

Background and Previous Council Direction

Background

As part of the approval of the 2023-2026 Service Plans and Budgets, Council directed Administration to review fee-based reviews to determine if reserve funding could replace tax-support for some initiatives. Reserves are initiated and managed in accordance with Council Policy.

Previous Council Direction

| DATE | REPORT NUMBER | DIRECTION/DESCRIPTION |
|------------------|---------------|---|
| 2022 November 08 | C2022-1051 | 2023-2026 Service Plans and Budgets Council approved the 2023 – 2026 Service Plans and Budgets, including a recommendation directing “...Administration to identify whether there are other tax-supported initiatives that could be funded through fee based reserves, and report to the 2023 February 28 Executive Committee meeting with findings in advance of finalization of the property tax rate. |
| 10/4/2022 | EC2022-0815 | The City of Calgary Reserves and Long Term Liabilities Balances 2021 Council approved Council the list of reserves to be reviewed in the 2022 Triennial Reserve Review, including the Calgary Parking Authority Reserves and the Planning & Development Reserve, and the deferral of the 2022 Triennial Reserve Review from December 2022 to June 2023. |
| 12/6/2010 | FCS2010-25 | Council Policy on Reserves Council approved Council Policy CFO013 Reserves, which guides the creation, use and management of reserves funds, including the process for periodically reviewing reserves. |
| 4/28/2008 | FCS2008-13 | User Fees and Subsidies Review Council approved the User Fees and Subsidies Policy (CFO010). |

Bylaws, Regulations, Council Policies

Fee based reserves are reserves held for services funded from user fee and rate revenues. All reserves in The City are governed by Council Policy CFO013, which includes the review of each reserve every three years through the Triennial Reserve Review process. The terms of each reserve have been approved by Council and set out, among other things, the purpose and funding sources for the reserve. Fee based reserves are those reserves may be funded through one, or both, of budgeted contributions and favourable service variances generated by fee revenues.

User fees are set according to the User Fees and Subsidies Policy (CF010). While this policy does not directly impact the use of reserves for fee-based revenues, it includes a description of the types of fees The City levies and the cost basis for determining these fees. In general, fee revenue should only be used to fund the provision of the service generating the revenue. This limits the ability to use reserve funding to replace tax support.

Council Policy CFO013 Reserves

This policy defines and delineates how City of Calgary reserves are created, amended, closed, administered and reviewed.

Council Policy CFO010 User Fees and Subsidies Policy

This policy provides a framework for decisions related to the pricing of user fees. It sets out guidelines for the process, rationale and the information needed to support the recommended user fees based on the type of fee.