



Triennial Reserve Review December 13, 2016

V03



Calgary



Background

- Council Policy (*CFO013 Reserves*) and Administrative Policy (*FA-50 Financial Reserves*) approved in 2010
 - Include a Triennial Reserve Review process
- Every reserve is to be reviewed at least once every three years
- Review is conducted by an Administrative Reserve Review Committee



Purpose of Triennial Reserve Review

Ensure that:

- Reserve activity meets all authorizing documents requirements;
- Reserve activity is in accordance with City reserve policies and procedures;
- The reserve's purpose, conditions and/or restrictions are still relevant; and
- The reserve is still required in its current form.



Reserves Reviewed in 2016

Reserve Name	Reserve Type	Balance as of 2015, December 31 (in thousands)
Parks Foundation	Operating	\$2,395
Tax Loss Provision	Operating	\$37,398
Artificial Turf Field Lifecycle Reserve	Capital	\$2,221
Community Investment Reserve	Capital	\$152,379
Debt Servicing	Capital	\$52,570
Legacy Parks	Capital	\$18,450
Revolving Fund Reserve for General Land Purchases	Capital	\$86,881
Telus Convention Centre	Capital	\$213
Community Sustainability & Public Art	Sustainment (operating & capital)	\$6,363
Development & Building Approvals Sustainment	Sustainment (operating & capital)	\$98,408
Livery Transport Services	Sustainment (operating & capital)	\$4,076
Parks Endowment and Sustainment Reserve	Sustainment (operating & capital)	\$2,328
Perpetual Care of Municipal Cemetery System	Sustainment (operating & capital)	\$13,949
Utility Sustainment	Sustainment (operating & capital)	\$44,290
Waste & Recycling Sustainment	Sustainment (operating & capital)	\$48,809
Joint Use Reserve ⁽¹⁾	Capital	\$83,691
		\$654,421

Note:

⁽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.



Review Findings

- Reserves are being administered as intended
 - Few instances where authorizing document requirements are no longer relevant and have been replaced with alternate processes
- Reserves are in accordance with City reserve policies and procedures
- The reserves' purposes, conditions and/or restrictions are still relevant
 - Instances where a reserve's purpose, conditions and/or restrictions are recommended for update
- No reserve recommended for closure

Calgary



Summary of Recommendations

Reserve Name	Attachment 2 Page Number	Balance 2015 (in thousands)	Authorizing Document No Longer Relevant	Minor Changes to Reserves	Non-Minor Changes to Reserves
Parks Foundation	2	\$2,395		✓	
Tax Loss Provision	3	\$37,398			✓
Artificial Turf Field Lifecycle Reserve	4	\$2,221		✓	
Community Investment Reserve	5	\$152,379	✓		✓
Debt Servicing	7	\$52,570	✓		✓
Legacy Parks	9	\$18,450			✓
Revolving Fund Reserve for General Land Purchases	11	\$86,881	✓		✓
Telus Convention Centre	13	\$213		✓	
Community Sustainability & Public Art	14	\$6,363	✓		✓
Development & Building Approvals Sustainment	17	\$98,408		✓	
Livery Transport Services	20	\$4,076			✓
Parks Endowment and Sustainment Reserve	21	\$2,328		✓	
Perpetual Care of Municipal Cemetery System	23	\$13,949		✓	
Utility Sustainment	24	\$44,290		✓	
Waste & Recycling Sustainment	25	\$46,609		✓	
Joint Use Reserve ⁽¹⁾	N/A	\$83,691	N/A	N/A	N/A

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.




Reserves to be Reviewed in 2017

Reserve Name	Reserve Type	Reserve Balance as of Dec 31, 2016 (in \$ thousands)	Previously Reviewed Year
Calgary Police Service Court Fine Revenue Operating	Operating	4,000	2014
Calgary Police Service Helicopter Maintenance	Operating	3,024	2014
911 Communications Centre Capital Financing	Capital	18,577	2014
Calgary Police Services Capital Reserve	Capital	34,349	2014
Fleet Services Capital Reserve	Capital	10,456	2014
Information Technology	Capital	18,658	2014
Lifecycle Maintenance and Upgrade	Capital	149,391	2014
Reserve for Future Capital	Capital	354,190	2014
Golf Course Levy	Sustainment	1,126	2014
Total		593,771	



Administration Recommendations

That the Priorities and Finance Committee recommends that Council:

1. Approve the changes to reserves as outlined in Attachment 1 and Attachment 2; and
2. Approve the list of reserves to be reviewed in 2017 as outlined in Attachment 3.