

RESERVE TEMPLATE – REQUEST TO CREATE A NEW RESERVE

RESERVE NAME

Canada Infrastructure Bank Zero Emission Bus (ZEB) Lifecycle Reserve Account.

PURPOSE OF NEW RESERVE

A funding source for costs and expenses associated with purchasing and installing two (2) replacement batteries in each ZEB that from time to time is acquired by The City of Calgary (“**The City**”) using funds from one or more advances pursuant to the Credit Agreement between The City and the Canada Infrastructure Bank (the “**Credit Agreement**”).

TYPE OF RESERVE

Capital reserve.

EXPECTED TIME PERIOD

The expected time period is dependent on the maturity date in the Credit Agreement. There is no defined time period at this time.

SPECIFIC PROJECT OR ON-GOING PROGRAM

The opening of a separate Lifecycle Reserve Account by The City is a requirement in the Credit Agreement for the financing of The City of Calgary’s Bus Electrification Strategy (EC2022-1338), a program approved by Council.

ANTICIPATED FUNDING SOURCE

In accordance with the cost saving regime in the Credit Agreement, during the semi-annual payment period, if the actual savings is greater than the forecast savings amount, the amount to be deposited into the Lifecycle Reserve Account will be equal to the lesser of:

- the sum of the predetermined amounts specified in the funding supplement for each ZEB in the ZEB Fleet; or
- the amount by which the actual savings exceeds the semi-annual payment amount for such semi-annual payment period;

provided, however, that if, for any semi-annual payment period, the amount to be deposited into the Lifecycle Reserve Account is less than the sum of the predetermined amounts specified in the applicable funding supplement, an amount equal to the deficiency will be added to the Lifecycle Reserve Account for the next following semi-

ISC: Unrestricted

annual payment period from Calgary Transit operating budget, Calgary Transit capital budget or other sources as approved by Council.

Calculations Associated with Funding Source(s) (if required)

N/A

LIST BUDGET PROGRAMS AFFECTED

Capital programs in various business units and related authorities.

ANTICIPATED TARGET BALANCE FOR THE RESERVE

Balance required to manage cash flow related costs and expenses associated with purchasing and installing two (2) replacement batteries in each ZEB that from time to time is acquired by The City using funds from one or more advances pursuant to the Credit Agreement.

OTHER REPORTING REQUIREMENTS

Project specific. Currently, there are no other reporting requirements for the reserve.

LIST AND EXPLAIN ANY CONDITION(S) AND/OR RESTRICTIONS

Conditions: To be used solely for the costs and expenses associated with purchasing and installing two (2) replacement batteries in each ZEB that from time to time is acquired by The City using funds from one or more advances pursuant to the Credit Agreement.

Restrictions: None

CONSEQUENCE OF NOT CREATING THE RESERVE

Inability to secure flexible, below market interest rate financing from the Canada infrastructure Bank will impact the viability of The City's Bus Electrification Strategy.

RESERVE REVIEW GUIDELINE

Administration review frequency: minimum every three years.

LIST KEY OPERATING AND FINANCIAL CONTACTS RESPONSIBLE (FOR INFORMATION PURPOSES ONLY).

Business Unit – Calgary Transit
Finance Lead(s) – Calgary Transit Finance Lead
Operational Lead(s) – Director, Calgary Transit

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