Reinvestment Reserve	CF	36	4,918	-	4,918	-	-
Parks Foundation Reserve	E	37	2,327	-	-	2,327	-
Self - Insurance Reserve	L	38	7,000	5,000	-	-	2,000
Snow and Ice Control (SNIC) Reserve	C	40	-	-	-	-	-
Tax Loss Provision Reserve	C	42	-	-	-	-	-
			602,803	560,328	29,659	8,851	3,965
Capital Reserves							
911 Communications Centre Capital Financing Reserve	CF	43	25,377	-	25,377	-	-
Artificial Turf Field Lifecycle Reserve	C/CF	44	5,456	299	5,157	-	-
Asphalt and Crusher Plant Lifecycle Capital Reserve	CF	45	6,058	-	6,058	-	-
Calgary Police Service Capital Reserve	CF	46	37,825	-	37,825	-	-
Community Investment Reserve	CF	48	61,481	-	61,481	-	-
Debt Servicing Reserve	C	50	52,570	52,570	-	-	-
Downtown Improvement Fund	CF	52	2,800	-	2,800	-	-
Information Technology Reserve	CF	54	35,643	-	35,643	-	-
LED Street Light Re-Lamping Reserve	CF	56	4,802	-	4,802	-	-
Legacy Parks Reserve	CF	58	7,889	-	7,889	-	-
Lifecycle Maintenance and Upgrade Reserve	CF	60	245,554	-	245,554	-	-
Major Capital Project Reserve	CF	62	423,516	-	423,516	-	-
Parking Land Acquisition Reserve	Closed CF	64	-	-	-	-	-
Reserve for Future Capital	C/CF	66	357,467	147,434	210,033	-	-
TELUS Convention Centre Reserve	L	68	213	-	-	-	213
			1,266,651	200,303	1,066,135	-	213
Sustainment Reserves							
(combined operating & capital reserves)							
Budget Savings Account Reserve	CF	70	91,251	-	91,251	-	-
Business License Sustainment Reserve (formerly CCS)	CF	72	11,966	-	11,966	-	-
Cash-in-Lieu Sustainment Reserve	CF	73	42,477	-	42,477	-	-
Community Sustainability Reserve	L	74	1,856	-	-	-	1,856
Corporate Housing Reserve	L	76	33,952	-	-	-	33,952
Fleet Services Reserve (formerly Capital)	CF	78	8,338	-	8,338	-	-
Golf Course Levy Reserve	C/CF	79	3,744	-	3,744	-	-
Livery Transport Services	CF	80	5,834	-	5,834	-	-
Millican-Ogden Community Enhancement	Closed CF	81	-	-	-	-	-
Opportunity Calgary Investment Fund (formerly Economic Development)	L	82	95,853	-	95,853	-	-
Parks Endowment and Sustainment Reserve	C/E	84	2,886	-	2,354	532	-
Perpetual Care of the Municipal Cemetery System Reserve	CF	86	21,457	-	21,457	-	-
Planning & Development Reserve (formerly CBS)	C/CF	88	81,707	20,000	61,707	-	-
Public Art Reserve	CF	90	8,048	-	8,048	-	-
Real Estate Services	CF	92	98,202	-	98,202	-	-
Revolving Fund Reserve for General Land Purchases	C/CF	94	135,487	76,840	58,647	-	-
Utility Sustainment Reserve	C/CF	96	156,957	26,340	130,617	-	-
Waste and Recycling Sustainment Reserve	C/CF	98	67,312	13,990	53,322	-	-
			867,327	137,170	693,817	532	35,808
Total Reserves			2,736,781	897,801	1,789,611	9,383	39,986

2019 RESERVE DEPARTMENT OWNERSHIP SCHEDULE

Note: Values may be slightly adjusted from values disclosed in individual reserve tables. These changes were made to facilitate balancing of the 2019 supplementary schedule.

	Operating/ Capital/ Sustainment	Jan. 1/19 Opening Balance	Contribution to Operations	Contribution from Operations	Transfer to Capital Fund	Transfer to Equity in Land Inventory	Transfer between Reserves	Corp Financing (Investment Income)	Other	Dec. 31/19 Closing Balance
Community Services & Calgary Police										
Calgary Police Service Court Fine Revenue Operating Reserve	o	4,000	-	-	-	-	-	-	-	4,000
Calgary Police Service Helicopter Maintenance Reserve	o	2,473	(1,045)	808	-	-	-	-	-	2,236
Children's Reserve Fund	o	4,702	-	-	-	-	(25)	167	-	4,844
FCSS Stabilization Fund	o	3,685	(748)	617	-	-	-	125	-	3,679
Parks Foundation Reserve	o	2,471	(292)	-	-	-	-	148	-	2,327
911 Communications Centre Capital Financing Reserve	c	25,055	-	3,437	(3,115)	-	-	-	-	25,377
Artificial Turf Field Lifecycle Reserve	c	4,803	-	472	-	-	-	181	-	5,456
Calgary Police Service Capital Reserve	c	40,868	-	12,667	(15,744)	-	-	34	-	37,825
Community Investment Reserve	c	43,704	-	50,919	(36,390)	-	1,500	1,748	-	61,481
Legacy Parks Reserve	c	7,025	-	-	(870)	-	1,500	234	-	7,889
TELUS Convention Centre Reserve	c	200	-	180	(167)	-	-	-	-	213
Business Licence Sustainment Reserve (Previously CCS Sustainment Fund)	s	10,234	-	1,495	(169)	-	-	406	-	11,966
Community Sustainability Reserve	s	2,062	(206)	-	-	-	-	-	-	1,856
Corporate Housing Reserve	s	31,622	(756)	1,424	(982)	-	1,708	936	-	33,952
Golf Course Levy Reserve	s	2,763	-	869	-	-	-	112	-	3,744
Livery Transport Services Reserve	s	4,818	-	897	(66)	-	-	185	-	5,834
Parks Endowment and Sustainment Reserve	s	4,510	98	-	(1,870)	-	-	148	-	2,886
Perpetual Care of the Municipal Cemetery System Reserve	s	19,519	(173)	1,630	(239)	-	-	720	-	21,457
Public Art Reserve	s	6,768	80	-	-	-	1,200	-	-	8,048
Deputy City Manager										
Fleet Services Reserve	s	9,766	(1,085)	4,657	(5,000)	-	-	-	-	8,338
Opportunity Calgary Investment Fund (formerly Economic Development)	s	101,047	-	-	-	-	2,842	-	(8,036)	95,853
Real Estate Services	s	82,935	-	19,911	(20,544)	-	(11,708)	453	27,155	98,202
Revolving Fund Reserve for General Land Purchases	s	119,750	-	3,167	(20,059)	-	(4,028)	3,972	32,685	135,487
Utilities & Environmental Protection										
Utility Sustainment Reserve	s	175,255	-	234,930	(263,537)	-	1,267	9,042	-	156,957
Waste & Recycling Sustainment Reserve	s	63,083	(3,773)	17,743	(14,927)	-	-	5,186	-	67,312

2019 RESERVE DEPARTMENT OWNERSHIP SCHEDULE

Note: Values may be slightly adjusted from values disclosed in individual reserve tables. These changes were made to facilitate balancing of the 2019 supplementary schedule.

	Operating/ Capital Sustainment	Jan. 1/19 Opening Balance	Contribution to Operations	Contribution from Operations	Transfer to Capital Fund	Transfer to Equity in Land Inventory	Transfer between Reserves	Corp Financing (Investment Income)	Other	Dec. 31/19 Closing Balance
CFO & Governance										
ENMAX Dividend Stabilization Reserve	o	13,000	1,500	-	-	-	-	-	-	14,500
Fiscal Stability Reserve	o	656,282	(47,449)	114,262	(1,225)	-	(311,446)	15,765	110,095	536,284
Group Life Reserve	o	1,637	-	271	-	-	-	57	-	1,965
Health, Safety and Wellness Reserve ⁽¹⁾	o	17,799	(1,827)	1,304	-	-	-	-	-	17,276
Self - Insurance Reserve	o	7,000	-	-	-	-	-	-	-	7,000
Tax Loss Provision Reserve	o	37,398	-	-	-	-	(37,398)	-	-	-
Debt Servicing Reserve	c	52,570	(34,285)	94,752	-	-	(62,555)	2,088	-	52,570
Information Technology Reserve	c	37,286	-	17,001	(18,826)	-	-	182	-	35,643
Lifecycle Maintenance and Upgrade Reserve	c	248,660	-	128,291	(146,474)	-	15,077	-	-	245,554
Reserve for Future Capital ⁽²⁾	c	305,675	-	127,682	(103,890)	-	27,000	-	1,000	357,467
Budget Savings Account Reserve	s	135,198	(25,887)	17,939	-	-	(35,999)	-	-	91,251
Transportation & Planning and Development										
Calgary Heritage Authority Reserve	o	1,771	(150)	-	-	-	-	59	-	1,680
Heritage Incentive Reserve	o	1,242	(285)	225	-	-	-	47	-	1,229
Mall Programming Fund	o	835	-	-	-	-	-	30	-	865
Parking Revenue Reinvestment Reserve	o	3,884	(523)	1,557	-	-	-	-	-	4,918
Snow and Ice Control Reserve	o	5,426	-	(5,426)	-	-	-	-	-	-
Asphalt and Crusher Plant Lifecycle Capital Reserve	c	6,120	-	-	(133)	-	-	71	-	6,058
Downtown Improvement Fund	c	2,777	-	7	(81)	-	-	97	-	2,800
LED Street Light Re-Lamping Reserve	c	5,414	-	678	(1,290)	-	-	-	-	4,802
Major Capital Project Reserve	c	-	-	12,400	(10,370)	-	411,214	10,272	-	423,516
Parking Land Acquisition Reserve	c	42,851	-	-	-	-	(42,851)	-	-	-
Cash-in-Lieu Lifecycle Sustainment Reserve	s	-	(1,620)	-	-	-	42,851	1,246	-	42,477
Planning & Development (Previously CBS Sustainment Fund)	s	77,908	-	6,067	(5,112)	-	-	2,844	-	81,707
Total per 2019 Reserve Report		2,433,851	(118,426)	872,833	(671,080)	-	149	56,555	162,899	2,736,781

(1) This reserve is owned by HR and ESM business unit. For presentational purposes, it is shown under the CFO & Governance department.

(2) This reserve is owned by Finance, Facility Management, and Transportation Infrastructure business units. For presentational purposes, it is shown under the CFO & Governance department.

Glossary

Capital Deposits – Monies received for various capital projects from land developers, pursuant to development agreements or the Municipal Government Act, and from other governments, through grants and the provincial revenue sharing agreements

Capital Reserve – A reserve to fund approved capital programs, projects and expenditures

Cashflow Reserve – A reserve to fund planned future actions. The purpose is to smooth the cash demands of these planned future actions or to accumulate funds to ensure sustainability of these planned services and actions. These reserves will generally have a budget

Condition – Council or externally mandated terms on how funds are to be raised and/or maintained

Contingency Reserve – A reserve to fund approved actions during an unexpected event. These reserves may be business unit specific or corporately maintained. These reserves are not expected to have a budget but will generally have conditions as to adequacy of balances

Endowment Fund – A fund usually established through donations or third-party funding, created to provide income for a long-term ongoing purpose. Such funds are usually held in perpetuity and no encroachment on capital is allowed

Investment Income Allocation – The process for allocating investment incomes to reserves by Treasury based on specific criteria defined in the Financial Reserves Procedures that support Administration policy FA-050 Financial Reserves. Only reserves that meet these criteria receive an allocation of investment income

Legislated Reserve – A reserve fund created and maintained by legislation or external agreements. This legislation or agreement defines the terms and conditions of the reserve

Operating Reserve – A reserve to fund operating expenditures for one-time projects, pilot programs, to stabilize operating budgets for unanticipated fluctuations in revenues or expenditures, to comply with a contractual agreement, or for contingency funds for operational emergencies

Reserve – Funds authorized by Council to be set aside for funding of future operating and/or capital expenditures

Restriction – Council or externally mandated terms limiting the use of reserve funds

Review Schedule – Schedule for the review of the reserve as part of the triennial reserve review program in accordance with Council Policy on Reserves CFO013

Sustainment Reserve – A reserve to fund both operating and capital expenditures for activities that are treated as self-sustaining

Triennial Reserve Review Administrative Committee – The Committee mandated with conducting the review of reserves as part of the triennial reserve review process, reporting on the review to PFC and Council and making recommendations based on the findings from the review

APPENDIX

RESERVES AND

LONG TERM LIABILITIES

As at December 31, 2019

THE CITY OF CALGARY
RESERVES AND LONG TERM LIABILITIES
AS AT DECEMBER 31, 2015 - 2019
(\$000's)

	Page	2019	2018	2017 (Restated)	2016	2015 (Restated)
<u>Operating Reserves</u>						
Calgary Heritage Authority Reserve	19	1,680	1,771	1,772	1,765	1,770
Calgary Police Service Court Fine Revenue Operating Reserve	20	4,000	4,000	4,000	4,000	4,000
Calgary Police Service Helicopter Maintenance	21	2,236	2,473	2,352	2,390	3,024
Children's Reserve Fund	22	4,844	4,702	4,723	4,693	4,605
ENMAX Dividend Stabilization Reserve	23	14,500	13,000	20,000	20,000	20,000
Family & Community Support Service (FCSS) Stabilization Fund	24	3,679	3,685	4,361	5,504	5,704
Fiscal Stability Reserve	26	536,284	656,282	573,721	556,561	547,811
Group Life Reserve	28	1,965	1,637	1,725	1,685	1,580
Health, Safety and Wellness Reserve	30	17,276	17,799	18,813	15,984	13,271
Heritage Incentive Reserve	32	1,229	1,242	1,205	965	1,087
Mall Programming Fund	34	865	835	813	788	770
Parking Revenue Reinvestment Reserve	36	4,918	3,884	2,133	-	-
Parks Foundation Reserve	37	2,327	2,471	2,407	2,376	2,395
Self - Insurance Reserve	38	7,000	7,000	7,000	7,000	7,000
Snow and Ice Control (SNIC) Reserve	40	-	5,426	12,482	15,000	8,940
Tax Loss Provision Reserve	42	-	37,398	37,398	37,398	37,398
		602,803	763,605	694,905	676,109	659,355
<u>Capital Reserves</u>						
911 Communications Centre Capital Financing Reserve	43	25,377	25,055	26,243	24,141	18,577
Artificial Turf Field Lifecycle Reserve	44	5,456	4,803	3,271	3,015	2,221
Asphalt and Crusher Plant Lifecycle Capital Reserve	45	6,058	6,120	6,443	7,500	6,367
Calgary Police Service Capital Reserve	46	37,825	40,868	40,209	40,254	34,349
Community Investment Reserve	48	61,481	43,704	39,079	102,204	152,379
Debt Servicing Reserve	50	52,570	52,570	52,570	52,570	52,570
Downtown Improvement Fund	52	2,800	2,777	3,050	3,684	3,629
Information Technology Reserve	54	35,643	37,286	27,711	20,746	18,658
LED Street Light Re-Lamping Reserve	56	4,802	5,414	4,537	5,688	5,528
Legacy Parks Reserve	58	7,889	7,025	8,155	10,558	18,450
Lifecycle Maintenance and Upgrade Reserve	60	245,554	248,660	171,056	116,122	149,391
Major Capital Project Reserve	62	423,516	-	-	-	-
Parking Land Acquisition Reserve	64	-	42,851	41,719	40,772	38,215
Reserve for Future Capital	66	357,467	305,675	305,420	327,014	354,190
TELUS Convention Centre Reserve	68	213	200	20	242	213
		1,266,651	823,008	729,483	754,510	854,737
<u>Sustainment Reserves</u>						
(combined operating & capital reserves)						
Budget Savings Account Reserve	70	91,251	135,198	157,334	130,103	60,905
Business License Sustainment Reserve (formerly CCS)	72	11,966	10,234	9,583	7,249	4,701
Cash-in-Lieu Lifecycle Sustainment Reserve	73	42,477	-	-	-	-
Community Sustainability Reserve	74	1,856	2,062	2,119	2,123	2,270
Corporate Housing Reserve	76	33,952	31,622	30,383	29,885	38,504
Fleet Services Reserve (formerly Capital)	78	8,338	9,766	10,933	14,326	10,456
Golf Course Levy Reserve	79	3,744	2,763	2,777	1,712	1,126
Livery Transport Services	80	5,834	4,818	4,145	3,737	4,076
Millican-Ogden Community Enhancement	81	-	-	-	5	132
Opportunity Calgary Investment Fund	82	95,853	101,047	55,000	-	-
Parks Endowment and Sustainment Reserve	84	2,886	4,510	4,494	3,118	2,328
Perpetual Care of the Municipal Cemetery System Reserve	86	21,457	19,519	18,221	15,905	13,949
Planning & Development Reserve (formerly CBS)	88	81,707	77,908	86,752	99,114	93,707
Public Art Reserve	90	8,048	6,768	5,883	5,105	4,093
Real Estate Services	92	98,202	82,935	70,795	63,969	68,396
Revolving Fund Reserve for General Land Purchases	94	135,487	119,750	102,118	101,073	86,881
Utility Sustainment Reserve	96	156,957	175,255	141,661	133,033	83,257
Waste and Recycling Sustainment Reserve	98	67,312	63,083	64,802	48,019	48,809
		867,327	847,238	767,000	658,476	523,590
Total Reserves		2,736,781	2,433,851	2,191,388	2,089,095	2,037,682

THE CITY OF CALGARY
RESERVES AND LONG TERM LIABILITIES
AS AT DECEMBER 31, 2015 - 2019
(\$000's)

Page	2019	2018	2017 (Restated)	2016	2015 (Restated)
Amounts included in the Reserve Report but recorded in other funds (Operating or Capital Fund) or consolidated for financial reporting purposes					
Total Reserves (per previous page)	2,736,781	2,433,851	2,191,388	2,089,095	2,037,682
Less:					
Unappropriated Surplus (Current year surplus)	(110,095)	(38,751)	(80,955)	(37,731)	(59,026)
Revolving Fund for General Land Purchases	(135,487)	(119,750)	(102,118)	(101,073)	(86,881)
CMLC Internally Restricted (Real Estate Services)	(4,964)	(4,964)	(4,964)	(4,964)	(4,964)
CMLC Internal Loan (Major Capital Project)	(23,506)	-	-	-	-
AHCC Internal Sale (Corporate Housing Reserve)	-	-	-	(326)	(299)
Amounts not included in the Reserve Report but recorded in the Reserve Fund for financial reporting purposes					
Attainable Homes Calgary Corporation operating fund	500	500	500	-	-
Calgary Arts Development Authority Ltd. operating fund	640	466	459	269	245
Calgary Housing Company surplus	28,726	27,653	27,349	27,448	27,426
Calgary Public Library operating fund	993	993	993	993	993
Utility Sustainment Adjustment (offset with capital deposits)	-	-	-	2,098	-
Reserves per financial statements	2,493,588	2,299,998	2,032,652	1,975,809	1,915,176

Note: The above schedule reconciles total reserves reported by business units to reserves reported per financial statements, by excluding items such as current year surplus, revolving fund for general land purchases, any internal sales, and including items, such as reserves held by related authorities.

Page	2019	2018	2017 (Restated)	2016	2015 (Restated)
<u>Long Term Liabilities</u>					
<u>Capital Deposits</u>					
Alberta Municipal Infrastructure Program (AMIP) Agreement	101	-	-	-	-
Basic Municipal Transportation Grant	102	-	-	-	8,817
Cash in Lieu of Parking Fund	103	2,405	7,799	15,686	14,697
Eau Claire Improvement Fund	104	910	879	856	829
Federal Gas Tax Fund	105	142,524	61,362	36,458	76,132
Infrastructure Canada - Alberta Program (ICAP)	106	-	-	-	-
Miscellaneous Capital Deposits	108	212,206	246,131	228,364	241,435
Municipal Sustainability Initiative (MSI)	110	-	147,590	30,830	259,942
Off-site Levies	112	293,381	284,487	375,243	402,170
Plus 15 Cash in Lieu Fund	114	23,709	23,046	25,248	24,665
Total Capital Deposits		675,135	771,294	712,685	1,020,271
Utility Sustainment Adjustment (offset with reserves)		-	-	-	(2,098)
Capital Deposits per financial statements		675,135	771,294	712,685	1,018,173
<u>Employee Benefit Obligations</u>					
Defined Benefit Pension Plans (Registered & Non-Registered)	116	92,435	92,743	90,614	86,738
Funded Vacation and Overtime Liability	118	223,882	220,246	220,021	217,074
Other Retirement Benefits Liability	120	179,247	186,652	183,235	176,341
		495,564	499,641	493,870	480,153
		495,564	499,641	493,870	480,153

Supplementary SchedulesReserves Continuity 122

Note: in addition to reserves, The City has commitments in the form of long term liabilities, such as, capital deposits and employee benefit obligations. Capital deposits are funds available for the purpose of capital spending and have specific restrictions and conditions around their usage. Employee benefit obligations is another significant liability held by City with specific purpose and contractual conditions. Due to the significant balance of these liabilities, these amounts are also included in this report for informational purposes.

***OPERATING, CAPITAL
AND SUSTAINMENT RESERVES***

Calgary Heritage Authority Reserve

\$ 1,680
(2019)

Operating Reserve (\$000s)

- Authorization:** PFC2012-0159, PFC2015-0917 and PFC2018-1125
- Purpose:** Provide financial operating resources for the overall activities and responsibilities of the Calgary Heritage Authority (“CHA”).
- Conditions:** Reserve will maintain a minimum, protected balance of \$1,338. This is the value of the initial funding and establishing endowment principal amount for this reserve’s predecessor, the Calgary Heritage Authority Legacy Endowment Fund; refer to Funding Sources for additional information.
- Restrictions:** Funds are to be used at the sole discretion of the Calgary Heritage Authority to support their activities as mandated by the Calgary Heritage Authority Act.
- Related Budget Program:** Operating Program: #610 Calgary Growth Strategies (formerly #610 City Wide Policy & Integration) on behalf of the CHA.
Capital Program(s): NA
- Funding Sources:** The opening balance of this reserve is funded through the transfers from the CHA Legacy Endowment Fund (original funding from sale of unused density from fire hall #1 site) and transfers from the Heritage Preservation Fund. Investment income earned on the balances in this reserve will provide future funding.

Reserve approved to record allocation of investment income:

Yes No

Special Reporting Requirements: None

Current Activity (\$000s):

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Opening balance	1,771	1,772	1,765	1,770	1,736
Investment Income	59	47	55	40	43
Contributions to operations	(150)	(48)	(48)	(45)	(9)
Closing balance	<u>1,680</u>	<u>1,771</u>	<u>1,772</u>	<u>1,765</u>	<u>1,770</u>
Closing balance consists of:					
Principal	<u>1,338</u>	<u>1,338</u>	<u>1,338</u>	<u>1,338</u>	<u>1,338</u>
Accumulated net interest	<u>342</u>	<u>433</u>	<u>434</u>	<u>427</u>	<u>432</u>
Closing balance	<u>1,680</u>	<u>1,771</u>	<u>1,772</u>	<u>1,765</u>	<u>1,770</u>

Source Contacts: **Business Unit – Calgary Growth Strategies**
Financial Lead – L. Wong, Finance Lead
Operational Lead – J. Mueller, Manager, City Planning and Policy Services

Review Schedule: Last Review: 2018

Calgary Police Service Court Fine Revenue Operating Reserve \$ 4,000
Operating Reserve (\$000s) (2019)

Authorization: PFC2013-0084

Purpose: To mitigate potential future revenue shortfalls in the Court Fine budgeted revenue portion of the Calgary Police Service (CPS) operating budget.

Conditions: Contribute \$4,000 from the 2012 Court Fine revenue portion of the CPS operating budget.

Future year contributions are not scheduled unless recommended by the Calgary Police Commission or specifically approved by Council. If requesting permission from Council to contribute to the Operating Reserve, the Commission must first fund any operating shortfalls, as well as the CPS Pay-As-You-Go Reserve (to the maximum of \$2,500) before any remaining surplus will be contributed to the Operating Reserve. The CPS Operating and Capital budgets (including the Court Fine revenue portion of the Operating budget), will be approved by Council as part of the multi-year budget cycles and through the adjustment process when required.

Restrictions: The reserve is funded with a one-time contribution from the CPS in 2012, unless further Council direction is received. Withdrawals from the Operating Reserve to fund shortfall in the Court Fine revenue portion of the CPS Operating budget will require a written request from the Calgary Police Commission to the attention of the City Treasurer. Any other withdrawal requests from the reserve would require a similar written request, but would also require Council's approval of each specific request.

Related Budget Program: Operating Program: #070 Calgary Police Service

Funding Sources: \$4,000 from the 2012 Court Fine revenue portion of the CPS operating budget.

Reserve approved to record allocation of investment income:
 Yes No

Special Reporting Requirements: None

Current Activity (\$000s):

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Opening balance	4,000	4,000	4,000	4,000	4,000
Contributions from operations	-	-	-	-	-
Closing balance	<u>4,000</u>	<u>4,000</u>	<u>4,000</u>	<u>4,000</u>	<u>4,000</u>

Source Contacts: **Business Unit –** **Calgary Police Services**
 Financial Lead – L. Tochor, City Treasurer
 Operational Lead – B. Hutchins, Finance Manager

Review Schedule: Last Review: 2017

Calgary Police Service Helicopter Maintenance Reserve

\$ 2,236
(2019)

Authorization: FB96-48, FCS2006-29.

Purpose: To provide an operating reserve to stabilize maintenance costs for the Police Service helicopter (HAWCS), as costs vary dramatically from year to year depending on the life cycle of the various maintenance components. Reserve funds will be used to finance maintenance of the Calgary Police Service helicopters, minimizing major fluctuations in the Calgary Police Service Operating budget.

Conditions: Funds are to be used to finance maintenance of the CPS helicopters.

Restrictions: As per purpose.

Related Budget Program: Operating Program: #070 Calgary Police Service

Funding Sources: Reserve approved to record allocation of investment income:
 Yes No

Special Reporting Requirements: None

Current Activity (\$000s):

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Opening balance	2,473	2,352	2,390	3,024	3,000
Contributions from operations	808	808	809	808	809
Contributions to operations	(1,045)	(687)	(847)	(1,442)	(785)
Closing balance	<u>2,236</u>	<u>2,473</u>	<u>2,352</u>	<u>2,390</u>	<u>3,024</u>

Source Contacts:

Business Unit –	Calgary Police Service
Financial Lead –	B. Hutchins, Finance Manager
Operational Lead –	M. Neufeld – Chief of Police

Review Schedule: Last Review: 2017

ENMAX Dividend Stabilization Reserve

\$ 14,500
(2019)

Operating Reserve (\$000s)

Authorization: NM 2012-05

Purpose: To provide an operating reserve to stabilize the ENMAX dividend for any budget shortfall, as ENMAX dividend varies from year to year.

Conditions: Fund balance cannot exceed \$20,000 in total.

Restrictions: Reserve is a contingency to fund shortfalls in the ENMAX dividend compared to budget.

Related Budget Program: Operating Program: #860 General Revenue

Funding Sources: 50% of the ENMAX dividend received in excess of the annual budget, to be transferred to this reserve, to a maximum of \$20,000.

Reserve approved to record allocation of investment income:

Yes No

Special Reporting Requirements: None.

Current Activity (\$000s):

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Opening balance	13,000	20,000	20,000	20,000	16,450
Contributions (to) from operations	1,500	(7,000)	-	-	3,550
Closing balance	<u>14,500</u>	<u>13,000</u>	<u>20,000</u>	<u>20,000</u>	<u>20,000</u>

Source Contacts: **Business Unit –** **Corporate Revenue & Costs**
Financial Lead – S. Yeung, Corporate Finance Lead
Operational Lead – C. Jacyk, Finance Manager

Review Schedule: Last Review: 2018 2021

Current Activity (\$000s):

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Opening balance	3,685	4,361	5,504	5,704	3,710
Investment income	125	106	149	92	-
Contributions from operations	617	563	513	2,605	2,630
Contributions to operations(1)	(748)	(1,345)	(1,805)	(2,897)	(636)
Closing balance	<u>3,679</u>	<u>3,685</u>	<u>4,361</u>	<u>5,504</u>	<u>5,704</u>

- (1) In 2015, Council approved the annual transfer amount of \$500 as per CPS2015-0150. An additional transfer of \$2,100 was approved by Council in 2016, as per CPS2016-0036, to be allocated to 72 funded agencies. As per CPS2016-0827 Council approved \$1,000 to be accessed from the FCSS Stabilization Fund in 2017 for the purpose of funding organizations for one-time capacity building projects and emerging issues. An additional \$500 was withdrawn as per CPS2016-0397 for the purposes of maintaining contribution to the FCSS program budget. \$305 in 2016 approved funds were extended and paid in 2017. For 2018 Council approved a \$750 withdrawal for one-time capacity building and emerging issues project as per CPS2017-1124. \$500 was withdrawn to maintain the municipal contribution to the FCSS program budget as per CSP2016-0397. An additional \$95 were funds approved in prior years and extended for projects completed in 2018. For 2019 Council approved \$750K for one-time capacity building and emerging issues projects as per CPS2018-1100.

Source Contacts: **Business Unit –** **Calgary Neighbourhoods**
 Financial Lead – J. Salazar, Finance Lead
 Operational Lead – P. Yung, Manager

Review Schedule: Last Review: 2018

Fiscal Stability Reserve

\$ 536,284

(2019)

Operating Reserve (\$000s)

Authorization: Mill Rate bylaw 20M79, C2005-04, FCS2007-45 and PFC 2018-1125.

Purpose: Prior to January 2005, the reserve was used to stabilize tax increases from year to year in order to balance operating budgets without large tax increases; planned contributions from the reserve were made as required and operating surpluses were returned to the reserve. After January 2005, the reserve has been mandated to serve the following purposes:

- A contingency fund for operational emergencies, urgent or contingency capital expenditures, and to compensate for unplanned revenue reductions with significant financial impacts; and
- Investment income from the reserve would be used to fund one-time operating budget expenditures.

Conditions: As per report FCS2007-45, the reserve must maintain a minimum balance of 5% of The City’s tax-supported gross expenditures (net of recoveries) and the Fiscal Stability Reserve (“FSR”) target balance is set at 15% of The City’s tax supported gross expenditures (net of recoveries).

Restrictions: None.

Related Budget Programs: Operating Program: #856 Taxation
#860 General Revenue

Funding Sources: Council approved annual tax supported operating surpluses transferred to the reserve, and investment income earned on reserve funds. As per report FCS2007-45, Council approved previously committed one-time contingent funds that are no longer required for their original purpose, such as recoveries from provisions for tax losses, legal claims or environmental provisions.

Reserve approved to record allocation of investment income:

X Yes No

Special Reporting Requirements: None.

Current Activity (\$000s):

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u> (Restated)
Opening Balance	656,282	573,721	556,561	547,811	443,371
Investment income	15,765	15,215	16,651	12,319	11,465
Contribution from operations ⁽¹⁾	114,262	63,558	16,793	10,945	55,809
Contribution to operations	(47,449)	(27,249)	(78,449)	(21,728)	(14,359)
Contribution (to) from capital ⁽²⁾	(1,225)	(2,840)	(7,824)	(1,382)	4,892
Transfers between reserves ⁽³⁾	(311,446)	(4,874)	(10,966)	(29,135)	(12,393)
Surplus (Current year)	110,095	38,751	80,955	37,731	59,026
Closing balance ⁽⁴⁾	<u>536,284</u>	<u>656,282</u>	<u>573,721</u>	<u>556,561</u>	<u>547,811</u>

- (1) Funding contribution from operations came from corporate savings as per Council directions, Roads inter-BU loan repayments, and the transfer of various unspent contingency funds, for example, unrequired Property Tax and Business Tax contingencies.
- (2) Contribution to Capital as per report C2013-0668 for flood related projects.
 - 2019: Consists of \$1,249 for Utilities flood expenditures partially reduced by \$24 no longer required accrual transferred back to FSR from City's resiliency projects.
 - 2018: Consists of \$97 for City's resiliency projects and \$2,743 for Utilities flood expenditures
 - 2017: Consists of \$5,342 for City's resiliency projects and \$2,482 for Utilities flood expenditures.
 - 2016: Consists mostly of contribution to capital for Utilities flood expenditures.
 - 2015: Excess insurance receipt of \$4,892 transferred back to FSR.
- (3) Transfer (to)/from other reserve:
 - 2019: To fund Major Capital Projects ("MCP") Reserve per C2019-0525 (\$304,724) and C2019-0964 (\$3,000), to fund Mental Health and Addictions Strategy per C2018-0955 (\$3,311), to various business units' through "FSR flow through reserves" (\$370) for resiliency projects and to fund Extended Producer Responsibility per C2019-0129 (\$41)
 - 2018: As per 2018-06-25 report TT2018-0467, transfer funds from FSR to Roads Snow and Ice Control ("SNIC") for the 2018-2019 season (\$9,500); transfer funds to various business units' through "FSR flow through reserves" (\$2,804); transfer of \$6,443 from various business units through "FSR flow through reserves" on unspent one-time budget; transfer of \$600 from Economic Development and Policy Co-ordination ("EDPC") year-end surplus to fund future Council Innovation Fund; transfer of \$300 from PARKS for McHugh House Loan repayment; transfer of \$87 from Budget Savings Account ("BSA") Reserve due to ACE Daycare 2016 Flood Repayment, on bridge financing, being treated as LAW surplus and contributed to BSA in error.
 - 2017: As per report C2017-0370, transfer funds to Economic Development Investment Fund ("OCIF") of (\$10,000); transfer funds to various business units' through "FSR flow through reserves" (\$1,374); transfer of \$350 from EDPC year-end surplus to fund future Council Innovation Fund; transfer of \$58 from BSA reserve for 2016 over-contribution to BSA.
 - 2016: As per report C2014-0863, transfer of funds from FSR to Roads SNIC of (\$5,000); funding to capital budget program 639 of (\$900), for the Decidedly Jazz Dance Centre Project; transfer of funds from FSR to various business units' flow through FSR (\$23,235).
 - 2015: As per report C2014-0863, transfer funds from FSR to Roads SNIC of (\$5,000), transfer funds from FSR to various business units' flow through FSR (\$7,393). Transfer (to) other reserves include a \$300 internal loan to facilitate the relocation of the McHugh House (C2014-0188).
- (4) Committed amounts in the closing balance total \$238,403 at Dec 31, 2019 consisting of:
 - \$10,186 one-time approved council items,
 - \$100,391 of balance remaining for Flood and Resiliency Commitment,
 - \$1,000 for Shouldice Athletic Park Winter Utilization Shelter,
 - \$4,000 for New Community Growth Strategy,
 - \$21,863 for Community Action on Mental Health and Addiction,
 - \$2,150 for Genesis Centre Outdoor Artificial Turf Community Field,
 - \$9 for Extended Producer Responsibility,
 - \$48,000 one-time funding to effect a zero tax rate increase in 2020 and 2021, and
 - \$1,600 for Beltline and Inglewood Aquatic Centre for 2020 and 2021.

Closing balance ratio to tax supported gross expenditures (net of recoveries) after committed amounts is 7.0% before current year surplus and 10.2% including current year surplus. The minimum level to be maintained in the reserve is \$169,668.

Source Contacts:	Business Unit –	Finance
	Financial Lead –	C. Jacyk, Finance Manager
	Operational Lead –	L. Tochor, City Treasurer

Review Schedule:	Last Review:	2018
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Group Life Reserve

\$ 1,965
(2019)

Operating Reserve (\$000s)

Authorization: FB95-92, Group Policy No. 127 and PFC2012-0606.

Purpose: To satisfy contractual obligations under the Group Life benefit contract between The City and The Canada Life Assurance Company (Canada Life).

Conditions: Under the terms of the contract, The City must maintain a reserve balance comprised of two activities: 1) Incurred but Not Reported (“IBNR”) for claims incurred by employees in the current year but not reimbursed by the plan until the following year. The IBNR portion of the reserve is equal to 12% of the annualized Refund Billed Premium based on the last month of the policy year; and 2) a Claims Fluctuation reserve (“CFR”) balance equal to 25% of the Refund Billed Premium for the last complete policy year.

Restrictions: Externally restricted by the contractual obligations under the Group Life benefit contract between The City and Canada Life.

Related Budget Program: Operating Program: #787 Employee-1637 Benefits

Funding Sources: Operating Budget Program: #787 Employee Benefits

Reserve approved to record allocation of investment income:
X Yes ___ No

Special Reporting Requirements: Quarterly financial reports and annual Core Plan financial statements for the City management and MEBAC executive. The financial statements are subject to an external audit every four years effective 2014.

Current Activity (\$000s):

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Opening balance	1,637	1,725	1,685	1,580	1,494
Investment income	57	47	53	36	37
Contributions from/(to) Operations	271	(135)	(13)	69	49
Closing balance	<u>1,965</u>	<u>1,637</u>	<u>1,725</u>	<u>1,685</u>	<u>1,580</u>

Source Contacts: **Business Unit – Finance**
Financial Lead – R. Bauer, Finance Leader, Benefits Finance
Operational Lead – G. Wiebe, Finance Manager, Corporate Financial Reporting

Review Schedule: Last Review: 2018

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Health, Safety and Wellness Reserve

\$ 17,276
(2019)

Operating Reserve (\$000s)

Authorization: FB94-126, FB98-64, FCS2006-32, FCS2010-10, and PFC2018-1125.

Purpose: To fund preventive and proactive health, safety and wellness programs as part of The City's ongoing commitment to the safety, health and wellness of employees.

Conditions: Future Workers Compensation Board ("WCB") rebates and dividends will be allocated 75% to the Health, Safety and Wellness ("HSW") Reserve and 25% to Employee Benefits program. The Human Resources and Environment & Safety Management business units share responsibility for the HSW Reserve. Each business unit manages and reports independently on its portion which is derived from half of the 2008 opening balances plus half of the annual contributions to the reserve.

Restrictions: None.

Related Budget Program: Operating Program: #787 Employee Benefits
#221 Human Resources (HR)
#817 Environmental and Safety Management (ESM)

Funding Sources: A portion of the \$1,600 received in 1994 from the Workers Compensation Board ("WCB") as a result of increased diligence in the management of WCB claims. Effective 1998, funding will be received (\$600 per year) through an increase to the employee benefit rate. 75% of WCB rebates and dividends to The City are also transferred to the reserve.

Reserve approved to record allocation of investment income:
 Yes No

Special Reporting Requirements: Environment & Safety to report semi-annually to the S.P.C on Utilities and Corporate Services on safety compliance and performance. Human Resources provides an annual report to the Human Resources Client Council ("HRCC") on health and wellness expenditures and outcomes.

Current Activity (\$000s):

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Opening balance	17,799	18,813	15,984	13,271	10,975
Contributors from operations:					
Employee benefits rate	600	600	600	600	600
WCB rebate	704	699	636	600	573
WCB return on investment	-	-	4,254	4,519	4,297
Contributions to operations					
Safety (ESM)	(1,809)	(1,021)	(1,779)	(1,977)	(1,776)
Health & Wellness (HR)	-	(1,200)	(882)	(1,029)	(1,398)
Transit Rsv (100875)	-	(9)	-	-	-
Utility Sustainment Rsv (100790)	(18)	(83)	-	-	-
Closing balance	<u>17,276</u>	<u>17,799</u>	<u>18,813</u>	<u>15,984</u>	<u>13,271</u>

Closing balance attributable to:

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Safety (ESM)	6,776	7,950	8,744	7,778	6,895
Health & Wellness (HR)	10,500	9,849	10,069	8,206	6,376
Closing balance	<u>17,276</u>	<u>17,799</u>	<u>18,813</u>	<u>15,984</u>	<u>13,271</u>

Source Contacts:

Business Unit –
Financial Lead –
Operational Lead –

Human Resources
E. Galindo, Finance Lead
M. Lavallee, Director

Business Unit –
Financial Lead –
Operational Lead –

Environment & Safety Management
F. Tse, Finance Lead
C. Collier, Director

Review Schedule:

Last Review: 2018

Heritage Incentive Reserve

\$ 1,229
(2019)

Operating Reserve (\$000s)

Authorization: FB2002-27, FCS2004-15, FCS2004-20, PFC2012-0159, PFC2015-0917, and PFC2018-1125

Purpose: To fund the implementation of the Heritage Incentive Program which began in 2003.

Grants are provided to non-city owned municipal historic resources to:

- Promote the rehabilitation and economic re-use of buildings designated as Municipal Historic Resources under the Historical Resources Act of Alberta ("HRA").
- Address inequities that property owners assume when rehabilitating buildings designated under the HRA.
- Revitalize and rehabilitate derelict or underutilized heritage buildings.
- Revitalize older communities and commercial districts.

Conditions: Specific Conditions relating to use of the reserve with respect to the grant application process, payment process, and sign requirements are detailed in report PFC2012-0159.

Restrictions: There shall be a maximum expenditure of 50% of the approved project costs or 15% of the current assessed value of the property; whichever is the lesser, except for special circumstances approved by Council. All grants may be paid out in a single payment or over the course of a 5-year period.

Applications may be accepted every five years but the total grant amount cannot exceed 50% of the approved project costs or 15% of the current assessed value of the property; whichever is the lesser, every 15 years except for special circumstances approved by Council.

Related Budget Program: Operating Program: #610 Calgary Growth Strategies (formerly #610 City Wide Policy & Integration)

Funding Sources: To be funded annually from operating budget #610 Calgary Growth Strategies (formerly #610 City Wide Policy & Integration). Prior to 2014, it was funded by operating budget #616 Land Use Planning & Policy (formerly #611 Planning & Transportation Policy).

Reserve approved to record allocation of investment income:

Yes No

Special Reporting Requirements: None.

Current Activity (\$000s):

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Opening balance	1,242	1,205	965	1,087	1,369
Investment income	47	35	-	-	-
Contributions from operations	225	225	525	225	225
Contributions to operations	(285)	(223)	(285)	(347)	(507)
Closing balance	<u>1,229</u>	<u>1,242</u>	<u>1,205</u>	<u>965</u>	<u>1,087</u>

Source Contacts: **Business Unit –** **Calgary Growth Strategies**
 Financial Lead – L. Wong, Finance Lead
 Operational Lead – J. Mueller, Manager, City Planning & Policy Services

Review Schedule: Last Review: 2018

Mall Programming Fund

\$ 865
(2019)

Operating Reserve (\$000s)

Authorization: OE2001-03, PFC2012-0606, PFC2018-1125, PFC2019-1385 and ALT2019-1389

Purpose: To maintain and supplement activities and programs on Stephen Avenue Mall, specifically in the 300 west block between Bankers Hall and Toronto Dominion Square.

Conditions: Funds are to be managed by the Mall Programming Fund Management Committee (“MPFMC”) comprising of a representative from Gentra/Brookfield, Oxford Properties, the Calgary Downtown Association, and The City, with The City representative as chairman.

In the 2018 Triennial Reserve Review (PFC2018-1125), Council directed that any changes to the reserve resulting from the Stephen Avenue Masterplan and the terms of reference for the MPFMC be examined as part of the 2019 Triennial Reserve Review. The MPFMC was re-convened in 2019 and has not yet had an opportunity to develop new terms of reference. This is targeted for completion by Q2 2020.

Restrictions: The MPFMC is authorized to approve expenditures that utilize the investment income earned by the Fund while any expenditure involving the principal of the Fund is subject to Council approval.

Related Budget Program: Operating Program: #651 Urban Strategy (formerly #612 Community Planning)

Capital Program: #616 Centre City Initiatives

Funding Sources: The developer of Bankers Hall was required to pay \$850 to establish the Fund. The interest earned on the initial contribution will be used for programming activities on the 300-west block on Stephen Avenue. Interest income can be carried forward if not spent in the year which it was earned.

Reserve approved to record allocation of investment income:

X Yes No

Special Reporting Requirements: None.

Current Activity (\$000s):

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Opening balance	835	813	788	770	754
Investment income	30	22	25	18	18
Contributions to capital financing	-	-	-	-	(5)
Contributions to operations	-	-	-	-	3
Closing balance	865	835	813	788	770

Closing balance consists of:

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Principal Amount	688	688	688	688	688
Accumulated Net Investment Income	177	147	125	100	82
Closing balance	865	835	813	788	770

Source Contacts: **Business Unit –** **Urban Strategy**
 Financial Lead – M. Fung, Finance Lead
 Operational Lead – J. Tang, Program Manager

Review Schedule: Last Review: 2018

Parking Revenue Reinvestment Reserve

\$ 4,918
(2019)

Operating Reserve (\$000s)

Authorization: PFC2017-0223

Purpose: To hold monies generated from surplus returns from Calgary Parking Authority (“CPA”) parking revenues to The City. The money is to be used for investment in public realm improvements and services in paid parking areas. The intent of the policy is to improve infrastructure in paid parking areas to improve streetscapes, urban design and improve the success of the area. It provides a line of sight between the collection of paid parking and area reinvestment. The complete policy is defined in section 5.3 of Council Policy TP017.

Conditions: The funds should be restricted to uses that support public realm improvements only. These are generally identified in Attachment 3 of Report TT2017-0044. Funds are internally restricted but the reserve may fund other improvements at The City’s discretion. Projects will be proposed by the business areas generating revenues and by The City. The projects will be approved jointly.

Restrictions: None.

Related Budget Program: Operating Program: #617 Transportation Planning

Funding Sources: 50% of the surplus amount above approved budget from CPA net revenue contributions to The City. Council Policy TP017, section 5.3, provides the complete policy detailing the calculations.

Reserve approved to record allocation of investment income:
 Yes No

Special Reporting Requirements: None.

Current Activity (\$000s):

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Opening balance	3,884	2,133	-	-	-
Contributions from CPA	1,557	2,201	2,168	-	-
Contributions to operations	(523)	(450)	(35)	-	-
Closing balance	<u>4,918</u>	<u>3,884</u>	<u>2,133</u>	-	-

Source Contacts: **Business Unit – Transportation Planning**
 Financial Lead – S. MacKenzie, Finance Lead
 Operational Lead – A. Sebjanic, Manager, Transportation Strategy

Review Schedule: Last Review: N/A

Parks Foundation Reserve

\$ 2,327
(2019)

Operating Reserve (\$000s)

Authorization: CS90-17-01, FB99-48, FCS2004-22, Memorandum of Agreement – April 15, 2004, FCS2007-09 and PFC2016-0796.

Purpose: Create an Endowment fund and use the investment income to fund the administrative costs of Parks Foundation Calgary – a City of Calgary Civic Partner and to eliminate the annual contribution from The City to Parks Foundation Calgary’s operating budget.

Conditions: Should Parks Foundation Calgary remove the funds from the Endowment Fund, except as outlined in the Restrictions below, The City will request the return of the funds in the Parks Foundation Calgary’s Operating Endowment Fund.

Restrictions: Only investment earnings as outlined in the Memorandum of Agreement may be withdrawn to be used for administrative services of Parks Foundation Calgary.

Related Budget Program: Operating Program: #449 Civic Partners (Liaison: Community Services)

Funding Sources: The City contributed \$200 to the operating endowment for every \$300 Parks Foundation Calgary raised for capital endowment, up to a maximum contribution by The City of \$2,000, which was reached in 1998.

Reserve approved to record allocation of investment income:

Yes No

Special Reporting Requirements: None.

Current Activity (\$000s):

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Opening balance	2,471	2,407	2,376	2,395	2,257
Investment income	148	192	173	140	213
Contributions to operations	(292)	(128)	(142)	(159)	(75)
Closing balance	<u>2,327</u>	<u>2,471</u>	<u>2,407</u>	<u>2,376</u>	<u>2,395</u>

Source Contacts: **Business Unit – Calgary Parks**
Financial Lead – T. LePrieur, Finance Lead
Operational Lead – K. Ripley, Director

Review Schedule: Last Review: 2019

Self-Insurance Reserve

\$ 7,000
(2019)

Operating Reserve (\$000s)

Authorization: FB86-130, FB94-26, FCS2010-19, PFC2012-0606 and PFC2015-0917.

Purpose: All activities undertaken by The City are covered under the Civic Insurance Program using common insurance industry principles. This program is comprised of purchased insurance coverage as well as a self-funded component for any losses not covered by the purchased policy. This reserve is utilized to offset any large claim against The City either in excess of a purchased policy limit or a loss that is not covered by any insurance policy.

The City is self-insured pursuant to section 825 of the Insurance Act of Alberta for auto.

Outside insurance coverage exists for claims exceeding established self-insurance retention levels for:

- a) Auto and general liabilities
- b) Property – insured on statement of value approximately \$11,294,565

Conditions: To be compliant with regulatory requirements a minimum of \$2,000 with the Self-Insurance Reserve must be allocated specifically to address auto liabilities.

In order to self-insure auto liability, The Alberta Insurance Act requires The City to maintain a separate fund.

Interest is only earned up to the amount required to maintain a reserve balance of \$7,000.

Restrictions: The reserve only funds losses in excess of \$500.

Related Budget Programs: Operating Program: #858 Investment Income
#810 Law Program

Funding Sources: Contributions from operations, subject to Council's budget approval.

Reserve approved to record allocation of investment income:

X Yes ___ No

Special Reporting Requirements: None.

Current Activity (\$000s):

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Opening balance	7,000	7,000	7,000	7,000	7,000
Contributions to operations	-	-	-	-	-
Investment income	-	-	-	-	-
Closing balance	<u>7,000</u>	<u>7,000</u>	<u>7,000</u>	<u>7,000</u>	<u>7,000</u>

In addition to the closing balance above, a liability has been accrued to help cover the cost of various claims and lawsuits brought against The City in the ordinary course of business.

Administration provides an annual report to the Audit Committee on the Risk Management and Claims Division's information on the number of claims per year and claims paid per year. This confidential report is presented to the Audit Committee every year.

The reserve is only used when necessary and has not been used for the periods reported above.

Source Contacts: **Business Unit –** **Law**
 Financial Lead – T. Topping, Finance Lead
 Operational Lead – F. Ashraf, Manager, Risk Management & Claims

Review Schedule: Last Review: 2018

Special Reporting Requirements: The terms of reference will be reviewed prior to the beginning of each business planning and budget cycle.

Current Activity (\$000s):

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Opening balance	5,426	12,482	15,000	8,940	-
Contributions from (to) operations	(5,426)	(17,177)	(3,437)	1,060	2,050
Contribution from Calgary Transit	-	621	919	-	1,890
Contribution from FSR	-	9,500	-	5,000	5,000
Closing balance	-	5,426	12,482	15,000	8,940

Closing balance attributable to:

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Roads	-	4,805	11,563	15,000	7,050
Calgary Transit	-	621	919	-	1,890
Closing balance	-	5,426	12,482	15,000	8,940

Source Contacts: **Business Unit – Roads**
 Financial Lead – S. MacKenzie, Finance Lead
 Operational Lead – B. Biensch, Maintenance Manager

Review Schedule: Last Review: 2018

Tax Loss Provision Reserve

\$ -
(2019)

Operating Reserve (\$000s)

Authorization: FCS2007-45, PFC2013-0812, PFC2016-0796 and PFC2019-1385

Purpose: In the event of a substantial unanticipated adverse outcome from Assessment complaints and appeals, this reserve has been established to provide for such losses.

Conditions: The reserve balance shall be determined by the Chief Financial Officer with input from the Tax Provision Steering Committee. The reserve balance shall not exceed the current year's Tax Loss Provision Contingency Liability balance.

Restrictions: Contributions and withdrawals relating to specific tax loss related circumstances are authorized by the Chief Financial Officer. Any other contributions or withdrawals require Council approval.

Related Budget Program: Operating Program: #856 Taxation

Funding Sources: Initial funding source in 2007 is \$27,000 transferred from the Assessment and Tax Contingency Provision Liability fund. Any unused funds from the Tax Loss Provision Contingency Liability will be contributed to this reserve up to the balance determined per the reserve conditions.

Reserve approved to record allocation of investment income:
 Yes No

Special Reporting Requirements: None.

Current Activity (\$000s):

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Opening balance	37,398	37,398	37,398	37,398	37,398
Transfers between reserves ¹	(37,398)	-	-	-	-
Closing balance	-	37,398	37,398	37,398	37,398

(1) Transfer of \$37,398 to Major Capital Projects Reserve as per PFC2019-0525.

Source Contacts: **Business Unit – Finance**
Financial Lead – S. Yeung, Corporate Finance Leader
Operational Lead – C. Male, Chief Financial Officer

Review Schedule: Last Review: 2019

911 Communications Centre Capital Financing Reserve

\$ 25,377
(2019)

Capital Reserve (\$000s)

Authorization: GP98-21, FCS2004-59, FCS2010-10, CPS2014-0255, PFC2014-0847 and C2017-1123.

Purpose: To fund future capital improvements and upgrades to the Calgary 911 Communications Centre.

Conditions: None.

Restrictions: None.

Related Budget Programs: Operating Program: #004 CCS – Calgary 911 (formerly #002 Public Safety Communications)

Capital Program: #045 Calgary 911 (formerly #045 Public Safety Communications)

Funding Sources: A portion of revenue generated from the monthly fee charged to citizens on both landlines and wireless phones.

Reserve approved to record allocation of investment income:

Yes No

Special Reporting Requirements: None.

Current Activity (\$000s):

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Opening balance	25,055	26,243	24,141	18,577	11,830
Contributions from operations	3,437	4,511	5,149	6,769	8,300
Contributions to capital financing	(3,115)	(5,699)	(3,047)	(1,205)	(1,553)
Closing balance	<u>25,377</u>	<u>25,055</u>	<u>26,243</u>	<u>24,141</u>	<u>18,577</u>

Source Contacts: **Business Unit – Calgary Community Standards**
Financial Lead – G. Drall, Finance Lead
Operational Lead – D. Odney, Commander

Review Schedule: Last Review: 2017

Artificial Turf Field Lifecycle Reserve

\$ 5,456
(2019)

Capital Reserve (\$000s)

Authorization: FCS2010-19, CPS2011-15, CPS2012-24, PFC2013-745, PFC2016-0796, CPS2016-0807 and PFC2019-1385

Purpose: Per FCS2010-19, expenditures associated with artificial turf field replacement. In 2018, funds for the Genesis Environmental Contingency were added to the reserve.

Conditions: None.

Restrictions: The Genesis Centre Environmental Contingency of \$285 plus accrued interest is externally restricted for potential environmental events at the Genesis Centre.

Related Budget Program: Capital Program: #507 Calgary Recreation, Facilities

Funding Sources: Beginning in 2010, annual contribution from Recreation's actual net revenue generated by artificial turf field rentals fees.

Reserve approved to record allocation of investment income:

Yes No

Special Reporting Requirements: Administration will be closely monitoring field revenues, expenses and the annual reserve balances and report back to Council if the yearend reserve balance deviates by 25% from projection in any year. Any significant modifications in contribution amounts will be identified through the annual budget process as necessary.

Current Activity (\$000s):

Artificial Turf Reserve	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Opening balance	4,511	3,271	3,015	2,221	1,548
Investment Income	174	102	97	59	45
Contributions from operations	472	879	668	908	628
Contributions (to)/from capital	-	259	(509)	(173)	-
Closing balance	<u>5,157</u>	<u>4,511</u>	<u>3,271</u>	<u>3,015</u>	<u>2,221</u>

Genesis Centre Environmental Contingency

Opening balance	292	-	-	-	-
Investment Income	7	7	-	-	-
Contributions from operations	-	285	-	-	-
Component closing balance	<u>299</u>	<u>292</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Reserve closing balance	<u>5,456</u>	<u>4,803</u>	<u>3,271</u>	<u>3,015</u>	<u>2,221</u>

Source Contacts: **Business Unit – Calgary Recreation**
Financial Lead – R. Turley, Finance Lead
Operational Lead – F. Le Berre, Capital Development Manager

Review Schedule: Last Review: 2019

Asphalt and Crusher Plant Lifecycle Capital Reserve

\$ 6,058
(2019)

Capital Reserve (000's)

Authorization: FCS2010-10, PFC2012-0606 and PFC2018-1125.

Purpose: To finance capital expenditures relating to Roads – Plants Operations as budgeted through The City’s annual capital budget process or a specific Council approval.

Conditions: Funds must be used to finance capital expenditures relating to Roads - Plant Operations only.

As per report FCS2004-22, in 2004 this reserve will reflect only the funds available for capital improvement and not the inventory.

Restrictions: None.

Related Budget Program: Operating Program: #132 Roads
Capital Program: #128-136 Plants Capital

Funding Sources: Proceeds from sale of surplus Roads – Plants assets, interest income, and any excess of Roads – Plants revenues or recoveries over expenditures after other fund transfers. Where the reserve has reached its maximum balance, or if the balance of the reserve is deemed sufficient by the Director of Roads to fund Plants upgrade work within the four-year business cycle, Roads may elect to withhold all or a portion of the contributions to this reserve.

Reserve approved to record allocation of investment income:
 X Yes No

Special Reporting Requirements: None.

Current Activity (\$000s):

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Opening balance	6,120	6,443	7,500	6,367	5,363
Investment Income	71	117	156	107	60
Contributions from operations	-	-	-	1,936	2,000
Contributions to capital	(133)	(440)	(1,213)	(910)	(1,056)
Closing balance	<u>6,058</u>	<u>6,120</u>	<u>6,443</u>	<u>7,500</u>	<u>6,367</u>

Source Contacts: **Business Unit – Roads**
Financial Lead – S. MacKenzie, Finance Lead
Operational Lead – B. Poon, Manager Construction

Review Schedule: Last Review: 2018

Calgary Police Service Capital Reserve

\$ 37,825
(2019)

Capital Reserve (\$000s)

Authorization: FB93-80, FB2000-12, FB2000-24, FCS2004-22, FCS2004-61, FCS2011-34, PFC2014-0847 and C2016-0632

Per FCS2011-34, this is a consolidation of the Calgary Police Services Pay-As-You-Go Capital Reserve, the Calgary Police Services Capital Financing Reserve and the red light camera funds from the Reserve for Future Capital.

Purpose:

- 1) To provide for the capital financing of Police Vehicles.
- 2) To provide for the capital financing of Police Automated Fingerprint Identification System (AFIS) upgrades. AFIS is a joint venture with the Edmonton Police Service.
- 3) To assist with financing Calgary Police Service (CPS) capital assets (Pay-As-You-Go).
- 4) To provide for the capital financing of the Red Light Camera program and other CPS infrastructure requirements.

Conditions: Pay-As-You-Go (see restrictions).

Restrictions: Maximum annual contribution for the Pay-As-You-Go fund cannot exceed \$2,500 and the Pay-As-You-Go year-end balance cannot exceed \$2,500.

2016 - Allow a contribution of \$10,500 to the Pay-As-You-Go fund of the Calgary Police Service Capital Reserve in 2016 only.

Related Budget Program:

Operating Program: #070 Calgary Police Service

Capital Programs: #031 Police Equipment
#037 Police Vehicles
#034 Automated Fingerprint System
#038 Police Facilities
#039 Police Computer Systems

Funding Sources: Vehicles – Police operating funds;
AFIS upgrades – All user fees received from AFIS operations;
Pay-As-You-Go – Police operating funds and proceeds from disposal of capital assets;
Red Light Camera Surplus Funds.

Reserve approved to record allocation of investment income:
 Yes (AFIS only) No

Special Reporting Requirements: None

Current Activity (000's): Vehicles

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Opening balance	22,382	20,019	22,329	22,319	18,531
Contributions from operations	9,021	11,002	4,314	5,750	9,483
Contributions to capital	(9,264)	(8,639)	(6,624)	(5,740)	(5,695)
Closing balance	<u>22,139</u>	<u>22,382</u>	<u>20,019</u>	<u>22,329</u>	<u>22,319</u>

Current Activity (000's): AFIS

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Opening balance	939	898	851	819	783
Investment Income (AFIS only)	34	16	30	19	20
Contributions from operations	19	25	17	13	16
Closing balance	<u>992</u>	<u>939</u>	<u>898</u>	<u>851</u>	<u>819</u>

Current Activity (000's): Pay-As-You-Go

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Opening balance	4,256	8,050	9,238	2,500	2,500
Contributions from operations	2,289	-	-	8,272	2,500
Contributions to capital	(4,045)	(3,794)	(1,188)	(1,534)	(2,500)
Closing balance ⁽¹⁾	<u>2,500</u>	<u>4,256</u>	<u>8,050</u>	<u>9,238</u>	<u>2,500</u>

(1) Per FCS2004-22, a maximum amount of \$2,500 to be held in the reserve (at December 31). The 2016 balance is in excess of this maximum because of an additional transfer (C2016-0632) approved by Council in 2016. The Police Commission planned for the funds to be expended by Q1 2019. The ending 2019 balance is now aligned with the reserve maximum

Current Activity (000's): Red Light Camera

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Opening balance	13,291	11,242	7,836	8,711	9,164
Contributions from operations	1,338	3,913	4,033	2,796	3,230
Contributions to capital	(2,435)	(1,864)	(627)	(3,671)	(3,683)
Closing balance	<u>12,194</u>	<u>13,291</u>	<u>11,242</u>	<u>7,836</u>	<u>8,711</u>
Consolidated Closing Balance⁽²⁾	<u>37,825</u>	<u>40,868</u>	<u>40,209</u>	<u>40,254</u>	<u>34,349</u>

(2) Per FCS2011-34, the above balances were consolidated and the above values represent a consolidation of reserve balances from prior years for illustrative purposes only. The reserves consolidated into this are Red Light Camera Funds and the Calgary Police Service Pay-As-You-Go Reserve.

Source Contacts: **Business Unit –** **Calgary Police Service**
 Financial Lead – B. Hutchins, Finance Manager
 Operational Lead – M. Neufeld, Chief

Review Schedule: Last Review: 2017

Community Investment Reserve

\$ 61,481
(2019)

Capital Reserve (\$000s)

Authorization: C2004-60, NM2004-17, CPS 2005-24, NM2006-05, LAS2008-101, CPS2011-39, FCS2011-18, LAS2011-59, PFC2012-0248, C2014-0863, CPS2015-0647, PFC2016-0796, PFC2017-0615 and PFC2019-1385.

NM2004-17 and CPS2005-24 established a Community Investment Reserve Fund in the amount of \$102,100 (GST) for five specified community capital infrastructure projects.

NM2006-05 increased the Community Investment Reserve Fund by \$100,000 (GST).

CPS2011-39 directed that \$42,000 annually Vacated Tax Room ("VTR") be transferred to the Community Investment Reserve and funding for 2011-2016 be allocated.

PFC2012-0248 approved allocation of VTR and GST funding for the debt servicing of four New Recreation Facilities.

C2014-0863 approved allocation of VTR funding for 2017-2018 and the remaining GST funding.

CPS2015-0647 directed Administration to use the proposed guiding principles to allocate the VTR funding over the course of the next two business plan and budget cycles (to 2026).

PFC2017-0615 directed \$240 from the Community Investment Reserve to fund Memorial Park Library maintenance and upgrade.

PFC2019-1385 Attachment 2 to correct the effective date for 2014-2023 Federal GST rebate from Feb 01, 2004 to Feb 13, 2006.

Purpose:

- 1) To invest in priority community capital infrastructure and address emerging community needs.
- 2) To target the reduction of the growing infrastructure gap as identified through the Community Services capital infrastructure investment strategy.

Conditions: None.

Restrictions: CPS2011-39 approves a new ongoing program for investment in community infrastructure.

Related Budget Program: Numerous Community Services Capital Programs

- Funding Sources:**
- 1) Investment income generated from the reserve: to fund the cost of project management and other associated program costs.
 - 2) Federal GST rebate effective Feb 01, 2004: \$102,100 (2004-2013 approx.)
 - 3) Federal GST rebate effective Feb 13, 2006: \$100,000 (2014-2023 approx.)
 - 4) VTR: \$42,000 annually (effective 2011)

Reserve approved to record allocation of investment income:

X Yes ___ No

Special Reporting Requirements: None.

	<u>2019</u>	<u>2018</u>	<u>2017</u> (Restated)	<u>2016</u>	<u>2015</u>
Opening balance	43,704	39,079	102,204	152,379	168,302
Investment Income ⁽¹⁾	1,748	1,336	3,348	5,860	7,369
Contributions from Federal GST rebate	8,919	8,919	8,919	8,919	8,919
Contributions from Reserve for Future Capital - GST	1,500	1,500	1,500	1,500	1,500
Contribution to capital - GST ⁽²⁾	(4,726)	(10,284)	(6,741)	(8,196)	(30,321)
Contributions from VTR	42,000	42,000	42,000	42,000	42,000
Contributions to capital - VTR ⁽²⁾	(31,664)	(38,846)	(112,151)	(100,258)	(45,340)
Contributions to program costs	-	-	-	-	(50)
Closing balance ⁽³⁾	<u>61,481</u>	<u>43,704</u>	<u>39,079</u>	<u>102,204</u>	<u>152,379</u>

- (1) Includes GST funds, VTR funds and Regional Recreation Centres debt.
- (2) Includes debt servicing payments for Regional Recreation Centres.
- (3) Committed amounts included in the closing balance total \$61,481 for future projects

Source Contacts:

Business Unit –	Civic Partners
Financial Lead –	S. MacFayden, Finance Manager
Operational Lead –	K. Black, Acting General Manager

Review Schedule: Last Review: 2019

Debt Servicing Reserve

\$ 52,570
(2019)

Capital Reserve (\$000s)

Authorization: FCS2004-22 combined three reserves Sinking Fund (C98-18), Major Project Reserve (C96-15, C98-93) and Transportation Capital Reserve (C98-16), FCS2006-42, UE2007-07, C2007-14, FCS2008-28, PFC2016-0796 and PFC2019-1385.

Purpose: For principal and interest payments of tax-supported debt.

FCS2006-42, the reserve may be used as a source to cover for potential short-fall of funds for self-sufficient tax supported debt.

On C2007-14 for Calgary Municipal Land Corporation ("CMLC") – for operating expenditures up to \$10,000.

FCS2008-28, Contribute to Lifecycle Maintenance and Upgrade Reserve ("LMUR") and Reserve for Future Capital ("RFC").

Conditions: The reserve will be reviewed annually by the Corporate Budget Office and any available funding not committed for tax supported debt will be transferred to the LMUR. (FCS2006-42)

Transfer a minimum of \$10 million per year from the reserve to the LMUR, provided no new tax-supported debt is issued, and funds are not needed for the interest payment for MSI-related bridge financing. (FCS2008-28)

Restrictions: None.

Related Budget Program: Operating Program: #840 Capital Financing Costs

Funding Sources: The reserve is funded \$94,752 annually from property taxes. This amount is an allocation of 84% of a pre-1996 tax-supported debt servicing budget of \$112,800.

Reserve approved to record allocation of investment income:

Yes No

Special Reporting Requirements: None.

Current Activity (\$000s):

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Opening balance	52,570	52,570	52,570	52,570	52,570
Investment Income	2,088	1,645	1,863	1,177	1,340
Contributions (to)/from operations:					
Debt Charge Savings	94,752	94,752	94,752	94,752	94,752
Principal Payment	(27,466)	(30,994)	(34,634)	(36,733)	(38,505)
Interest Payment	(6,819)	(8,142)	(9,660)	(11,317)	(13,059)
Contributions to other Reserves:					
Contributions to LMUR ⁽¹⁾	(32,555)	(27,261)	(22,321)	(17,879)	(14,528)
Contributions to RFC ⁽²⁾	(30,000)	(30,000)	(30,000)	(30,000)	(30,000)
Closing balance	<u>52,570</u>	<u>52,570</u>	<u>52,570</u>	<u>52,570</u>	<u>52,570</u>

(1) As per report FCS2006-42 and FCS2008-28, the amounts transferred to LMUR are:

- Fixed amount of \$10,000 annually: 2007 to 2019
- Funding not committed to tax supported debt: \$22,555 for 2019, \$17,261 for 2018, \$12,321 for 2017, \$7,879 for 2016 and \$4,528 for 2015.

(2) As per report FCS2008-28 contribution to RFC from Debt Servicing Reserve of \$10,000 in 2009, escalating by \$5,000 per year to \$30,000 by 2013.

Source Contacts: **Business Unit –** **Finance**
 Financial and K. Ohlhauser, Budget Officer
 Operational Lead – C. Jacyk, Finance Manager

Review Schedule: Last Review: 2019

Downtown Improvement Fund
Excluding Stephen Avenue Heritage Area Society Fund
Capital Reserve (\$000s)

\$ 2,800
(2019)

Authorization: OD85-120, OD87-113, FB94-93, M2007-009, LPT2008-74, PUD2012-03, PFC2012-0606, PFC2015-0917 and PFC2018-1125.

Purpose: The Downtown Improvement Fund assists in the implementation of public improvement projects in the Centre City. Reserve funds may be used to help fund operating maintenance costs of specialty assets in the Centre City.

Conditions: Funds are to be used for high priority downtown improvement projects through the capital budget process. The annual maximum the reserve may fund is \$300. Unused capacity from a year may be accrued and carried forward for up to four years, including the year in which it was accrued.

Restrictions: Centre City is defined in the May 2007 Centre City Plan (page 33) and includes the Beltline.

Related Budget Program: Operating Program: #651 Urban Strategy (previously #612 Local Area Planning & Implementation)
Capital Programs: #152 Downtown Improvement
#126 – 176 Industrial Sidewalk Retrofit

Funding Sources: License fees charged to commercial users of public rights-of-way (OD84-45).
Funds included in approved capital projects set aside for extraordinary maintenance of specialty assets.

Reserve approved to record allocation of investment income:
 X Yes No

Special Reporting Requirements: None.

Current Activity (\$000s):

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Opening balance	2,777	3,050	3,684	3,629	3,372
Investment Income	97	83	107	83	87
Contributions from operations (P 651)	7	75	121	255	178
Contributions to capital	(81)	(371)	(362)	(283)	(8)
Transfer to the Reserve for Future Capital	-	(60)	(500)	-	-
Closing balance	<u>2,800</u>	<u>2,777</u>	<u>3,050</u>	<u>3,684</u>	<u>3,629</u>

Carry-forwards available:

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Opening carry-forward	-	71	633	616	324
Annual spending limit	300	300	300	300	300
Annual expenditures	(81)	(371)	(862)	(283)	(8)
Accrued year-end carry-forward	<u>219</u>	<u>-</u>	<u>71</u>	<u>633</u>	<u>616</u>

Source Contacts: **Business Unit –** **Urban Strategy**
 Financial Lead – M. Fung, Finance Lead
 Operational Lead – J. Tang, Program Manager

Review Schedule: Last Review: 2018

Information Technology Reserve

\$ 35,643
(2019)

Capital Reserve (\$000s)

Authorization: FB96-101, C98-74, FCS2007-45, FCS2010-10, FCS2011-34, PFC2014-0847 and C2017-1123.

Purpose: To fund Information Technology projects and infrastructure, fibre optics projects; and lifecycle replacement of City hardware and software.

Conditions: The reserve will be used to fund systems costing \$50 or more. The target balance for the lifecycle portion of the reserve is between two times and two and a half times the three year average forecast of capital spending for hardware lifecycle replacement.

Restrictions: None.

Related Budget Programs: Capital Programs: #803 IT Development Projects
#741 Information Technology Infrastructure
#751 Fibre Network

Funding Sources: Initial funding – 1996 Operations

Future funding – replenished on an ongoing basis by annual operating budget contributions, personal computer replacement contributions, network account recoveries from business units, telecommunication projects and proceeds from sales of replaced computer equipment.

Reserve approved to record allocation of investment income:
 X Yes (Fibre Optics only) No

Special Reporting Requirements: None.

Current Activity (\$000s): IT initiatives

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Opening balance	8,902	7,303	7,018	4,754	2,002
Investment Income	-	-	225	122	67
Contributions from operations	3,900	1,599	60	2,886	2,918
Proceeds from asset disposal	-	-	-	164	127
Contributions to capital	(9,621)	-	-	(908)	(360)
Closing balance	<u>3,181</u>	<u>8,902</u>	<u>7,303</u>	<u>7,018</u>	<u>4,754</u>

Current Activity (\$000s): IT Projects Pool

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Opening balance	7,927	4,939	3,902	5,138	6,898
Contributions from operations	3,530	5,000	5,000	3,000	2,000
Contributions to capital	(2,712)	(2,012)	(3,963)	(4,236)	(3,760)
Closing balance	<u>8,745</u>	<u>7,927</u>	<u>4,939</u>	<u>3,902</u>	<u>5,138</u>

Current Activity (\$000s): Corporate Telecom - Fibre Optics

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Opening balance	4,967	3,794	3,210	3,160	2,777
Investment Income	182	106	98	53	68
Contributions from operations	3,378	1,718	1,306	3,300	1,322
Contributions to capital	(1,654)	(651)	(820)	(3,303)	(1,007)
Closing balance	<u>6,873</u>	<u>4,967</u>	<u>3,794</u>	<u>3,210</u>	<u>3,160</u>

Current Activity (\$000s): Hardware Replacement

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Opening balance	7,623	6,317	4,894	4,014	3,094
Contributions from operations	4,104	2,996	3,160	2,827	2,760
Contributions to capital	(3,439)	(1,690)	(1,737)	(1,947)	(1,840)
Closing balance	<u>8,288</u>	<u>7,623</u>	<u>6,317</u>	<u>4,894</u>	<u>4,014</u>

Current Activity (\$000s): Enterprise Software Growth

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Opening balance	7,867	5,358	1,722	1,592	3,418
Investment Income	-	-	51	36	74
Contributions from operations	2,089	3,839	4,985	1,400	1,371
Contributions to capital	(1,400)	(1,330)	(1,400)	(1,306)	(3,271)
Closing balance	<u>8,556</u>	<u>7,867</u>	<u>5,358</u>	<u>1,722</u>	<u>1,592</u>

Consolidated Closing Balance

35,643	37,286	27,711	20,746	18,658
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Source Contacts:**Business Unit –****Information Technology**

Financial Lead –

E. Galindo, Finance Lead and

J. Kwong, Finance Manager

Operational Lead –

J. Bradley, Director

Review Schedule:

Last Review:

2017

LED Street Light Re-Lamping Reserve

(formerly LED Traffic Signal Display Re-Lamping Reserve)
Capital Reserve (\$000s)

\$ 4,802
(2019)

Authorization: TTP 2002-44, PFC 2012-0606 and PFC2015-0917.

Purpose: To help finance initial capital expenditures for streetlight Light Emitting Diode (“LED”) units and future lifecycle replacement of streetlights.

Conditions: None.

Restrictions: None.

Related Budget Programs: Operating Program: #132 Roads
Capital Program: #128-100 LED Streetlights

Funding Sources: Annual operating budget surpluses from Roads – Street Lighting budget.

Reserve approved to record allocation of investment income:
 Yes No

Special Reporting Requirements: None.

Current Activity (\$000s):

	<u>2019</u>	<u>2018</u>	<u>2017</u> (Restated)	<u>2016</u>	<u>2015</u>
Opening balance	5,414	4,537	5,688	5,528	5,816
Contributions from operations	678	1,664	4,500	1,750	1,466
Contributions to capital	(1,290)	(787)	(5,651)	(1,590)	(1,754)
Closing balance	<u>4,802</u>	<u>5,414</u>	<u>4,537</u>	<u>5,688</u>	<u>5,528</u>

Source Contacts: **Business Unit – Roads**
Financial Lead – S. MacKenzie, Finance Lead
Operational Lead – R. Seera, Manager Traffic (Roads)

Review Schedule: Last Review: 2018

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Legacy Parks Reserve

\$ 7,889
(2019)

Capital Reserve (\$000s)

Authorization: LPC2003-17, NM2003-36, NM2003-40, C2003-67, C2006-62, NM2007-35, C2008-76, LPC2008-02, CPS2009-36, M2010-08, NM2012-05, LPC2012-0809, LPC2013-0428, LPC2014-0172, LPC2014-0823, LPC2016-0626 and PFC2019-1385.

Purpose: To create new park space and enhance existing parks for the benefit of Calgarians, now and in the future.

Conditions: Allocation of funds are as follows:

- \$30,000 to fund the purchase and development of lands to comprise three new regional parks.
- \$20,000 to fund upgrading and/or development of parks within The City limits.
- Per C2006-62, Council approved an additional \$10,400 to fund the purchase of Bearspaw District.
- Per LPC2008-02, Council approved an additional \$75,000 of new funding to fund Legacy Parks projects.
- Per CPS 2009-36, reallocated \$7,000 of funds from Legacy to Devonian Gardens Redevelopment.
- Per NM2012-05, Council approved \$75,000 of new funding to fund Legacy Parks projects.
- Per LPC2012-0809 Council approved \$200 one-time operating budget (expenditures) from 2013 to 2017 for Parks Foundation Calgary, offset by a corresponding increase of \$200 operating budget (revenue) in General Revenue (Program 860) to be funded by the Legacy Parks Reserve.
- Per LPC2014-0823 Council approved specific projects to be funded by \$75,000 from NM2012-05.
- Per LPC2016-0626, the Legacy projects underway were reprioritized and strategically phased and high priority projects were identified.

Restrictions: Funds are to be used as per the conditions outlined above.

Related Budget Programs: Capital Programs: #499 Legacy Parks (2016 and prior only)
#500 Parks (previously known as Parks and Natural Areas)

Funding Sources: ENMAX dividends received in excess of the annual budgeted dividend amount are contributed to the Legacy Parks Reserve less any dividends contributed to the ENMAX Dividend Stabilization Reserve.

Reserve approved to record allocation of investment income:

X Yes No

Special Reporting Requirements: None.

Current Activity (\$000s):

	<u>2019</u>	<u>2018</u>	<u>2017</u> (Restated)	<u>2016</u>	<u>2015</u>
Opening balance	7,025	8,155	10,558	18,450	23,033
Investment Income	234	192	255	335	449
Contributions to capital	(870)	(1,322)	(3,458)	(11,107)	(9,982)
Transfer from Reserve for Future Capital	1,500	-	800	2,880	4,950
Closing balance	<u>7,889</u>	<u>7,025</u>	<u>8,155</u>	<u>10,558</u>	<u>18,450</u>

Source Contacts: **Business Unit –** **Calgary Parks**
 Financial Lead – T. LePrieur, Finance Lead
 Operational Lead – N. Bernard, Manager

Review Schedule: Last Review: 2019

Lifecycle Maintenance and Upgrade Reserve

\$ 245,554
(2019)

Capital Reserve (\$000s)

Authorization: C2002-82, CPS2005-03, FCS2006-42, FCS2008-28, FCS2011-34, M2012-0828, C2013-0330, C2013-0668, NM2015-33 and C2017-1123.

Purpose: The Lifecycle Maintenance and Upgrade Reserve ("LMUR") was established to maintain and upgrade capital assets (C2002-082).

Conditions: None.

Restrictions:

1. Net proceeds from sale of surplus fire capital assets and future funds received from Alberta Health Services ("AHS") are to be used exclusively for fire protective equipment (FCS2011-34).
2. Net proceeds from the sale of surplus transit capital assets are to be used exclusively for transit capital purchases (FCS2011-034).
3. Funds of the Property Tax Room to be used as per Council approval (M2012-0828, C2013-0330 and C2017-0288).

Related Budget Programs: Operating Program: #840 Capital Financing Costs
Capital Programs: Capital programs in various business units.

Funding Sources: Funding Sources include:

- 2.6% of annual property taxes (FCS2008-28);
- \$10,000/year from Debt Servicing Reserve (FCS2008-028), provided no new tax-supported debt is issued and funds are not required for the interest payments for Municipal Sustainability Initiative related bridge financing;
- The Debt Servicing Reserve will be reviewed annually and any available funding not committed for tax supported debt will be transferred to the LMUR (FCS2006-42);
- Net proceeds from sale of surplus transit and fire assets, and funds received from AHS (FCS2011-34);
- Net proceeds from sale of surplus transit asset (FCS2011-34);
- Tax Room funds (M2012-0828, C2013-0330 and C2017-0288); and
- Transfer of \$475 on 2014 from City Clerk Operating Budget to LMUR to fund capital projects (C2014-0608).

Reserve approved to record allocation of investment income:

Yes No

Special Reporting Requirements: None.

Current Activity (\$000s):

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Lifecycle Maintenance & Upgrade			(Restated)		
Opening balance	131,775	119,124	98,111	106,372	97,251
Contributions from operations ⁽¹⁾	51,082	47,267	45,128	42,031	37,859
Contributions from Debt Servicing Reserve	32,555	27,261	22,321	17,879	14,528
Contributions from Property Tax Room ⁽²⁾	1,431	1,431	10,231	10,231	10,231
Contributions to capital	(61,924)	(63,446)	(58,943)	(81,323)	(53,883)
Transfer (to)/from Budget Savings Account ⁽³⁾	(18,652)	-	150	-	(150)
Transfer from Misc. Capital - Fire ⁽⁴⁾	1,213	527	2,139	1,940	393
Transfer (to)/from Misc. Capital - Transit ⁽⁴⁾	(39)	(389)	(13)	981	143
Closing balance	<u>137,441</u>	<u>131,775</u>	<u>119,124</u>	<u>98,111</u>	<u>106,372</u>
Green Line Fund					
Opening balance	116,885	51,932	18,011	43,019	-
Contributions from Property Tax Room ^{(2),(5)}	75,778	75,778	52,115	52,115	52,115
Contributions to capital	(84,550)	(10,825)	(18,194)	(77,123)	(9,096)
Closing balance	<u>108,113</u>	<u>116,885</u>	<u>51,932</u>	<u>18,011</u>	<u>43,019</u>
Total Reserve Closing Balance⁽⁶⁾	<u>245,554</u>	<u>248,660</u>	<u>171,056</u>	<u>116,122</u>	<u>149,391</u>

(1) 2.6% of annual property taxes

(2) As per report M2012-0828 and C2013-0330, the Property Tax Room funds are transferred to LMUR annually.

(3) Transfer was made to the following reserves:

-Budget Saving Account: Allocated but unspent funds from capital projects financed by LMUR funding can be transferred to the capital Budget Savings Account upon project completion. In 2017, amounts were transferred back from the capital Budget Savings Account to the LMUR due to changes in project funding sources.

-Major Capital Project Reserve: As per VR2019-0013 and C2019-0525, \$18,652 was contributed from LMUR to the Major Capital Project Reserve in 2019 to provide a funding source long term capital projects.

(4) As per report FCS2011-34, the Misc. Capital Fire and Transit reserves are transferred into LMUR.

(5) C2013-0668 and NM2015-33 dedicated \$52,115 from 2015 to 2044 to be used toward the Green Line Fund. As per C2017-1123 and PFC2019-0040, \$23,663 from 2017 Property Tax Room is retained in 2018 and future years and used to fund costs for Green Line.

(6) Committed amounts included in the closing balance total \$214,996 for approved capital projects.

Source Contacts: **Business Unit – Finance**
 Financial Lead – K. Ohlhauser, Budget Officer
 Operational Lead – C. Jacyk, Finance Manager

Review Schedule: Last Review: 2017

Major Capital Project Reserve

\$ 423,516

Capital Reserve (\$000s)

(2019)

Authorization: VR2019-0013, ECA2019-0263, C2019-0341, C2019-0349, C2019-0525 and C2019-0964.

Purpose:

- 1) To provide a funding source for Long Term capital projects which includes:
 - BMO Centre expansion
 - Event Centre
 - Arts Commons Transformation
 - Multi-Sport Field House
- 2) To fund repayable internal loans to related authorities for the BMO Centre expansion project as per Council's direction (C2019-0349)

Conditions: None.

Restrictions: The funds from the following sources are restricted within the Major Capital Projects Reserve to fund the event centre project (C2019-0964):

- \$12,400 from 2019 Corporate Program savings;
- \$3,000 from the Fiscal Stability Reserve from 2019 interest income earned; and
- \$10,000 from the Real Estate Services Reserve.

Related Budget Programs:

Operating Program: #840 Capital financing costs

Capital Program: Various business units and related authorities

Funding Sources:

1. Through VR2019-0013, Council approved the following funding sources from uncommitted December 31, 2018 reserve balance as follows:
 - Fiscal Stability Reserve (FSR) - \$304,724
 - Lifecycle Maintenance and Upgrade Reserve - \$18,652
 - Budget Savings Account Reserve - \$37,440
 - Tax Loss Provision Reserve - \$37,398
 - Total \$398,214
2. Repayment of BMO Centre expansion internal loan principal and interest (VR2019-0013).
3. The City's portion of the facility fee to be received under the event centre agreements (C2019-0964).
4. The City's portion of naming rights revenue to be received under the event centre agreements (C2019-0964).
5. Future funding sources to be added to the fund other than investment income earned on the reserve balance will be based on Council's direction and approval (C2019-0525).

Parking Land Acquisition Reserve - CLOSED

\$ -
(2019)

Capital Reserve (\$000s)

Authorization: LPT2006-13, C2008-61, LAS2009-45, FCS2007-26, PFC2012-0606, C2013-0509, TT2013-0124, TT2016-0204, TT2017-0044 and PFC2018-1125.

PFC2018-1125 recommended that the reserve be closed and the balance funds transferred to the approved new Cash-in-Lieu Lifecycle Sustainment Reserve. This new reserve will fund the lifecycle operating and capital needs for the existing cash-in-lieu parking facilities managed by the Calgary Parking Authority. The reserve will no longer receive funding and the reserve will be used for the purpose identified above.

Purpose: Enable Calgary Parking Authority to access the funds to support lifecycle requirements for existing cash-in-lieu parking facilities.

Council approved the following special purposes:

1. Allocate \$500 in 2013 and \$4,000 in 2014 from this reserve to Roads Program #127 to be used for Hillhurst/Sunnyside Transit Oriented Development project in Investing in Mobility.
2. Allocate \$100 in 2013 from this reserve to Roads Program #127 to be used as seed money for the Catherine Avenue Woonerf project to facilitate further design and cost estimates, conduct engagement and address land issues.

Conditions: None.

Restrictions: None.

Related Budget Programs: Capital Programs: #851 Future Downtown Infrastructure Land
#127-140 Various Street Improvements

Funding Sources: Prior to 2017, an annual allocation from monies received by The City from the Calgary Parking Authority to a cash-in-lieu of parking land acquisition fund. This allocation was \$500 per annum commencing in 2007 as well as any Calgary Parking Authority revenues received by the City in excess of budgeted levels plus any associated investment income earned on fund balances. Beginning in 2017, the reserve will no longer receive funding and the reserve will be used for the purpose identified above until the funds are exhausted.

Reserve approved to record allocation of investment income:

 X Yes No

Special Reporting Requirements: None.

Current Activity (\$000s):

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Opening balance	42,851	41,719	40,772	38,215	32,657
Investment Income	-	1,132	1,308	876	810
Contributions from Calgary Parking Authority	-	-	-	3,876	5,928
Contributions from Revolving Fund for General Land Purchases ⁽¹⁾	-	-	-	2,441	-
Contributions to Parking Revenue Reinvestment Reserve	-	-	(1,688)	-	-
Contributions from/(to) capital	-	-	1,327	(4,636)	(1,180)
Transfer to Cash-in-Lieu Lifecycle Sustainment Reserve	(42,851)				
Closing balance ⁽²⁾	-	42,851	41,719	40,772	38,215

(1) Per C2008-61, this transfer was to purchase the portion of land not utilized by the District Energy Plant.

(2) The closing balance of \$42,851 at December 31, 2018 is to be transferred to the new Cash-in-Lieu Lifecycle Sustainment Reserve approved by Council (PFC2018-1125) and to be created in 2019.

Source Contacts: **Business Unit –** **Calgary Transit & Transportation Infrastructure**
 Financial Lead – T. Johnson, Finance Lead

Business Unit – **Transportation Planning**
 Operational Lead – A. Sebjanic, Manager, Transportation Strategy

Review Schedule: Last Review: 2018

Reserve for Future Capital (“RFC”)

\$ 357,467
(2019)

Capital Reserve (\$000s)

Authorization: C85-66, C96-15, NM2004-17, FCS2004-62, FCS2006-42, FCS2008-24, FCS2008-28, LPT2008-38, CPS2010-24, FCS2010-27, CPS2010-41, FCS2011-34, LAS2011-66 (LAS2015-17), LAS2012-23, C2014-0744, C2014-0863, GP2015-0485 and C2017-1123.

Purpose:

1. To fund various capital projects as per Council approval;
2. To hold Pay-As-You-Go (“PAYG”) funding which helps to pay for City maintenance and upgrade projects, project producing assets with a useful life of five years or less, and, for grant-funded projects, costs ineligible to be paid using grant funding;
3. To hold contingency funds (for unforeseen projects or new emergency needs).

Conditions: A target balance for contingency purposes is 10% of previous year’s capital spending less Municipal Sustainability Initiative (“MSI”) and less self-funded capital projects (FCS2011-034).

Restrictions: Facility Management (“FM”, formerly Corporate Properties & Buildings) lease/sales revenue be reserved for corporate accommodation facilities and sites managed by FM (FCS2010-027).

Related Budget Programs: Operating Programs: #840 Capital Financing Costs
#694 Facility Management

Capital Programs: Capital programs are identified in various business units.

Funding Sources: Funding sources include:

1. FM lease/sales revenue and space provision funds for new employees (FCS2010-27)
2. Franchise Fee amounts in excess of budget (FCS2004-62)
3. Contribution from Debt Servicing Reserve (“DSR”) for (PAYG) funding (up to \$30,000 as of 2013)
4. PAYG funding from operations. Funding increase every 4-year planning period with population and non-residential construction inflation (FCS2008-028)
5. Transfer of Provincial Disaster Recovery reimbursement of 2013 Flood operating costs to RFC to fund resiliency capital projects (C2014-0774)
6. Heritage Building Preservation fund, one-time \$35,000 allocation of 2014 operating surplus to restore and preserve city-owned heritage buildings (C2014-0863)
7. Other funding sources as directed by Council.

Reserve approved to record allocation of investment income:
 Yes No

Special Reporting Requirements: None.

Current Activity (\$000s):

	<u>2019</u>	<u>2018</u>	<u>2017</u> (Restated)	<u>2016</u>	<u>2015</u>
Opening balance	305,675	305,420	327,014	354,190	318,286
Net contributions from operations	127,682	77,238	68,826	65,606	85,525
Contributions from Calgary Parking Authority	1,000	1,000	1,000	1,000	1,000
Contributions to capital	(103,890)	(106,483)	(119,120)	(119,402)	(74,171)
Transfer from DSR	30,000	30,000	30,000	30,000	30,000
Transfer to Community Investment Reserve	(1,500)	(1,500)	(1,500)	(1,500)	(1,500)
Transfer to Legacy Parks Reserve	(1,500)	-	(800)	(2,880)	(4,950)
Closing balance ⁽¹⁾	<u>357,467</u>	<u>305,675</u>	<u>305,420</u>	<u>327,014</u>	<u>354,190</u>

Represented By:

Allocated

RFC Flow Through ⁽²⁾	44,159	36,650	35,084	32,436	31,383
Committed PAYG not spent	116,289	163,691	128,657	130,932	145,893
Committed RFC not spent	49,585	70,954	71,376	90,441	102,414

Unallocated

RFC - cotingency ⁽³⁾	147,434	34,380	70,303	73,205	74,500
	<u>357,467</u>	<u>305,675</u>	<u>305,420</u>	<u>327,014</u>	<u>354,190</u>

- (1) Committed amounts included in the closing balance net of budgeted contributions is \$210,033 (\$116,289 for PAYG, \$49,585 for RFC and \$44,159 for RFC Flow Through).
- (2) Flow through funds include specific amounts committed to major projects typically spanning multiple years. In 2019, these funds primarily relate to the management of corporate accommodation facilities.
- (3) Per FCS2011-34 the target balance for contingency purposes is 10% of previous year's capital less MSI and self-funded capital projects. The target balance for the end of 2019 was \$80,211.

Source Contacts:

Business Unit –
Financial Lead –

Finance
K. Ohlhauser, Budget Officer

Business Unit –
Financial Lead –
Operational Lead –

Facility Management
L. Hoskins, Finance Lead
D. Bell, Director

Business Unit –
Financial Lead –
Operational Lead –

Transportation Infrastructure
K. Hewitt, Finance Lead
K. Fromherz, Director

Review Schedule:

Last Review: 2017

TELUS Convention Centre Reserve
Externally Restricted Capital Reserve (\$000s)

\$ 213
(2019)

Authorization: C97-83 and C2000-70.

Purpose: In 1985 the reserve was created to finance carpeting and other major replacement items with a useful life of five years or less. Commissioners' Report C97-83 amended the use of this reserve for capital purchases regardless of their useful life.

Conditions: In order to cover emergencies, a minimum balance of \$200 must be maintained in the combination of this reserve and TELUS Convention Centre's operating reserve. C2000-70 approved the reduction in the minimum balance from \$500 to \$200.

Restrictions: Expenditures are approved by the Calgary Convention Centre Authority.

Related Budget Programs: Operating Program: #449 Civic Partners, Convention Centre
Capital Program: #626 Calgary Convention Centre

Funding Sources: Annual contribution of \$180 from City operations.

Reserve approved to record allocation of investment income:
 Yes No

Special Reporting Requirements: None.

Current Activity (\$000s):

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Opening balance	200	20	242	213	253
Contributions from operations	180	180	180	180	180
Contributions to capital	(167)	-	(402)	(151)	(220)
Closing balance ⁽¹⁾	<u>213</u>	<u>200</u>	<u>20</u>	<u>242</u>	<u>213</u>

(1) In 2017, the combined balance of this reserve (\$20) and the TELUS Convention Centre's operating reserve (\$5,064) exceeded the minimum balance of \$200.

Source Contacts: **Business Unit –** **Civic Partners**
 Financial Lead – J. Salazar, Finance Lead
 Operational Lead – L. Kerr, Manager, Office of Partnerships

Review Schedule: Last Review: 2019

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Budget Savings Account Reserve

Combined Operating and Capital Reserve (\$000s)

\$ 91,251

(2019)

Authorization: PFC2015-0181 and PFC2015-0959.

Purpose: Regular Budget Savings Account (“BSA”): To encourage and provide incentives for business units to seek annual savings, innovation and efficiencies, within their operating and capital budgets, including, but not limited to the use of "savings accounts".

Community Economic Resiliency Fund (“CERF”) Budget Savings Account: As per Council directive, to set aside funding from Corporate surplus / intentional savings to Community Economic Resiliency Fund within the Budget Savings Account for initiatives that support Calgarians and local businesses affected by the challenging economic conditions in Calgary. The Community Economic Resiliency Fund provides the opportunity to respond to the needs of the community in three ways; citizens see the direct benefit of the fund through frozen fees for key City services, non-profits and business units are able to maintain service levels and meet the increasing demand through the emergency fund and can be used as a direct stimulus to the economy by investing in initiatives for economic development and affordable housing.

Conditions: None.

Restrictions: To remain responsive to current economic conditions The City will retain flexibility in the uses of these funds in the short-term.

Any savings generated by business units may fund the Budget Savings Account. Funds will be allocated 50% to initiatives at the business unit level and 50% to initiatives at the corporate level; or, at 100% to Corporate to mitigate the impacts of economic downturns.

Any savings generated in Corporate Programs, unless as directed by Council, will be directed to the Fiscal Stability Reserve as per Council's current direction.

Related Budget Programs:
Operating Program: All impacted City Business Units.
Capital Program: All impacted City Business Units.

Funding Sources: Funding for the savings account will be generated by favorable budget variances identified by business units through the management of their operating and capital budgets, and by Corporate as directed by Council.

Capital funding sources are subject to restrictions which potentially limit the uses of any funds saved. Any potential capital savings identified would require disposition in a manner consistent with the terms and conditions of any governing policies or agreements.

Reserve approved to record allocation of investment income:
 Yes No

Special Reporting None.
Requirements:

Current Activity (\$000s):

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Opening balance	135,198	157,334	130,103	60,905	-
Contributions from operations ⁽¹⁾	17,939	39,122	34,295	24,246	30,313
Contributions from operations to CERF ⁽²⁾	-	3,369	45,000	58,800	30,000
Contributions to operations	(6,302)	(4,101)	(15,866)	(269)	-
Contributions to operations from CERF	(19,585)	(37,640)	(37,536)	(16,971)	-
Contributions from capital ⁽³⁾	-	-	-	3,392	592
Transfer (to)/from other operating reserves ⁽⁴⁾	(35,999)	(22,886)	422	-	-
Transfer from other capital reserves	-	-	916	-	-
Closing balance	<u>91,251</u>	<u>135,198</u>	<u>157,334</u>	<u>130,103</u>	<u>60,905</u>

Breakdown of Closing Balance:

Operating BSA ⁽⁵⁾	60,914	85,276	73,141	54,290	30,313
Operating BSA-CERF ⁽⁶⁾	25,437	45,022	79,293	71,829	30,000
Capital BSA ⁽⁷⁾	4,900	4,900	4,900	3,984	592
Closing Balance	<u>91,251</u>	<u>135,198</u>	<u>157,334</u>	<u>130,103</u>	<u>60,905</u>

- (1) Operating savings and return of unspent one-time budget from various business units and Corporate Costs.
- (2) 2018: Return of unspent one-time budget on Affordable Housing Initiative.
2017: Contribution for 2018 Municipal Non-Residential Phased Tax Program ("PTP").
2016: Contribution for 2017 PTP, Calgary Neighborhood Emergency Resilience and user fees freeze for Calgary Transit, Recreation and pet licensing.
2015: Contribution for Affordable Housing Initiative in the Community, Economic Development Initiative, Calgary Neighborhood Emergency Resilience Fund, and user fees freeze for Calgary Transit, Recreation and pet licensing.
- (3) Capital savings from various business units.
- (4) 2019: Transfer of \$1,557 from Calgary Parking Authority ("CPA") net revenue, offset by (\$37,440) to Major Capital Projects ("MCP") Reserve and (\$116) to various business units for HR Accommodations Costs.
2018: Transfer of \$2,201 from Calgary Parking Authority ("CPA") net revenue, offset by (\$25,000) to Opportunity Calgary Investment Fund ("OCIF"), previously known as Economic Development Investment Fund Reserve ("OCIF"), and (\$87) to Fiscal Stability Reserve ("FSR") due to ACE Daycare Flood Repayment, on bridge financing, being treated as LAW surplus and contributed to BSA in 2016.
2017: Transfer of \$480 from CPA net revenue, partially offset by (\$58) to FSR due to an over-contribution to BSA in Planning & Development department which resulted in an unfavourable variance in 2016.
- (5) Committed amount in the closing balance of Operating BSA total \$40,555 consisting of: Up to \$30,341 for 2019-2022 one-time budget (C2018-1158) if required, \$330 for Social Procurement, and \$9,884 for HR Accommodations Costs (PFC2019-0193).
- (6) Committed amounts in the closing balance of Operating BSA-CERF total \$22,498 consisting of: \$2,849 for 2017 PTP, \$3,508 for 2018 PTP, \$14,219 for 2019 PTP and \$1,922 for Affordable Housing.
- (7) Capital BSA closing balance is committed to Event Centre per C2019-0964

Source Contacts: **Business Unit –** **Finance**
 Financial Lead – C. Jacyk, Finance Manager
 Operational Lead – L. Tochor, City Treasurer

Review Schedule: Last Review: 2018

Business Licence Sustainment Reserve (Formerly Calgary Building Services (“CBS”) and Calgary Community Standards (“CCS”) – Business Licence Sustainment Reserve)

\$ 11,966
(2019)

Combined Operating & Capital Reserve (\$000s)

Authorization: FB2003-49, PFC2013-0745, PFC2016-0796, PFC2017-1081 and PFC2019-1385.

Purpose: The Calgary Community Standards (Business Licence) Reserve will be used to stabilize the budget during fluctuations in the business sector to ensure consistent, sustainable, self-supporting customer and regulatory services.

The reserve will be used for the following specific uses:

- Stabilize the operating budget
- Fund one-time operating expenditures
- Fund the capital expenditures

Conditions: None.

Restrictions: None.

Related Budget Programs: Operating Program: #004 Calgary Community Standards
Capital Program: #048 Calgary Community Standards, Bylaw Capital

Funding Sources: Business Licence annual operating surplus as of 2014 and future years.

Reserve approved to record allocation of investment income:
 Yes No

Special Reporting Requirements: None.

Current Activity (\$000s):

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Opening balance	10,234	9,583	7,249	4,701	2,184
Investment Income	406	295	299	146	92
Contributions from operations	1,495	1,210	2,103	2,439	2,425
Contributions to capital	(169)	(88)	(68)	(37)	-
Transfers between reserves	-	(766)	-	-	-
Closing balance	<u>11,966</u>	<u>10,234</u>	<u>9,583</u>	<u>7,249</u>	<u>4,701</u>

Source Contacts: **Business Unit – Calgary Community Standards**
Financial Lead – G. Drall, Finance Lead
Operational Lead – A. Rafih, Acting Manager

Review Schedule: Last Review: 2019

Cash-in-Lieu Lifecycle Sustainment Reserve

\$ 42,477
(2019)

Sustainment Reserve (\$000s)

Authorization: TT2019-0204, TT2017-0044 and PFC2018-1125

Purpose: The purpose of this reserve is to fund the lifecycle operating and capital needs for existing cash-in-lieu parking facilities managed by the Calgary Parking Authority.

Conditions: As per purpose.

Restrictions: Funds are to be used at the sole discretion of the Calgary Parking Authority to support their lifecycle activities for the cash-in-lieu parking facilities. Expenditures are approved by the Calgary Parking Authority through the approval of the budget by the Calgary Parking Committee.

For Parking facilities that have both cash-in-lieu and other financing, this reserve may fund a percentage of work equal to the proportion of cash-in-lieu stalls to the total stalls within the facility.

Related Budget Program: Operating Program: #104 Calgary Parking Authority
Capital Program: #106 Calgary Parking Authority

Funding Sources: The balance in the Parking Land Acquisition Reserve of \$43,276 (\$42,851 opening balance plus \$425 investment income) in Year 2019 was transferred to this newly created reserve to fund the purpose per Council direction in TT2016-0204

Reserve approved to record allocation of investment income:

Yes No

Special Reporting Requirements:

None.

Current Activity (\$000s):

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Opening balance	-	-	-	-	-
Investment Income	1,246	-	-	-	-
Contributions to operations	(1,620)	-	-	-	-
Transfer from Parking Land Acquisition Reserve	42,851	-	-	-	-
Closing balance	<u>42,477</u>	-	-	-	-

Source Contacts: **Business Unit – Fleet Services**
Financial Lead – S. MacKenzie, Finance Lead
Operational Lead – A. Sebjanic, Manager, Transportation Strategy

Business Unit – Calgary Parking Authority
Financial Lead – J. Foulds, Controller
Operational Lead – G. Furtado, General Manager

Review Schedule: Last Review: N/A

Community Sustainability Reserve
Combined Operating & Capital Reserve (\$000s)

\$ 1,856
(2019)

Authorization: CPS2008-39, C2008-76, CPS2009-06, FCS2009-26, FCS2010-28, PFC2013-0745, PFC2016-0796 and C2017-1123.

Purpose: The purpose of the Community Sustainability Reserve is to provide interim support to assist community organizations in need of short term assistance to address operational shortfalls, as determined by Calgary Neighbourhoods. This Reserve is intended to assist organizations so that they may continue to operate and meet the needs of their community, and/or the citizens of Calgary at large. Funding is available to provide financial support, and if applicable, resources such as consultation support, in order to maximize the capacity and sustainability of an organization to contribute to inspiring neighbourhoods. Funding is provided for:

- a. Stabilization and redevelopment assistance to organizations that encounter unexpected financial circumstances or have been dealing with organizational or governance issues for more than a year.
- b. Professional consulting services support to organizations in any area that may impact sustainability to deliver improved programs and services to citizens, whether in crisis or not.

Conditions: In order to qualify for funding, Community Associations and social recreational organizations must have an active lease or license of occupation with The City through the Community Association or Social Recreation Leasing Policy CSPS011 – Lease/License of Occupation to Community Organizations.

Qualifying organizations must agree to work with Administration to develop and implement recommendations resulting from professional reviews, where possible and reasonable.

The maximum funding amount for operational use is \$200 over a 5 year period of time, and approved by the Director of Calgary Neighbourhoods. The maximum funding amount includes both stabilization and redevelopment assistance.

Restrictions: As per purpose and conditions.

Related Budget Programs: N/A

Funding Sources: The Community Sustainability Reserve received a one-time transfer of \$580 from the Lifecycle Assistance and Energy Reserve (CPS2008-39) for operating purposes and \$3,000 from corporate in 2008 (C2008-76) for capital purposes. The purpose of the reserve was amended in 2016 so that the remaining reserve balance at Dec 31, 2015 of \$2,270 could only be used for operational purposes. Funds can only be used for capital projects if the funds were approved prior to the 2016 reserve purpose amendment.

Reserve approved to record allocation of investment income:
 Yes No

Special Reporting Requirements: None.

Current Activity (\$000s):

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Opening balance	2,062	2,119	2,123	2,270	2,443
Contributions to other sources	(206)	-	-	-	-
Transfer to reserves	-	(57)	(4)	(147)	(173)
Closing balance	<u>1,856</u>	<u>2,062</u>	<u>2,119</u>	<u>2,123</u>	<u>2,270</u>

Source Contacts: **Business Unit –** **Calgary Neighbourhoods**
 Financial Lead – J. Salazar, Finance Lead
 Operational Lead – C. Joynt, Director

Review Schedule: Last Review: 2019

Corporate Housing Reserve

\$ 33,952

Combined Operating & Capital Reserve (\$000s) (Formerly Capital Reserve)

(2019)

Authorization: FB99-62, CPS2002-57, LA2000-206, CPS2004-55, FCS2004-58, FCS2010-10, PFC2012-0606, LAS2013-06, C2018-1158 and PFC2019-1385. Grant Funding Agreement 2007, 2008-2009 and 2009-2010, One Window Project Agreement 2017-2019.

Purpose: To support the development of affordable rental, social and special needs housing infrastructure and operating costs associated with affordable housing initiatives. Starting 2019, the reserve also accumulated the unspent portion of the Housing Incentive Program budget for later use, under circumstances where an entire incentive cannot be paid out in a single year.

Conditions: In accordance with the terms of reference established for the reserve, the reserve will be used to support development initiatives that enhance or increase the supply of affordable rental and social/special needs housing. Municipal, non-profit, public and private organizations may be considered for funding, individually or as part of partnership/joint venture.

Funds contributed by a grant will be managed and used in accordance with the terms of the applicable grant agreement.

Per PFC2019-1385, funds contributed for the Housing Incentive Program are to be tracked and used separately from other funds in this Reserve.

Restrictions: External - \$ 13,277 Internal - \$ 5,952

2% of reserve (up to \$50 maximum) is designated as an emergency fund for unanticipated costs related to The City’s Homeless Strategy.

Unless approved by Council or as part of the Housing Incentive Program, funding cannot be used to support operating and social support services associated with affordable housing.

Related Budget Program:
Operating Program: #495 Calgary Housing (previously #488 Land Servicing & Housing)
Capital Program: #489 Affordable Housing (previously #489 Public Housing)

- Funding Sources:**
- 1) The sale proceeds from selected City-owned properties that are surplus to the City’s needs; sales proceeds from other City-owned properties not being used for affordable housing purposes and that are surplus to the City’s needs shall be subject to Council approval through the Utilities and Corporate Services Committee (previously Land and Asset Strategy Committee – “LASC”); 5% of gross industrial land sales proceeds.
 - 2) Lease revenues generated from the City-owned properties being utilized for current and future affordable housing initiatives.
 - 3) Contribution of City funding (mill rate) for an amount equal to the amount previously paid in municipal subsidy agreements for provincially-owned public housing units.

- 4) Third party donations, grants and contributions from individuals, public and private organizations or agencies.
- 5) As approved in LA2000-206, 20% of net eligible revenues generated from Real Estate & Development Services (previously Corporate Properties) Residential Portfolio be transferred annually to Corporate Housing Capital Reserve to fund municipally operated housing initiatives.
- 6) Base operating funds budgeted for the Housing Incentive Program that are unspent at year-end and anticipated to be disbursed in future years, and
- 7) Investment income.

Reserve approved to record allocation of investment income:

Yes No

Special Reporting Requirements: None.

Current Activity (\$000s):

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u> (Restated)
Opening balance	31,622	30,383	29,885	38,504	36,073
Investment Income	936	655	754	645	762
Contributions from operations	1,424	2,165	1,595	2,235	3,155
Contributions to operations ⁽¹⁾	(756)	(2,083)	(1,026)	(8,242)	(403)
Contributions to debt repayment	-	-	(244)	(245)	(245)
Contributions to capital ⁽²⁾	(982)	(566)	(2,539)	(3,335)	(2,690)
Transfer to reserve ⁽³⁾	1,708	1,068	1,958	323	1,852
Closing balance	<u>33,952</u>	<u>31,622</u>	<u>30,383</u>	<u>29,885</u>	<u>38,504</u>

(1) Contributions to operation: 2019: Includes funds used to fund Transformation Affordable Housing (\$756); 2018: Includes funds used to fund the increased service around Implementation of The City of Calgary Corporate Affordable Housing Strategy (\$1,636), Provincial grant for One Window (\$442K), Secondary Suites (\$5K); 2017: Includes funds used to fund the increased service around Implementation of The City of Calgary Corporate Affordable Housing Strategy (\$861); and 2016: Includes funds transferred to Calgary Housing Company - purchase of East Village (\$8,000).

(2) Contributions to capital: 2019: Kingsland \$13, Bridgeland (\$128) AH Pre-development (\$171), Lifecycle Maintenance (\$696); 2018: Kingsland (\$407), Bridgeland (\$27) AH Pre-development (\$32), Lifecycle Maintenance (\$100); 2017: Kingsland (\$699), Bridgeland (\$1,693), AH Pre-development (\$147); 2016: Demolition at Louise Station (\$1,000), Kingsland (\$1,204), Bridgeland (\$1,080), AH Pre-development (\$51); and 2015: Construction with redesign of building and configuration for Kingsland (\$1,044) and demolition at Louise Station (\$1,646).

(3) 5% of the Industrial Land sale revenue was contributed from operations which amount to \$1,708 in 2019, \$1,068 in 2018, \$1,957 in 2017 and \$297 in 2016. Also, in 2015 a correction was made to reclassify the AHCC mortgage payment of \$1,879 from contributions from operations to transfer between reserves. This correction is for the 2014 mortgage payment.

Source Contacts:

Business Unit –	Calgary Housing
Financial Lead –	M. Alarakyia, Finance Coordinator and S. MacFayden, Finance Manager
Operational Lead –	B. Irvine, Manager

Review Schedule: Last Review: 2019

Fleet Services Reserve (Formerly Fleet Services Capital Reserve) \$ 8,338
 Combined Operating & Capital Reserve (\$000s) (Formerly Capital Reserve) (2019)

Authorization: Commissionaires Report, FCS2010-10, FCS2011-34 and PFC2014-0847, C2017-1123 and PFC2019-1385.

Purpose: The Fleet Services Reserve will be used to stabilize the budget during fluctuations in the external market value of retired assets. This will help Fleet Services ensure consistent sustainable services as well as provide its clients the most efficient services possible.

The Fleet Services reserve will also be used to fund Capital Expenditures.

Conditions: The maximum balance of this reserve is \$10,000.

Restrictions: The reserve may only contribute to Fleet’s operating program to fund net asset disposal losses, and only to the amount of any net asset disposal loss in the year. This reserve may not contribute any amount to operating that would create or increase a net favourable operating surplus for Fleet Services.

Related Budget Program: Operating Program: #870 Fleet Services
 Capital Program: #871 Acquisitions

Funding Sources: Allocation of operating proceeds from disposal of capital assets and operating budget surpluses.

Reserve approved to record allocation of investment income:

Yes No

Special Reporting Requirements: None.

Current Activity (\$000s):

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Opening balance	9,766	10,933	14,326	10,456	4,042
(Loss)/gain on asset disposals	(1,085)	530	(178)	961	1,496
Contributions from operations	4,657	3,303	1,685	2,909	4,918
Contributions to capital	(5,000)	(5,000)	-	-	-
Transfer to Budget Savings Account ⁽¹⁾	-	-	(4,900)	-	-
Closing balance	<u>8,338</u>	<u>9,766</u>	<u>10,933</u>	<u>14,326</u>	<u>10,456</u>

(1) The contribution to the Capital Budget Savings Account is a one-time contribution, which was made as per the recommendations noted in the 2017 Triennial Reserve Review Report, C2017-1123.

Source Contacts: **Business Unit – Fleet Services**
 Financial Lead – E. Jarvo, Finance Lead
 Operational Lead – M. Belzile, Manager, Fleet Services

Review Schedule: Last Review: 2017

Golf Course Levy Reserve

\$ 3,744
(2019)

Combined Operating & Capital Reserve (\$000s)

Authorization: CS91-64-02, FB92-64, CS95-07, FCS2004-22, FCS2011-13, PFC2014-0847, PFC2017-1241 and PFC2019-0825.

Purpose: To fund golf course capital projects and to finance any golf course operating budget deficit.

Conditions: None

Restrictions: Funds are to be used as per the purpose outlined above.

Private contributions of \$1,000 were received in 2017 and will be used towards upgrade and maintenance projects at the Shaganappi Golf Course.

Related Budget Programs: Operating Program: #426 Recreation
Capital Program: #505 Golf Courses

Funding Sources: Surcharge on all golf passes and green fees and additional budget surplus transferred from golf course and recreation operations.

Reserve approved to receive investment income:
 Yes No

Special Reporting Requirements: None

Current Activity (\$000s):

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Opening balance	2,763	2,777	1,712	1,126	529
User surcharges	119	120	138	147	161
Investment income	112	75	74	36	25
Contributions from operations	750	11	13	403	411
Donation	-	-	1,000	-	-
Contribution to operations	-	(220)	(160)	-	-
Closing balance	<u>3,744</u>	<u>2,763</u>	<u>2,777</u>	<u>1,712</u>	<u>1,126</u>

Source Contacts: **Business Unit – Calgary Recreation**
Financial Lead – R. Turley, Finance Lead
Operational Lead – J. Duggan, Centre City Region Manager

Review Schedule: Last Review: 2017

Livery Transport Services Sustainment Reserve

(Formerly Taxi Commission Operating Surplus Reserve)

Combined Operating & Capital Reserve (\$000s)

\$ 5,834
(2019)

Authorization: FCS2004-22, FCS2010-10, PFC2013-0745, PFC2016-0796 and PFC2019-1385.

Purpose: To stabilize livery fees and financing which would benefit the industry while achieving a balanced budget without tax rate support.

The reserve is used by Livery Transport Services to:

1. Stabilize the operating budget;
2. Fund one-time operating expenditures; and
3. Fund capital expenditures that directly support livery transport services

Conditions: None

Restrictions: As per purpose.

Related Budget Programs: Operating Program: #004 Calgary Community Standards (LTS)
Capital Program: #048 Calgary Community Standards (Bylaw Capital)

Funding Sources: The Livery Transport Services' operating surpluses.

Reserve approved to record allocation of investment income:

Yes No

Special Reporting Requirements: None

Current Activity (\$000s):

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Opening balance	4,818	4,145	3,737	4,076	4,539
Annual operating surplus (deficit)	897	599	373	(354)	(181)
Investment income	185	117	119	86	110
Contributions to capital	(66)	(43)	(84)	(71)	(392)
Closing balance	<u>5,834</u>	<u>4,818</u>	<u>4,145</u>	<u>3,737</u>	<u>4,076</u>

Source Contacts: **Business Unit – Calgary Community Standards**
Financial Lead – G. Drall, Finance Lead
Operational Lead – A. Rafih, Manager

Review Schedule: Last Review: 2019

Millican-Ogden Community Enhancement – CLOSED

\$ -
(2019)

Combined Operating & Capital Reserve (\$000s)

Authorization: C2005-80, E2012-20 and PFC2015-0917.

PFC2015-0917 recommended that the reserve be closed and funds transferred back to the Fiscal Stability Reserve should a plan not be approved by the community association by the end of 2016. If a plan is in place, then recommended that Council close the reserve by no later than 2017 December 31.

Purpose: The reserve will be used to fund local improvements to enhance the Millican-Ogden community as identified in the Millican-Ogden Area Redevelopment Implementation Plan. The identified local improvements including community entrance signs, park amenities, pedestrian crossing enhancements; parks revitalization, Community Read-a-Board, and other community improvement projects will allow for the implementation of the social development policies and improvement plans set forth in the Community Plan to address existing issues and needs in Millican-Ogden.

Conditions: As per purpose.

Restrictions: Funds are to be used as per the purpose and conditions outlined above.

Related Budget Programs: Operating Program: #612 Community Planning (previously #616 Land Use Planning & Policy)

Funding Sources: One time funding from the Fiscal Stability Reserve.

Reserve approved to record allocation of investment income:
 Yes No

Special Reporting Requirements: None.

Current Activity (\$000s):

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Opening balance	-	-	5	132	171
Transfers to operations	-	-	(5)	(127)	(39)
Closing balance	-	-	-	5	132

Source Contacts: **Business Unit –** **Community Planning**
 Financial Lead – M. Fung, Finance Lead
 Operational Lead – Director

Review Schedule: Last Review: 2017

Opportunity Calgary Investment Fund (“OCIF”)

\$ 95,853
(2019)

Combined Operating & Capital Reserve (\$000s)

Authorization: C2017-0370, PFC2017-1081 and PFC2018-0187

Purpose: 1) The Opportunity Calgary Investment Fund (OCIF) represents a commitment by municipal government to invest in catalyst projects to strengthen the local economy.

The goals of the OCIF include, but are not limited to:

- Help create the right conditions for growth
- Diversify the local economy
- Leverage municipal funds for additional private and public sector investments
- Create employment lands and stimulate employment
- Create a return on investment (both direct and indirect)
- Support The City’s downtown vacancy challenges
- Increase The City’s property tax assessment base

2) Per PFC2018-0187, OCIF will earn interest according to City procedures. The amount of interest may be used to cover direct cost of administrating the OCIF subject to the prior approval of the Chief Financial Officer and the City Manager of The City of Calgary.

Conditions: Per PFC2018-0187, fund allocation must go through the evaluation and approval process as outlined in the terms of reference.

Restrictions: Per Alberta’s Municipal Government Act (MGA) municipalities are restricted from providing the following:

- no municipal tax relief
- no loans

Per the authorization document C2017-0370, the principal balance of the OCIF will not be used to fund communications, marketing, or public relations.

Per the authorization document PFC2018-0187, the investment income generated by the OCIF can be used to fund the direct operating costs of administrating the OCIF.

PFC2018-0187 defines decision making authority levels for access to the OCIF.

Related Budget Programs: Operating Program: #449 Civic Partners

Capital Program: NA

Funding Sources: 1) In 2017, Council approved the following funding sources to the OCIF:

- \$10,000 from the Fiscal Stability Reserve (FSR)
- \$20,000 from the Business License Sustainment Reserve
- \$25,000 from Corporate Programs

2) In 2018, an additional \$20,000 was transferred from the Business License Sustainment Reserve and \$25,000 from the Budget Savings Account Reserve.

Reserve approved to receive investment income:

X Yes ___ No

Special Reporting Requirements:

Per PFC 2018-1087, monitoring and accountability reporting will be completed annually to the Priorities & Finance Committee and Council and annually to Council as representatives of The City of Calgary as a Shareholder as part of the annual general meeting (AGM). In addition, ad hoc reporting can be completed as requested by Council.

Current Activity (\$000s):

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Opening balance	101,047	55,000	-	-	-
Contributions from other sources	-	45,000	55,000	-	-
Contributions to other sources ¹	(7,050)	-	-	-	-
Contributions to other sources ²	(986)	(811)	-	-	-
Investment income	2,842	1,858	-	-	-
Closing balance	<u>95,853</u>	<u>101,047</u>	<u>55,000</u>	-	-

- (1) Disbursements related to purpose 1) as defined in the purpose section.
 (2) Disbursements related to purpose 2) as defined in the purpose section.

Source Contacts:

Business Unit –	Civic Partners
Financial Lead –	J. Salazar, Finance Lead
Operational Lead –	L. Kerr, Manager, Office of Partnerships

Review Schedule:

Last Review: N/A

Parks Endowment and Sustainment Reserve

\$ 2,886
(2019)

Combined Operating & Capital Reserve (\$000s)

Authorization: FB95-75, PFC2013-0745, LAS2014-04, LAS2015-52, UCS2017-0277, and PFC2019-1385

Purpose: This reserve is a temporary repository for contributions to the development and operations of City Parks from businesses, foundations, grants, individuals and internal revenues. The fund will be used to develop, enhance or maintain Parks operations specific to the funding agreements.

Conditions: None.

Restrictions: Endowment funds:
The City entered into various donation agreements with third parties that restricts the withdrawal of the principal of the donation and provides for the expenditure of investment income only. These donations were provided to The City for the ongoing maintenance and sustainment costs of specific named Parks sites. Investment income earned on these endowment funds is transferred to reduce budget requests based on an as needed basis to support the ongoing commitment of the sponsor for the sustainment of the site.

The three endowment funds are:

- Petro-Canada endowment (Principal - \$200) - the investment income is available for maintenance/lifecycle of Wildland Parks; fund balance is \$227 (2018 - \$219),
- Variety Park Endowment Fund (Principal - \$100) - the fund is available for the maintenance and lifecycle for the spray park features and infrastructure. Fund balance is \$153 (2018 - \$147),
- Olympic Plaza endowment (Principal - \$119) - the fund is available for lifecycle maintenance and upgrades to Olympic Plaza. Fund balance is \$152 (2018 - \$147).

Other donation funds:

The City receives various donations, sponsorships and funds from third parties that restrict the use of these funds (both interest and principal) for the ongoing sustainment and education costs related to specific sites. Reserve funds are transferred to the budget of the specific named parks on an as needed basis to support the sustainment and/or the specific arrangement of the donation.

Restricted Funds contained within the Parks Endowment and Sustainment Reserve include:

- Clearwater Land Exchange \$381 (2018 - \$388)
- Thomson Family Park Maintenance \$478 (2018 - \$250)
- Copperfield Sportsfield \$0 (2018 - \$118)
- 936-16 Ave SW Land Exchange \$300 (2018 - \$274).
- Playfields \$262 (2018 - \$213)
- Borden Donation \$0 (2018 - \$120)
- Play Project - \$184 (2018 - \$177)
- Weaselhead Land Exchange \$34 (2018 - \$112)
- Birth Place Forest \$0 (2018 - \$107)
- Caring for Our Watersheds \$137 (2018 - \$111)
- Cranston/Ogden Diamond Project \$0 (2018 - \$105)

- Century Gardens Park \$10 (2018 - \$1,493)
- Nature Centres \$147 (2018 - \$0)
- Remaining balance of \$421 (2018 - \$529) is made up of miscellaneous individual contributions under \$100.

Related Budget Programs:

Operating Program: #445 Parks
Capital Program: #500 Parks (formerly known as Parks and Natural Areas)

Funding Sources:

Contributions/payments received from various parties and net proceeds from sale or exchange of park land approved by Council to be contributed to this reserve.

Reserve approved to receive investment income:

Yes No

Special Reporting Requirements:

None

Current Activity (\$000s):

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Opening balance	4,510	4,494	3,118	2,328	1,291
Investment Income	148	112	131	61	44
Contributions from operations	713	701	1,309	603	931
Contributions to operations	(615)	(1,583)	(473)	(446)	(324)
Contributions to capital	(1,870)	(670)	(1,016)	(86)	(78)
Contributions between reserves	-	1,456	1,425	658	464
Closing balance	<u>2,886</u>	<u>4,510</u>	<u>4,494</u>	<u>3,118</u>	<u>2,328</u>

Source Contact:

Business Unit – Calgary Parks
Financial Lead – T. LePrieur, Finance Lead
Operational Lead – N. Bernard, Manager
Operational Lead – G. Jones, Manager

Review Schedule:

Last Review: 2019

Perpetual Care of the Municipal Cemeteries Reserve

\$ 21,457
(2019)

Combined Operating & Capital Reserve (\$000s)

Authorization: CS96-59-02, CPS96-77, FCS2004-31, CPS2004-71, PFC2016-0796 and PFC2019-1385.

Purpose: To fund operational activities associated with the perpetual maintenance and care of municipal cemeteries. Perpetual care includes mowing, trimming, irrigation and repair of graves, as well as general maintenance of the structures and buildings within the cemeteries.

Beginning in 2005, the fund may be accessed to cover annual operating deficits, capital lifecycle maintenance and upgrades, and the costs of land acquisition and development associated with Municipal Cemeteries.

Conditions: None.

Restrictions: None.

Related Budget Programs: Operating Program: #445 Parks
Capital Program: #504 Cemeteries

Funding Sources: Forty percent (40%) of the funds received by The City from the sale of cemetery plots, mausoleum crypts, columbarium niches, grave monuments and cemetery memorialization products shall be deposited into the Fund along with any annual Cemetery operating budget surplus.

Reserve approved to receive investment income:
 Yes No

Special Reporting Requirements: None.

Current Activity (\$000s):

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Opening balance	19,519	18,221	15,905	13,949	12,549
Investment Income	720	512	552	347	335
Contributions from operations ⁽¹⁾	1,630	1,692	1,974	2,020	1,852
Contributions (to)/from operations	(173)	(586)	546	(240)	(435)
Contributions to capital	(239)	(320)	(756)	(171)	(352)
Closing balance	<u>21,457</u>	<u>19,519</u>	<u>18,221</u>	<u>15,905</u>	<u>13,949</u>

(1) 40 per cent of the funds received by The City from the sale of cemetery plots, mausoleum crypts, columbarium niches, grave monuments and cemetery products.

Source Contacts: **Business Unit – Calgary Parks**
Financial Lead – T. LePrieur, Finance Lead
Operational Leads – K. Parker, Manager

Review Schedule: Last Review: 2019

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Planning & Development Sustainment Reserve (Formerly Calgary Building Services¹ (“CBS”) and Calgary Community Standards (“CCS”) – Business Licence Sustainment Reserve)

\$ 81,707
(2019)

Sustainment Reserve (\$000s)

Authorization: FB2003-49, C2005-60, C2005-68, FCS2005-33, FCS2006-37, FCS2007-45, LPT2008-67, LPT2011-30, PFC2013-0745, PFC2016-0796, PFC2017-1081 and PFC2019-1385.

Purpose: The reserve will be used to respond to market fluctuations and volatility in the level of development and building activity. The reserve will fund fee supported budgets for the continuity of development approvals and building safety services.

The reserve will have the following specific uses:

- Stabilize the operating budget
- Fund one-time operating expenditures
- Fund the capital expenditures

Conditions: The reserve has a target balance of 75% of the annual budgeted fee based operating expenditures. Should the fund exceed the target, the excess would be used as a contribution from the reserve to fee supported operations in the following year to soften any required user fees increase.

Restrictions: None.

Related Budget Programs:

Operating Programs:	#610 Calgary Growth Strategies #611 Calgary Building Services #612 Community Planning #613 Calgary Approvals Coordination #651 Urban Strategy
Capital Programs:	#061 Capital Asset Acquisition #063 Cash System Integration #064 Working Space Initiatives #065 Land Use Bylaw Implementation/Sustainment #067 Business Technology Sustainment #069 eService Portfolio

Funding Sources: Annual operating surpluses from fee supported operations from 2016 and future years. (Previously from annual CBS operating surpluses as of 2003 and future years.)

Reserve approved to record allocation of investment income:
 X Yes No

Special Reporting Requirements: None.

¹ The name for the Development & Building Approvals business unit was changed to Inspections & Permit Services in 2014 due to reorganization and subsequently changed to Calgary Building Services in 2016

Current Activity (\$000s):

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Opening balance	77,908	86,752	99,114	93,707	74,063
Investment Income	2,844	1,961	3,159	2,131	2,056
Contributions from operations	6,067	13,531	11,901	10,158	23,492
Contributions to capital	(5,112)	(5,102)	(7,422)	(6,882)	(5,904)
Transfer from reserve	-	766	-	-	-
Transfer to Opportunity Calgary Investment Fund ⁽¹⁾	-	(20,000)	(20,000)	-	-
Closing balance	<u>81,707</u>	<u>77,908</u>	<u>86,752</u>	<u>99,114</u>	<u>93,707</u>

(1) Transfers to the Opportunity Calgary Investment Fund ("OCIF") as per Council's decision made on December 18, 2017 per PFC2017-1081.

Source Contacts: **Business Unit –** **Calgary Building Services**
 Financial Lead – M. Fung, Finance Lead
 Operational Lead – M. Tita, Chair of PD Financial Governance Oversight Committee

Review Schedule: Last Review: 2019

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Real Estate Services

\$ 98,202
(2019)

Combined Operating & Capital Reserve (\$000s)

Authorization: Notice of Motion 1997-May-26, CPS98-37, FCS2010-10, PFC2012-0606, PFC2013-0745, PFC2014-0847, PUD2016-0524 and PFC2018-1125.

Purpose: To finance land acquisitions and development of land holdings to advance economic development and diversification objectives by ensuring an available supply of industrial land through the development of industrial/business parks; and to advance achievement of other municipal objectives through land improvement of City owned Transit Oriented Development areas and other Council directed special projects.

This Reserve contains the funds allocated to the Calgary General Hospital Legacy Fund, established by CPS98-37 as an endowment generated from the revenues generated by the use, redevelopment and sale of the Calgary General Hospital, Bow Valley Centre lands ("Bridges Project").

Conditions: None.

Restrictions: Calgary General Hospital Legacy Fund monies are restricted by Terms of Reference set forth in CPS98-37 and PUD2016-0524. Funds shall be disbursed only for the continuation of the Bridges Project or, for healthy Calgary initiatives, with the recommendation of the Calgary General Hospital Legacy Review Committee and approval by City Council.

Related Budget Programs: Operating Program: #488 Land Servicing & Housing
Capital Programs: #696 Commercial Land Developments
#697 Land Developments
#699 Land for Future Developments
#703 Transit Oriented Development
#705 Mixed Use Redevelopment

Funding Sources: Net proceeds of serviced land sales (Industrial, Business & Special Projects), proceeds of intra-city debt (principal and interest) and proceeds of commissions. In 1994 (and all subsequent years) the portion reinvested in land inventory is reclassified to Equity in Land Inventory.

Reserve approved to receive investment income:
 X Yes No

(1) Interest income is allocated only to portions of the reserve balance that relate to the Calgary General Hospital Legacy Fund/Bridges Project. Other portions of this reserve are not allocated interest.

Special Reporting Requirements: None.

Current Activity (\$000s):

Real Estate Services Reserve	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Opening balance	76,587	64,517	57,608	62,005	91,238
Contributions from operations for land sales	10,263	1,422	25,093	3,795	1,928
Contributions from/(to) operations	4,386	3,837	7,885	3,440	(15,992)
Contributions to capital (financing capital projects)	(20,401)	(10,316)	(41,815)	(15,144)	(31,102)
Contributions from capital (cost of sale flow-through)	21,852	18,006	16,713	1,766	13,131
Transfer between reserves ⁽¹⁾	(11,708)	(879)	(967)	1,746	2,802
Closing balance ⁽²⁾	<u>80,979</u>	<u>76,587</u>	<u>64,517</u>	<u>57,608</u>	<u>62,005</u>

**General Hospital Legacy Endowment Fund
(Bridges Project)**

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Opening balance	6,348	6,278	6,361	6,391	6,426
Investment Income	453	168	198	145	149
Contributions from/(to) operations	5,262	-	-	(36)	
Contributions to capital (financing capital projects)	(143)	(98)	(281)	(139)	(184)
Cost of sale	5,303	-	-	-	-
Closing balance	<u>17,223</u>	<u>6,348</u>	<u>6,278</u>	<u>6,361</u>	<u>6,391</u>

Total Closing Balance

<u>98,202</u>	<u>82,935</u>	<u>70,795</u>	<u>63,969</u>	<u>68,396</u>
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(1) Transfer from other reserves:

2019: Transfer to Corporate Housing Reserve of (\$1,708), equal to 5% of gross Industrial Sales. Transfer to Major Capital projects reserve of \$(10,000) for the Event Centre per Report C2019-0964.

2018: Repayment of pre-development expenses related to R.B. Bennett School site - \$189 and a transfer to Corporate Housing Reserve of (\$1,068), equal to 5% of gross Industrial Sales.

2017: Received a total of \$990 from the Revolving Fund Reserve for: General Land Purchase of \$131, repayment of pre-development expenses related to R.B. Bennett School site of \$347 and net proceeds for land sales to the Calgary Municipal Land Corporation of \$512. The balance of (\$967) also includes a transfer to the Corporate Housing Reserve of (\$1,957), which is equal to 5% of its gross industrial land sales proceeds.

2016: Received \$1,571 from Treasury and \$472 from the Revolving Fund Reserve for General Land Purchases servicing and repayment of pre-development expenses related to R.B. Bennett School site. The balance also includes a transfer to Corporate Housing Reserve of (\$297), equal to 5% of gross Industrial Sales

2015: Received \$2,296 from Treasury and \$506 from the Revolving Fund Reserve for general land servicing and repayment of pre-development expenses related to R.B. Bennett School site

- (2) \$4,965 of the balance funds are restricted for the land sales to Calgary Municipal Land Corporation (CMLC) and Attainable Homes Calgary Corporation (AHCC). Sales are set up as receivables. Receipt of funds will be the earlier of a) ten years from the advancement date, or b) in the event that CMLC/AHCC had disposed of the property, or any portion thereof, the date CMLC/AHCC receives proceeds of the sale to the third party.

Source Contacts: **Business Unit –** **Real Estate and Development Services**
 Financial Lead – K. Rajani, Finance Lead
 Operational Leads – J. Rumer, Manager

Review Schedule: Last Review: 2018

Revolving Fund Reserve for General Land Purchases

\$ 135,487
(2019)

Combined Operating & Capital Reserve (000's) (Formerly Capital Reserve)

Authorization: Commissioners' Report FB98-43, LAS2008-173, PFC2016-0796 and PFC2019-1385.

Purpose: Land required for City use must often be purchased well in advance of construction, but the capital budget has funds only for projects commencing within the current four year budget cycle. The purpose of this reserve is to acquire land required for City use in a timely manner for projects beyond the four year budget cycle, improvements to city-owned land and program administration.

Conditions: None.

Restrictions: None.

Related Budget Programs: Operating Program: #488 General Land Sales and Net Lease Revenue

Capital Programs: #695 Land Acquisitions – Other Civic Departments
#698 Miscellaneous Land Improvements

Funding Sources: Initial funding in 1998 was as follows:

- \$5,306 from Real Estate Retained Earnings.
- \$2,500 from non-transportation project funding from the \$40,200 set aside for non-transportation capital projects in excess of the Envelope.

Ongoing funding:

- Income from existing net land leases. Revenue from existing leases may be routed to business units based on approval of business case to the Corporate Land Committee ("CLC").
- Acquisition fees received from business units for land purchases, net of related costs.
- Net proceeds from general land sales.
- Repayment of land purchases by business unit no later than year one of the next four year budget cycle or other alternate pay back arrangements as may be approved by CLC.

Reserve approved to record allocation of investment income:

X Yes No

Special Reporting Requirements: None.

Current Activity (\$000s):

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Opening balance	119,750	102,118	101,073	86,881	84,505
Investment Income	3,972	2,827	2,917	2,086	2,031
Contributions from operations	3,167	4,348	4,175	7,720	1,048
Contributions from land sales	12,170	14,609	71,318	32,854	29,394
Contributions from capital	20,515	8,149	1,684	2,223	566
Contributions to capital	(20,059)	(10,570)	(17,820)	(25,519)	(11,326)
Transfer to other reserves	(3,690)	(1,536)	(60,871)	(5,141)	(18,931)
Net transfer to restricted reserve ⁽¹⁾	(338)	(195)	(358)	(31)	(406)
Closing balance	<u>135,487</u>	<u>119,750</u>	<u>102,118</u>	<u>101,073</u>	<u>86,881</u>

(1) Transfers to restricted reserves:

Funds are restricted sales of land sold to the Calgary Municipal Land Corporation ("CMLC") and the Attainable Homes Calgary Corporation ("AHCC"). Sales set up as receivables. Receipt of funds will be the earlier of a) ten years from the advancement date, or b) in the event that CMLC/AHCC had disposed of the property, or any portion thereof, the date CMLC/AHCC receives proceeds of the sale to the third party. These funds are restricted until receipt of the funds from CMLC/AHCC is deposited. Total funds outstanding equal \$6,284.

Source Contacts: **Business Unit –** **Real Estate & Development Services**
 Financial Lead – K. Rajani, Finance Lead
 Operational Lead – J. Halfyard, Manager, Land & Asset Management

Review Schedule: Last Review: 2019

Utility Sustainment Reserve

\$ 156,957
(2019)

Combined Operating & Capital Reserve (\$000s)

Authorization: FCS2011-32, PFC2013-0745, USC2018-0223, UCS2018-0230, and PFC2019-1385.

Purpose: This reserve has been set up to provide an operating contingency to offset revenue fluctuations and manage cash flow, thereby ensuring funds are available to meet both operating and capital requirements, and to provide for capital financing needs associated with capital expenditures.

Conditions: The targeted level for the sustainment portion of the reserve is 120 days of Utilities operating expenditures.

Restrictions: None.

Related Budget Programs: Operating Program: #270 Utilities (Water Resources and Water Services)

Capital Programs: Various capital programs.

Funding Sources: Utility rate revenues at planned contribution levels and annual operating budget variances.

Portion of offsite levies to be spent in future years.

Reserve approved to receive investment income:

X Yes No

Special Reporting Requirements: None.

Waste and Recycling Sustainment Reserve

\$ 67,312
(2019)

Combined Operating & Capital Reserve (\$000s)

Authorization: FCS2011-33, PFC2013-0745, and PFC2016-0796.

Purpose: This reserve has been set up to provide an operating contingency to offset revenue fluctuations and to manage cash flow, thereby ensuring funds are available to meet both operating and capital requirements, and to provide for capital financing needs associated with capital expenditures, as well as setting funds aside for the long-term landfill care and closure care landfill liability.

Conditions: A target balance for contingency purposes of 10% of current year's annual revenue is to be maintained.

Restrictions: None.

Related Budget Programs: Operating Program: #252 Waste & Recycling Services
Capital Programs: #256 Landfill/Treatment Infrastructure
#257 Diversion Infrastructure
#258 Facilities & Equipment

Funding Sources: User fees at planned contribution levels and annual operating budget variances generated from self-supported programs.

Reserve approved to receive investment income:
 X Yes No

Special Reporting Requirements: None.

Current Activity (\$000s):

	<u>2019</u>	<u>2018</u> (Restated)	<u>2017</u>	<u>2016</u>	<u>2015</u>
Opening balance	63,083	64,802	48,019	48,809	41,968
Investment Income	5,186	3,821	3,974	2,575	2,705
Contributions from operations	17,743	20,926	28,282	5,809	12,951
Contributions to capital financing	(14,927)	(12,514)	(11,496)	(6,844)	(6,330)
Contributions to operations (Landfill Closure Liability & Fleet Business Model)	(3,773)	(13,952)	(3,977)	(2,330)	(2,485)
Closing balance	<u>67,312</u>	<u>63,083</u>	<u>64,802</u>	<u>48,019</u>	<u>48,809</u>
	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Funds set aside for Contingency purposes	13,990	11,068	9,054	8,947	9,660
Diversion	18,445	16,359	19,152	18,323	16,103
Landfill	(1,652)	1,003	7,205	338	7,271
Cash Requirement for Future Year Capital	<u>36,529</u>	<u>34,653</u>	<u>29,391</u>	<u>20,411</u>	<u>15,775</u>
Total Reserve	<u>67,312</u>	<u>63,083</u>	<u>64,802</u>	<u>48,019</u>	<u>48,809</u>

Source Contacts: **Business Unit –** **Waste & Recycling Services**
 Financial Lead – L. Peng, Finance Lead
 Operational Lead – J. Hundal, Director

Review Schedule: Last Review: 2019

LONG TERM LIABILITIES

Capital Deposits

Employee Benefit Obligations

Alberta Municipal Infrastructure Program (AMIP) Agreement

\$ -
(2019)

Capital Deposit (\$000s)

Purpose: The Province of Alberta, through the AMIP, provides financial assistance to municipalities for Core Capital Infrastructure projects to maintain or enhance economic, social and cultural opportunity and well-being, while protecting and improving the quality of the environment.

Conditions: City Council and the Minister of Infrastructure and Transportation must approve the projects. All AMIP eligible projects should be completed and AMIP fund available has to be spent by December 31, 2015. The fund is now fully expended.

Restrictions: Projects must be deemed eligible as described in the AMIP Memorandum of Agreement dated 2005 May 4th signed by the Minister of Infrastructure and Transportation and the Mayor of The City.

Related Budget Programs: Capital Programs throughout The City.

Funding Sources: The AMIP is a per capita funding program. The City has received \$905,000 over the five year period starting in 2005 and ending in 2009/2010.

Capital deposit approved to receive investment income:
 X Yes No

Special Reporting Requirements: None

Current Balance (\$000s):

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Opening balance	-	-	-	-	11,699
Investment income	-	-	-	-	155
Contributions to capital	-	-	-	-	(11,854)
Closing balance	-	-	-	-	-

Source Contacts: **Business Unit – Finance**
Financial & Operational Lead– K. Potts, CBO Sr. Corporate Financial Planner

Basic Municipal Transportation Grant (a.k.a. Fuel Taxes)

\$ -
(2019)

Capital Deposit (\$000s)

Purpose: To establish a 'City Transportation Fund' to finance eligible expenditures incurred or to be incurred on Capital Transportation Projects under the Transportation Infrastructure Investment Program (TIIP). Effective April 1, 2014 Basic Municipal Transportation Grant (BMTG) is combined with the Municipal Sustainability Initiative (MSI) and the purpose of the grant is the same as the MSI. The BMTG under the previous agreement is fully expended and the BMTG will be reported as part of MSI.

Conditions: City Council and the Alberta Municipal Affairs must approve projects.

Restrictions: Projects must be deemed eligible as described in the Memorandum of Agreement dated 2000 March 13 and subsequently amended on 2013 March 20 and signed by the Minister of Transportation and Executive Officer of The City.

Related Budget Programs: Capital Programs throughout The City.

Funding Sources: The City's BMTG (Basic Municipal Transportation Grant) allocation by the Province of Alberta is calculated based on the City's share being 55% of 43% of the prior year's provincial taxable fuel sales volumes at 5 cents per litre as per provincial fuel deliveries provided by Alberta Treasury Board and Finance.

Capital deposit approved to receive investment income:

 X Yes No

Special Reporting Requirements: None

Current Balance (\$000s):

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Opening balance	-	-	-	8,817	259,873
Investment income	-	-	-	-	3,989
Contributions to Capital	-	-	-	(8,762)	(131,645)
Contributions to other sources	-	-	-	(55)	(123,400)
Closing balance	-	-	-	-	8,817

Source Contacts: **Business Unit – Finance**
Financial & Operational Lead– K. Potts, CBO Sr. Corporate Financial Planner

Cash in Lieu of Parking Fund

\$ 2,405
(2019)

Capital Deposit (\$000s)

- Purpose:** To provide parking structures or acquire land for parking.
- Conditions:** The deposits, including interest, are refundable if the developer subsequently provides the parking facilities.
- Restrictions:** Third party agreements:
- Obligation to use the funds for construction of parking facilities or land acquisitions outside the central business district.
- Related Budget Programs:** Operating Program: #104 Calgary Parking Authority
Capital Program: #106 Calgary Parking Authority
- Funding Sources:** Cash payments received by the Calgary Parking Authority, under terms of development agreements, in lieu of the developer providing sufficient parking stalls.
- Capital deposit approved to receive investment income:
X Yes ___ No

Special Reporting Requirements: None.

Current Balance (\$000s):

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Opening balance	7,799	15,686	15,098	14,697	8,882
Investment income	173	320	588	401	314
Contributions to capital ⁽²⁾	(5,567)	(8,207)	-	-	-
Contributions from developers ⁽¹⁾	-	-	-	-	5,501
Closing balance	<u>2,405</u>	<u>7,799</u>	<u>15,686</u>	<u>15,098</u>	<u>14,697</u>

- (1) Contribution from developers:
a) 2015: New deposits: HSBC (apartment building 326 units 100-124 7th Ave SW. 128 stalls in lieu of commercial parking \$5,081,216.
b) N3 Condos Development, cash-in-lieu of residential visitor parking \$420,000 lump sum. Will be used in East Village new parkade construction.
b) 2014: New deposits: a) Widewaters Group Inc. 43 stalls at the downtown rate \$39.7 obligation of release of development permit (\$1,707), DP2012=5376 711-4 St NE, b) Genco Holdings Ltd. 29 stalls at the downtown rate \$39.7 obligation of release of development permit (\$1,151). DP2012-3832 634-6 Ave SW (downtown business district offices, retail store).
- (2) Contributions to capital:
a) 2019: Loan of 5,567K to CMLC for the construction of 9th Ave Parkade. The loan is non-interest bearing and will be repaid by CMLC upon completion of the Parkade.
b) 2018: Loan of \$8,207K to CMLC for the construction of 9th Ave Parkade. The loan is non-interest bearing and will be repaid by CMLC upon completion of the Parkade.

Source Contacts: **Related Authority – Calgary Parking Authority**
Financial Lead – J. Foulds, Controller
Operational Lead – G. Furtado, General Manager

Eau Claire Improvement Fund

\$ 910
(2019)

Capital Deposit (\$000s)

Purpose: To provide capital funds for upgraded street level improvements in the Eau Claire community.

Conditions: The fund is for improvements to public lands and for public benefits only. The Executive Office must approve expenditures.

Restrictions: Third party agreements:
- Obligation to provide capital in the future.

Related Budget Programs: Capital Program: #616 Centre City Initiatives

Funding Sources: All commercial development that requires a density bonus in Land Use District 20Z95, 21Z95, 22Z95 and 54Z95. Special contributions from the 'C' and 'B' blocks are also made to the fund prior to release of a Development Plan for these blocks.

Capital deposit approved to receive investment income:
X Yes ___ No

Special Reporting Requirements: None.

Current Balance (\$000s):

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Opening balance	879	856	829	2,296	931
Investment income	31	23	27	33	42
Contributions from operations	-	-	-	-	1,333
Financing capital projects	-	-	-	(1,500)	(10)
Closing balance	<u>910</u>	<u>879</u>	<u>856</u>	<u>829</u>	<u>2,296</u>

Source Contacts:

Business Unit –	Urban Strategy
Financial Lead –	M. Fung, Finance Lead
Operational Lead –	J. Tang, Program Manager

Federal Gas Tax Fund

\$ 142,524
(2019)

Capital Deposit (\$000s)

Purpose: The Federal Gas Tax Fund (formerly known as New Deal for cities and communities) is a program sponsored by the Federal Government commencing in 2005 to assist municipalities in addressing their sustainable municipal capital infrastructure needs. The program is supported through the allocation to Alberta Municipalities of a portion of the federal gasoline tax. Funding under this program is subject to the province receiving the funding from the federal government.

Conditions: City Council and the Minister of Infrastructure and Transportation must approve the projects.

Restrictions: Projects must be deemed eligible as described in the Memorandum of Agreement dated June 30th, 2005 signed by the Minister of Infrastructure and Transportation and the Mayor of The City. Subsequently this agreement was revised in October 2014 and signed by Minister of Municipal Affairs and the Mayor of The City.

Related Budget Programs: Capital Programs throughout The City.

Funding Sources: In the Federal Government's Budget 2008 document, the Gas Tax Fund was made a permanent measure to allow municipalities to better plan and finance their long-term infrastructure needs. Starting 2014 a new funding agreement with more flexible eligibility criteria was put in place.

Capital deposit approved to receive investment income:

X Yes No

Special Reporting Requirements: None.

Current Balance (\$000s):

	<u>2019</u>	<u>2018</u>	<u>2017</u> (Restated)	<u>2016</u>	<u>2015</u>
Opening balance	61,362	36,458	76,132	67,079	-
Investment Income	3,205	1,203	1,326	1,486	1,288
Contribution from federal government	143,211	68,741	66,809	66,362	125,128
Contributions to capital	(65,254)	(45,040)	(107,809)	(58,795)	(59,337)
Closing balance	<u>142,524</u>	<u>61,362</u>	<u>36,458</u>	<u>76,132</u>	<u>67,079</u>

Source Contacts: **Business Unit – Finance**
Financial and Operational Lead– K. Potts, CBO Sr. Corporate Financial Planner

Infrastructure Canada – Alberta Program (“ICAP”)

\$ -
(2018)

Capital Deposit (\$000s)

Purpose: To improve urban municipal infrastructure. The ICAP objectives include improving Canadians’ quality of life through investments that enhance the quality of Canada’s environment, support long-term economic growth, improve community infrastructure and build infrastructure through best technologies, new approaches and best practices.

Conditions: The program’s first priority is Green Municipal Infrastructure, such as water and wastewater systems, water management, and solid waste management. Secondary priorities include infrastructure supporting local transportation, culture and recreation, tourism, high speed internet access for local public institutions and affordable housing.

Restrictions: All projects must meet the program requirements. Interest earned on the provincial contributions can only be used for transportation projects and must be approved by the Minister of Alberta Transportation.

Related Budget Programs: Various Programs throughout number of business units.

Funding Sources: Cost sharing arrangement between Infrastructure Canada (Federal Government, Province of Alberta and The City). The Province prepaid their 1/3 share in 2001.

Capital deposit approved to receive investment income:
 Yes No

Special Reporting Requirements: None.

Current Balance (\$000s):

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Opening balance	-	-	-	-	173
Contributions to capital	-	-	-	-	(173)
Closing balance	-	-	-	-	-

Source Contacts: **Business Unit – Roads**
 Financial Lead – S. MacKenzie, Finance Lead
 Operational Lead – T. McLeod, Director

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Miscellaneous Capital Deposits

\$ 212,206
(2019)

Capital Deposit (\$000s)

Purpose: To finance capital only, as authorized through Council approval of capital budgets.

Conditions: Under City policy, a prepayment (deposit) may be requested from third parties before provision of services (including water and sewer connections, sidewalks, paving, grading, gravelling and transit shelters).

Portions of Roads, Transit, Water Resources and Water Services, Fire, Parks, Recreation, Civic Partners, Environmental and Safety Management and Facility Management deposit balances constitute unused Provincial/Federal capital grant funds that are to be spent on a cost-shared basis.

The deposits are refundable if the projects for which they were designated are not undertaken. The City may have an obligation to pay interest on any deposits refunded.

Restrictions: Third party agreements:
- Obligation to undertake specific capital projects or deposits must be refunded.

Related Budget Programs: Various Programs.

Funding Sources: A prepayment (deposit) by third parties in provision of services (including water and sewer connections, sidewalks, paving, grading and gravelling); and portions of Roads, Transit, and Water Resources and Water Services, Fire, Parks, Recreation, Civic Partners, Environmental and Safety Management and Facility Management deposit balances constitute unused Provincial/Federal capital grant funds that are to be spent on a cost-shared basis.

Investment income:

Units with no Investment Income Allocation: Calgary Growth Strategies (formerly CPI/DBA), Calgary Approvals Coordination, Parks, Recreation, Fire, Calgary Community Standards (formerly PSC), Facility Management (formerly Corporate Properties), Corporate Analytics & Innovation (formerly Infrastructure and Information Services), Environmental and Safety Management.

Units with an Investment Income Allocation: Community Planning (formerly LPI), Urban Strategy, Calgary Transit, Transportation Infrastructure, Roads and Water Resources and Water Services.

Special Reporting Requirements: None.

Current Balances (\$000s):

	<u>2019</u>	<u>2018</u>	<u>2017</u> (Restated)	<u>2016</u>	<u>2015</u> (Restated)
Roads	56,818	53,516	55,901	53,474	53,282
Transit	15,503	9,300	8,837	9,046	9,146
Community Planning ⁽¹⁾	-	-	-	3,744	13,291
Urban Strategy ⁽¹⁾	3,902	9,461	9,221	9,698	-
Calgary Growth Strategies	-	-	-	-	1,808
Calgary Approvals Coordination ⁽²⁾	4,575	4,725	4,697	5,085	-
Transportation Infrastructure	47,936	63,861	44,969	51,915	26,155
Green Line	3,323	3,323	-	-	-
Calgary Housing	1,014	113	10	-	-
Corporate Analytics & Innovation	192	322	322	322	322
Parks & Recreation	41,640	38,822	33,495	42,559	55,338
Water Resources & Water Services	6,261	6,214	5,919	5,158	5,092
Facility Management	-	-	16	173	173
Environmental and Safety Management	-	-	-	-	272
Corporate Revenue and Costs	31,273	52,674	56,498	54,416	35,601
Fire & Calgary Community Standards	4,868	7,198	8,910	9,350	9,276
Civic Partners	500	-	-	-	-
Interdepartmental Charge Elimination	(10,969)	(8,807)	(5,840)	(8,914)	(9,329)
	<u>206,836</u>	<u>240,722</u>	<u>222,955</u>	<u>236,026</u>	<u>200,427</u>
Related Authorities:					
Calgary Housing Company	5,370	5,409	5,409	5,409	9,259
Closing balance	<u>212,206</u>	<u>246,131</u>	<u>228,364</u>	<u>241,435</u>	<u>209,686</u>

(1) As a result of the PDA re-organization that occurred in 2016, Local Area Planning & Implementation was dissolved and all balances prior to 2016 related to Local Area Planning & Implementation was transferred to Community Planning & Urban Strategy. In addition, during 2017, all balances in Community Planning was transferred to Urban Strategy.

(2) As a result of the PDA re-organizations that occurred in 2016, City Wide Policy & Integration was dissolved and all balances prior to 2016 related to City Wide Policy & Integration was transferred to Calgary Approvals Coordination.

Source Contacts:

Business Unit:

Roads
Transit
Transportation Infrastructure
Community Planning and Urban Strategy
Calgary Growth Strategies and
Calgary Approvals Coordination
Calgary Housing
Corporate Analytics & Innovation
Parks & Recreation

Water Resources & Water Services
Facility Management
Environmental and Safety Management
Corporate Revenue and Costs
Fire & Calgary Community Standards

Green Line
Civic Partners

Financial Leads:

S. MacKenzie, Finance Lead
Y. Foulston, Acting Finance Lead
K. Hewitt, Acting Finance Lead
M. Fung, Finance Lead
L. Wong, Finance Lead

S. MacFayden, Finance Manager
C. Saravanapavanathan, Acting Finance Lead
T. LePrieur, Finance Lead
R. Turley, Finance Lead
B. Dykstra, Finance Lead
L. Hoskins, Finance Lead
F. Tse, Finance Lead
S. Yeung, Acting Corporate Finance Lead
A. Szaflarski, Finance Lead
G. Drall, Finance Lead
D. Stamper, Finance Lead
J. Salazer, Finance Lead

Municipal Sustainability Initiative (MSI)

\$ -
(2019)

Capital Deposit (\$000s)

Purpose: The Province of Alberta announced the MSI Program on April 24, 2007, which was initially setup as a ten year program, but has now extended by two years. The Program provides municipalities with sustainable funding to assist them in meeting the challenges of growth and enhancing their long-term sustainability.

Conditions: City Council and the Minister of Municipal Affairs must approve the projects.

Restrictions: Capital projects must be deemed eligible as described in the MSI Capital Project Funding Program Guidelines (effective January 1, 2008) Schedule 1 and Revised Schedules as amended subsequently on June 3, 2014 and April 20, 2017.

Operating Projects must be accepted by the Minister.

Related Budget Programs: Various Programs.

Funding Sources: The MSI funding incorporates two components calculated by incorporating: (1) 48 per cent on a per capita basis; 48 per cent on education property tax requisitions and 4 per cent based on kilometres of local roads, (2) municipal status in which Calgary receives 55% of funding of 43% total road-use taxable gasoline and diesel fuel sold in the province.

Capital deposit approved to receive investment income:

Yes No

Special Reporting Requirements: None.

Current Balance (\$000s):

	<u>2019</u>	<u>2018</u>	<u>2017</u> (Restated)	<u>2016</u>	<u>2015</u>
Opening balance	147,590	30,830	259,942	362,375	99,264
Investment Income	2,896	4,854	6,496	7,455	5,027
Contributions from other sources	-	-	-	-	283,400
Contributions from province	162,506	402,059	370,864	373,850	392,748
Debt repayment	(70,500)	(70,000)	(220,000)	(220,000)	(270,000)
Contributions to capital	(242,492)	(220,153)	(386,472)	(263,738)	(148,064)
Closing balance	<u>-</u>	<u>147,590</u>	<u>30,830</u>	<u>259,942</u>	<u>362,375</u>

Source Contact: **Business Unit – Finance**
Financial and Operational Lead: – K. Potts, Sr. Corporate Financial Planner

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Off-Site Levies

(formerly Acreage Assessments)
Capital Deposit (\$000s)

\$ 293,381
(2019)

Purpose: To finance capital only, as authorized through Council approval of capital budgets. The funds are normally utilized as soon as possible after receipt. There is no obligation for specific project spending for Water Resources and Water Services, since underground and utility works are completed before commencement of site development. For Roads, The City's only obligation is to provide the services for future Road projects. For Fire, the funds are intended for fire infrastructure projects for new growth areas only. For Civic Partners, Recreation and Parks, the funds are intended to cover the capital construction, servicing and land costs of recreation facilities, and the New Central Library costs. The funds are intended for infrastructure projects for new growth areas only.

Conditions: Budget programs:
- Funds are to be used in capital financing.

Restrictions: Third party agreements:
- Obligation to provide capital in the future.

Related Budget Programs: Various Programs.

Funding Sources: Under the terms of development agreements, an assessment per acre is levied for expressways and freeways, and for drainage mains and trunks to service new areas. Charges are also levied for storm redevelopment in older areas and for emergency response stations, recreation facilities, and libraries to serve new development. Prior to 2001, acreage assessments were also collected for Waterworks and Wastewater.

Investment Income Treatment:
- Transportation Units and Water Resources and Water Services – investment income is added to the capital deposit balance.
- Fire, Parks, Recreation and Civic Partners, Calgary Police Services and Calgary Approvals Coordination – investment income is not added to the capital deposit balance.

Special Reporting Requirements: None.

Current Balances: (\$000s)

	<u>2019</u>	<u>2018</u>	<u>2017</u> (Restated)	<u>2016</u>	<u>2015</u> (Restated)
Water Resources and Services	30,323	12,252	4,566	7,904	7,576
Roads	534	8,186	6,842	6,207	5,301
Transit	14,255	21,630	21,684	19,613	17,631
Parks & Recreation	82,276	77,316	87,534	83,331	80,287
Transportation Infrastructure	84,595	89,828	175,434	222,342	183,060
Civic Partners	19,690	18,796	18,465	19,603	19,495
Calgary Approvals Coordination	-	-	-	86	-
Fire ⁽¹⁾	52,099	52,721	54,208	61,004	50,375
Calgary Police Services	29,993	32,490	32,298	30,899	24,986
Interdepartmental charge elimination	(20,384)	(28,732)	(25,788)	(48,819)	(49,702)
Total	293,381	284,487	375,243	402,170	339,009

(1) \$14,171 in Fires' offsite levy is held by Facility Management and is financing for the Varsity Multi-Use Complex.

Source Contacts:

Business Unit:

Water Resources & Water Services

Roads

Transit

Parks & Recreation

Transportation Infrastructure

Civic Partners

Calgary Approvals Coordination

Fire

Calgary Police Services

Financial Leads:

B. Dykstra, Finance Lead

S. MacKenzie, Finance Lead

Y. Foulston, Acting Finance Lead

T. LePrieur, Finance Lead

R. Turley, Finance Lead

S. MacFayden, Finance Manager

K. Hewitt, Acting Finance Lead

J. Salazar, Finance Lead

S. MacFayden, Finance Manager

S. MacKenzie, Finance Lead

A. Szaflarski, Finance Lead

S. MacFayden, Finance Manager

B. Hutchins, Finance Manager

Plus 15 Cash in Lieu Fund

\$ 23,709
(2019)

Capital Deposit (\$000s)

Purpose: To expand or improve the existing Plus 15 System.

Conditions: Capital budget:
- Expenditure approved through the capital budgeting process.
- Once received, the monies are not tied to any one location or project.
- Unless specifically stated in a Development Agreement, deposits are not refundable.

Restrictions: Third party agreements:
- Obligation to undertake Plus 15 construction in future.

Related Budget Programs: Operating Programs: #612 Community Planning (2016 and prior only)
#132 Roads
Capital Programs: Various (2016 and prior only)
#128-885 Bridge Rehab and Protection

Funding Sources: Monies received from developers paid, either in-lieu of the construction of a Plus 15 bridge, and/or as a direct contribution to the Fund required of all new developments by Bonus Standard A2(b) in the CM-2 Downtown Business District.

Interest is allocated to the Fund to ensure that inflation from rising construction costs does not undermine the ability of the Fund to expand the Plus15 System.

Capital deposit approved to record allocation of investment income:
 X Yes No

Special Reporting Requirements: None.

Current Balance (\$000s):

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Opening balance	23,046	25,248	24,665	24,364	23,999
Investment Income	799	651	610	515	647
Contributions from operations	-	382	-	-	1,017
Contributions to operations	(592)	(94)	(27)	(214)	(1,299)
Contributions to capital ⁽¹⁾	-	(3,251)	-	-	-
Contributions from other sources	456	110	-	-	-
Closing balance	<u>23,709</u>	<u>23,046</u>	<u>25,248</u>	<u>24,665</u>	<u>24,364</u>

(1) As per ALT recommendation and approval (ALT2017-1064) to use up to \$5,130 of Plus 15 funds in Program 128-885 Bridge Rehabilitation and Protection, Roads requested \$3,251 of budget and Plus 15 funds for projected work in 2018.

Source Contacts:

Business Unit –	Roads
Financial Lead –	S. MacKenzie, Finance Lead
Operational Lead –	C. Buhler, Critical Infrastructure Coordinator

Defined Benefit Pension Plans (Registered & Non Registered) \$ 92,435
(\$000s) (2019)

Purpose: Estimated liability for future pension plan benefits. The City has various pension plans earned by employees and expected to be provided to them when they are no longer in active service. These future benefits are estimated and accrued for existing employees as they are earned. The City’s contributions are made in compliance with the funding requirements pursuant to the most recent actuarial valuation for funding purposes. The valuation is carried out by an independent actuary and is based on a number of demographic and economic assumptions. More information on each of these plans is available in Note 13 of the 2019 consolidated financial statements contained in The City’s 2019 Annual Report.

Conditions: As per purpose.

Restrictions: Funds to be used for purpose as described.

Related Budget Program: Operating Program: #787 Employee Benefits

Funding Sources: Operating Program: #787 Employee Benefits

Special Reporting Requirements: None.

Current Balances (\$000s):

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Funded					
Registered defined benefit pension ⁽¹⁾	52,483	52,446	53,235	51,714	46,772
Non-reg. defined benefit pension ⁽²⁾	39,952	40,297	37,379	35,024	32,118
Total	<u>92,435</u>	<u>92,743</u>	<u>90,614</u>	<u>86,738</u>	<u>78,890</u>

(1) Includes The Calgary Firefighters’ Supplementary Pension Plan, The City of Calgary Supplementary Pension Plan, Pension Plan for Elected Officials of The City of Calgary and Calgary Police Supplementary Pension Plan.

(2) Includes The City of Calgary Overcap Pension Plans, The City of Calgary Executive Pension Plan and Supplementary Pension Plan for Elected Officials of The City of Calgary and individual contractual pension obligations.

Source Contacts: **Business Unit –** **Finance**
Financial Lead – D. Andrews, Finance Leader
Operational Lead – G. Wiebe, Finance Manager

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Funded Vacation and Overtime Liability
(\$000s)

\$ 223,882
(2019)

- Purpose:** Employee union and association agreements permit civic employees to defer a certain portion of their unused vacation and overtime to future years.
- Conditions:** This liability is recognized on the statement of financial position, with annual earned and deferred amounts being accrued to the current year's operating budget.
- Restrictions:** For the purpose as described above.
- Related Budget Program:** Operating Program: #787 Employee Benefits, City Business Units (for banked overtime), Calgary Police Service, and consolidated related authorities.
- Funding Sources:** Operating Program: #787 Employee Benefits, City Business Units (for banked overtime), Calgary Police Service, and consolidated related authorities.
- Special Reporting Requirements:** None.

Current Balances (\$000s):

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
			(Note 1)		
Deputy City Manager's Office	13,982	14,152	14,398	13,930	11,478
Chief Financial Office	25,268	25,192	25,604	24,801	23,387
Community Services Department	39,137	38,430	38,939	38,605	37,695
Corporate Administration	2,260	2,219	2,198	2,325	2,383
Law and Legislative Services	4,315	4,210	4,299	4,104	3,741
Planning & Development	7,224	7,604	8,450	8,707	8,289
Transportation Department	39,556	38,962	39,005	39,218	37,839
Green Line	664	577	-	-	-
Utilities & Environmental Protection	26,865	25,926	25,793	25,526	25,007
Calgary Police Service	59,033	57,219	55,729	54,849	54,049
RAWW Days	1,132	1,178	1,191	671	594
	<u>219,436</u>	<u>215,669</u>	<u>215,606</u>	<u>212,736</u>	<u>204,462</u>

Related Authorities

Calgary Parking Authority	632	701	776	887	682
Calgary Housing Company	2,183	2,195	2,041	1,813	1,723
Calgary TELUS Convention Centre	351	354	332	355	391
Calgary Municipal Land Corporation	65	68	60	61	45
Calgary Public Library	1,075	1,136	1,112	1,123	1,060
Attainable Homes Calgary Corporation	12	14	10	10	28
Calgary Arts Development Authority	7	5	-	-	-
Calgary Economic Development Ltd.	121	104	84	89	89
	<u>4,446</u>	<u>4,577</u>	<u>4,415</u>	<u>4,338</u>	<u>4,018</u>
	<u>223,882</u>	<u>220,246</u>	<u>220,021</u>	<u>217,074</u>	<u>208,480</u>

(1) Previous year figures have been categorized consistent with the re-organizations that occurred in 2016 and 2017. Prior year categorizations have been revised for comparability.

Source Contacts: **Business Unit –** **Finance**
 Financial Lead – R. Bauer, Finance Leader
 Operational Lead – G. Wiebe, Finance Manager

Other Retirement Benefits Liability

\$ 179,247
(2019)

(\$000s)

Purpose: The City sponsors extended health, dental and life insurance benefits to qualifying retirees and their surviving spouses from the date of retirement to the age of 65. The City and the retirees share equally in the cost of benefits. The City also sponsors a non-contributory retiring allowance of up to seven (7) weeks of salary for qualifying retirees as well as supplementary compensation benefits. The liability is determined through actuarial valuations that are prepared at least once every three years as per section 3250 of Public Sector Accounting Standards. Additional information is available in Note 13 of the 2019 consolidated financial statements contained in the City's 2019 Annual Report.

Conditions: As per purpose.

Restrictions: Funds to be used for purpose as described above.

Related Budget Program: Operating Program: #787 Employee Benefits

Funding Sources: Operating Program: #787 Employee Benefits

Special Reporting Requirements: None.

Current Balance (\$000s):

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
The City of Calgary	178,245	185,811	182,561	176,341	167,879
Calgary Parking Authority	1,002	841	674	-	-
	<u>179,247</u>	<u>186,652</u>	<u>183,235</u>	<u>176,341</u>	<u>167,879</u>

Source Contacts:

Business Unit –	Finance
Financial Lead –	R. Bauer, Finance Leader
Operational Lead –	G. Wiebe, Finance Manager

SUPPLEMENTARY
SCHEDULES

2019 RESERVE DEPARTMENT OWNERSHIP SCHEDULE

Note: Values may be slightly adjusted from values disclosed in individual reserve tables. These changes were made to facilitate balancing of the 2019 supplementary schedule.

	Operating/ Capital/ Sustainment	Jan. 1/19 Opening Balance	Contribution to Operations	Contribution from Operations	Transfer to Capital Fund	Transfer to Equity in Land Inventory	Transfer between Reserves	Corp Financing (Investment Income)	Other	Dec. 31/19 Closing Balance
Community Services & Calgary Police										
Calgary Police Service Court Fine Revenue Operating Reserve	o	4,000	-	-	-	-	-	-	-	4,000
Calgary Police Service Helicopter Maintenance Reserve	o	2,473	(1,045)	808	-	-	-	-	-	2,236
Children's Reserve Fund	o	4,702	-	-	-	-	(25)	167	-	4,844
FCSS Stabilization Fund	o	3,685	(748)	617	-	-	-	125	-	3,679
Parks Foundation Reserve	o	2,471	(292)	-	-	-	-	148	-	2,327
911 Communications Centre Capital Financing Reserve	c	25,055	-	3,437	(3,115)	-	-	-	-	25,377
Artificial Turf Field Lifecycle Reserve	c	4,803	-	472	-	-	-	181	-	5,456
Calgary Police Service Capital Reserve	c	40,868	-	12,667	(15,744)	-	-	34	-	37,825
Community Investment Reserve	c	43,704	-	50,919	(36,390)	-	1,500	1,748	-	61,481
Legacy Parks Reserve	c	7,025	-	-	(870)	-	1,500	234	-	7,889
TELUS Convention Centre Reserve	c	200	-	180	(167)	-	-	-	-	213
Buisness Licence Sustainment Reserve (Previously CCS Sustainment Fund)	s	10,234	-	1,495	(169)	-	-	406	-	11,966
Community Sustainability Reserve	s	2,062	(206)	-	-	-	-	-	-	1,856
Corporate Housing Reserve	s	31,622	(756)	1,424	(982)	-	1,708	936	-	33,952
Golf Course Levy Reserve	s	2,763	-	869	-	-	-	112	-	3,744
Livery Transport Services Reserve	s	4,818	-	897	(66)	-	-	185	-	5,834
Parks Endowment and Sustainment Reserve	s	4,510	98	-	(1,870)	-	-	148	-	2,886
Perpetual Care of the Municipal Cemetery System Reserve	s	19,519	(173)	1,630	(239)	-	-	720	-	21,457
Public Art Reserve	s	6,768	80	-	-	-	1,200	-	-	8,048
Deputy City Manager										
Fleet Services Reserve	s	9,766	(1,085)	4,657	(5,000)	-	-	-	-	8,338
Opportunity Calgary Investment Fund (formerly Economic Development)	s	101,047	-	-	-	-	2,842	-	(8,036)	95,853
Real Estate Services	s	82,935	-	19,911	(20,544)	-	(11,708)	453	27,155	98,202
Revolving Fund Reserve for General Land Purchases	s	119,750	-	3,167	(20,059)	-	(4,028)	3,972	32,685	135,487
Utilities & Environmental Protection										
Utility Sustainment Reserve	s	175,255	-	234,930	(263,537)	-	1,267	9,042	-	156,957
Waste & Recycling Sustainment Reserve	s	63,083	(3,773)	17,743	(14,927)	-	-	5,186	-	67,312

2019 RESERVE DEPARTMENT OWNERSHIP SCHEDULE

Note: Values may be slightly adjusted from values disclosed in individual reserve tables. These changes were made to facilitate balancing of the 2019 supplementary schedule.

	Operating/ Capital Sustainment	Jan. 1/19 Opening Balance	Contribution to Operations	Contribution from Operations	Transfer to Capital Fund	Transfer to Equity in Land Inventory	Transfer between Reserves	Corp Financing (Investment Income)	Other	Dec. 31/19 Closing Balance
CFO & Governance										
ENMAX Dividend Stabilization Reserve	o	13,000	1,500	-	-	-	-	-	-	14,500
Fiscal Stability Reserve	o	656,282	(47,449)	114,262	(1,225)	-	(311,446)	15,765	110,095	536,284
Group Life Reserve	o	1,637	-	271	-	-	-	57	-	1,965
Health, Safety and Wellness Reserve ⁽¹⁾	o	17,799	(1,827)	1,304	-	-	-	-	-	17,276
Self - Insurance Reserve	o	7,000	-	-	-	-	-	-	-	7,000
Tax Loss Provision Reserve	o	37,398	-	-	-	-	(37,398)	-	-	-
Debt Servicing Reserve	c	52,570	(34,285)	94,752	-	-	(62,555)	2,088	-	52,570
Information Technology Reserve	c	37,286	-	17,001	(18,826)	-	-	182	-	35,643
Lifecycle Maintenance and Upgrade Reserve	c	248,660	-	128,291	(146,474)	-	15,077	-	-	245,554
Reserve for Future Capital ⁽²⁾	c	305,675	-	127,682	(103,890)	-	27,000	-	1,000	357,467
Budget Savings Account Reserve	s	135,198	(25,887)	17,939	-	-	(35,999)	-	-	91,251
Transportation & Planning and Development										
Calgary Heritage Authority Reserve	o	1,771	(150)	-	-	-	-	59	-	1,680
Heritage Incentive Reserve	o	1,242	(285)	225	-	-	-	47	-	1,229
Mall Programming Fund	o	835	-	-	-	-	-	30	-	865
Parking Revenue Reinvestment Reserve	o	3,884	(523)	1,557	-	-	-	-	-	4,918
Snow and Ice Control Reserve	o	5,426	-	(5,426)	-	-	-	-	-	-
Asphalt and Crusher Plant Lifecycle Capital Reserve	c	6,120	-	-	(133)	-	-	71	-	6,058
Downtown Improvement Fund	c	2,777	-	7	(81)	-	-	97	-	2,800
LED Street Light Re-Lamping Reserve	c	5,414	-	678	(1,290)	-	-	-	-	4,802
Major Capital Project Reserve	c	-	-	12,400	(10,370)	-	411,214	10,272	-	423,516
Parking Land Acquisition Reserve	c	42,851	-	-	-	-	(42,851)	-	-	-
Cash-in-Lieu Lifecycle Sustainment Reserve	s	-	(1,620)	-	-	-	42,851	1,246	-	42,477
Planning & Development (Previously CBS Sustainment Fund)	s	77,908	-	6,067	(5,112)	-	-	2,844	-	81,707
Amounts included in the Reserve Report but recorded in other funds (Operating or Capital Fund) or consolidated for financial reporting purposes										
Less:										
Unappropriated Surplus		(38,751)	(110,095)	38,751	-	-	-	-	-	(110,095)
Revolving Fund Reserve for General Land Purchases		(119,750)	-	(3,167)	20,059	-	4,028	(3,972)	(32,685)	(135,487)
CMLC Internally Restricted (Real Estate Services)		(4,964)	-	-	-	-	-	-	-	(4,964)
CMLC Internal Loan (Major Capital Project)		-	-	-	-	-	-	-	(23,506)	(23,506)
Amounts included not included in the Reserve Report but recorded in the Reserve Fund for financial reporting purposes										
Add:										
Attainable Homes Calgary Corporation operating fund		500	-	-	-	-	-	-	-	500
Calgary Arts Development Authority Ltd. operating fund		466	-	-	-	-	-	-	174	640
Calgary Housing Company surplus (deficit)		27,653	-	-	-	-	-	-	1,073	28,726
Calgary Public Library operating fund		993	-	-	-	-	-	-	-	993
Total per 2019 Annual Financial Report		2,299,998	(118,570)	409,751	(380,606)	-	409,498	34,355	(3,140)	2,493,588

(1) This reserve is owned by HR and ESM business unit. For presentational purposes, it is shown under the CFO & Governance department.

(2) This reserve is owned by Finance, Facility Management, and Transportation Infrastructure business units. For presentational purposes, it is shown under the CFO & Governance department.