Reserve Comments and Recommendations

Reserve Name	Attachment 2 Page Number	Reserve Type	Balance 2015 (in thousands)	General Comments	Minor Revisions Required	Recommendation(s)
Parks Foundation	2	Operating	$2,395	Annual investment income used to fund administrative costs of the Parks Foundation Calgary - a City of Calgary Civic Partner. Original funding for the reserve provided by The City ($2M dating back to 1998 and prior). Funds are segregated and managed by Parks Foundation Calgary.	✓	Recommend changes to reserve's Authorization, Purpose, Conditions, Restrictions, Funding Sources and Source Contacts as outlined in Attachment 2.
Tax Loss Provision	3	Operating	$37,398	A contingency reserve where funds are set aside in the event of a large scale unforeseen tax loss. Reserve condition to be updated to reflect the 2016 revised Terms of Reference for the Tax Provision Steering Committee.		Recommend changes to reserve's Conditions and Source Contacts as outlined in Attachment 2.
Artificial Turf Field Lifecycle Reserve	4	Capital	$2,221	Reserve is used for expenditures associated with artificial turf field replacement.	✓	Recommend changes to reserve's Authorization, Restrictions, Funding Sources and Source Contacts as outlined in Attachment 2.
Community Investment Reserve	5	Capital	$152,379	Reserve is used to invest in priority community capital infrastructure, address emerging community needs, and to reduce the growing infrastructure gap. The funding sources for the reserve are the Federal GST rebates and the Vacated Tax Room (VTR). The funding request restriction is no longer relevant as it relates to prior projects that have already been completed.		Recommend changes to the reserve's Restrictions and Source Contacts as outlined in Attachment 2. VTR funding was not indexed as indicated in authorizing document CPS2011-39. This was not the intent when the funding was approved and therefore the removal of the indexing is being documented through this recommendation.
Debt Servicing	7	Capital	$52,570	Budgeted annual contributions to the reserve remain at $94.75M. As annual debt servicing costs will continue to decrease, contributions to lifecycle maintenance will increase. The reserve purpose includes repayable loans to Business Units and related corporations; this is no longer occurring and is not a requirement for this reserve.		Recommend changes to reserve's Purpose and Source Contacts as outlined in Attachment 2. Recommend the removal of multiple accounting codes to track the reserve funds as this is no longer required. Reserve will be tracked using a single activity code within the accounting system. Administration will continue to monitor tax-supported debt balances and contributions to lifecycle maintenance.
Legacy Parks	9	Capital	$18,450	Reserve is used to help create new park space and enhance existing parks. Due to the current economic conditions in Calgary, the portion of the 2016 ENMAX dividend to be allocated toward the ENMAX Legacy Phase 3 projects is no longer available. Per LPC2016-0626, the Legacy projects underway were re-prioritized.		Recommend changes to reserve's Authorization, Conditions, Special Reporting Requirements and Source Contacts as outlined in Attachment 2.

Reserve Name	Attachment 2 Page Number	Reserve Type	Balance 2015 (in thousands)	General Comments	Minor Revisions Required	Recommendation(s)
Revolving Fund Reserve for General Land Purchases	11	Capital	$86,881	Reserve is used to acquire land for City purposes where the project is beyond the current budget cycle. Land is transferred to the requesting Business Unit and funds are repaid to the reserve by the Business Unit. New structures and enhanced governance processes have recently been established as part of the Corporate Land Management Framework (CMLF) as presented to Council in November 2015 (C2015-0921). Annual special reporting requirements have not occurred. Special reporting frequency has been revised by the Business Unit to better align with business processes and action planning cycles.		Recommend changes to reserve's Purpose, Conditions, Funding Sources, Special Reporting Requirements and Source Contacts as outlined in Attachment 2. Use of a financial model for land purchases as outlined in authorization document LAS2008-173 has not occurred. The financial model has been replaced with a business case requirement from Business Units that captures both qualitative and quantitative factors for land purchases. The removal of the financial model is being documented through this recommendation.
Telus Convention Centre	13	Capital	$213	The City provides The Telus Convention Centre with $180k of annual funding for small capital projects.	✓	Recommend update to reserve's Source Contacts as outlined in Attachment 2.
Community Sustainability & Public Art	14	Sustainment	$6,363	Reserve serves two separate and distinct purposes, is administered by different Business Units, and is funded by two different sources. The Community Sustainability Reserve was approved as a pilot (2009-11) and an evaluation was to be conducted at the conclusion of the pilot. A formal evaluation was not conducted however, based on a recent review by the Business Unit the reserve's purpose has been revised. Going forward the reserve will only be used for operating purposes (previously operating and capital).		Recommend changes to reserve's Authorization, Purpose, Conditions, Restrictions, Funding sources, Current Activity and Source Contacts as outlined in Attachment 2.
Development & Building Approvals Sustainment	17	Sustainment	$98,408	Reserve is used to manage operating budget fluctuations and to fund capital projects for two separate Business Units: Calgary Building Services and Calgary Community Standards (Business Licence). Reserve revisions required to reflect reorganizations.	✓	Recommend changes to the reserve to reflect reorganizations as outlined in Attachment 2.
Livery Transport Services	20	Sustainment	$4,076	Reserve has historically been used to stabilize the taxi and limousine industry and also stabilize financing and achieve a balanced budget without tax rate support. This industry is evolving therefore the purpose of the reserve is being broadened to include the Transportation Network Companies (TNCs).		Recommend changes to reserve's Authorization, Purpose, Related Budget Programs and Source Contacts as outlined in Attachment 2. Recommend that the Business Unit consider implementing a target balance for this reserve once they have obtained a better understanding of the impact of the TNCs.
Parks Endowment and Sustainment Reserve	21	Sustainment	$2,328	The reserve consists primarily of endowment and other third party donations with the funds used for operating and capital parks maintenance. Endowments and donations have restrictions which Administration is tracking and abiding by.	✓	Recommend changes to reserve's Authorization and Source Contacts as outlined in Attachment 2.

Reserve Name	Attachment 2 Page Number	Reserve Type	Balance 2015 (in thousands)	General Comments	Minor Revisions Required	Recommendation(s)
Perpetual Care of Municipal Cemetery System	23	Sustainment	$13,949	Reserve is used to fund operational activities, annual operating deficits, capital lifecycle maintenance and upgrades, and land acquisition and development costs associated with municipal cemeteries.	✓	Recommend updates to reserve's Source Contacts as outlined in Attachment 2.
Utility Sustainment	24	Sustainment	$44,290	Reserve provides an operating contingency, funds capital projects and manages cash flow timing for acreage assessments and other capital projects.	✓	Recommend update to reserve's Source Contacts as outlined in Attachment 2.
Waste & Recycling Sustainment	25	Sustainment	$48,809	Reserve provides an operating contingency, funds and manages cash flow timing for capital projects and manages Landfill Closure Liability cash flows. Presentation of reserve to be updated to show investment income received.	✓	Recommend changes to the presentation of reserve's Current Activity and the Source Contacts as outlined in Attachment 2.
Joint Use Reserve (1)	N/A	Capital	$83,691	Agreement between the City of Calgary, Calgary School Board and Calgary Separate School Board. Purpose of the reserve is to purchase land for schools, parks and recreational use. Agreement dates back to 1985 and updates to the agreement are dependent on the outcomes of the City Charter discussions with the Province of Alberta. The Joint Use Coordinating Committee (JUCC) reports to Council through the SPC on Planning and Urban Development (PUD). Recommendations for increasing the frequency of reporting to PUD from every three years to annually was made through PUD2016-0364 and was approved by Council.	N/A	No Council recommendation at this time.

Notes:

(1) Joint Use reserve is a reserve jointly owned by the Calgary Public School Board, the Calgary Catholic School Board and the City of Calgary.
The reserve balance and activity are not included in the City of Calgary's financial statements.