

**Summary of Fee Based Reserves  
(\$ 000)**

Reserve Name	Reserve Type	Reserve Purpose	Reserve Funding Source(s)	Reserve Conditions & Restrictions	Balance 2021	2022 Net Commitments as at 2021 December 31	Remaining Balance After 2022 Net Commitments 2023-2026 <i>Commitments not included</i>	Commitments included in the 2023-2026 Budget	Rationale for recommendation
<b>Currently under comprehensive review</b>									
1 Planning & Development Sustainment Reserve	Sustainment (Operating & Capital) Contingency (C)/ Cash Flow (CF)	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: <ul style="list-style-type: none"><li>Stabilize the operating budget</li><li>Fund one-time operating expenditures</li><li>Fund the capital expenditures</li></ul>	Annual operating surpluses from fee supported operations.  Investment Income	<b>Conditions:</b> The reserve has a target balance of 75 per cent of the annual budgeted fee based operating expenditures. Any 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.  <b>Restrictions:</b> None	\$97,120	\$38,030	\$59,090	\$446,000	The amount of tax-supported expenditures that has been identified to date with reserve funds in 2023 is \$700K. Administration suggests that this amount be combined with the additional work is underway including:  •Corporate triennial reserve review being presented to Council in Q2 2023, to ensure: - reserve activity meets all authorizing document 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..  •Continue to work with the development industry to identify areas in which to deploy funding to advance city building goals.  •a comprehensive review of our fee vs tax services.  This approach will be able to leverage on existing and reoccurring process to achieve the full and complete amount that would be available. We will be bringing forward recommendations no later than November 2023 (2024 budget adjustments) on any proposed changes to fees and or the reserve. A decision prior to completing these reviews would be premature.
<b>Long term operations, maintenance &amp; lifecycle: no funding identified for tax-supported initiatives</b>									
2 Artificial Turf Field Lifecycle Reserve	Capital Contingency (C)/ Cash Flow (CF)	Per FCS2010-19, expenditures associated with artificial turf field replacement. In 2018, funds for the Genesis Environmental Contingency were added to the reserve.	Beginning in 2010, annual contribution from Recreation's actual net revenue generated by artificial turf field rentals fees.  Investment Income	<b>Conditions:</b> None  <b>Restrictions:</b> The Genesis Centre Environmental Contingency of \$312 plus accrued interest of \$6 is externally restricted for potential environmental events at the Genesis Centre.	\$6,917	\$318	\$6,599	\$1,500	The intent of the artificial turf reserve is to fund the lifecycle replacement of our artificial turf fields when they reach the end of their useful life (typically 15 years). Projections show that the current balance may not be sufficient to fund the replacement of all the Artificial Turf fields once they reach the end of their useful life in the next 10 years. Note that the estimated replacement cost of the fields do not take into account the recent cost inflation that all capital projects have experienced in 2022.
3 Asphalt and Crusher Plant Lifecycle Capital Reserve	Capital Cash Flow (CF)	To finance capital expenditures relating to Roads – Plants Operations as budgeted through The City's annual capital budget process or a specific Council approval.	Proceeds from sale of surplus Roads, Plants assets, interest income, and any excess of Roads, as well as 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.  Investment Income	<b>Conditions:</b> 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.  <b>Restrictions:</b> None	\$7,060	\$800	\$6,260	\$5,053	The Reserve balance will be used to fund the next 4 Year Capital Program (\$6.3M) and provide funding for catastrophic failure of equipment. This Plant is required to be operational 365 days of the year, and is the only source for material during winter months. Additionally any surplus revenue from Plant Operations is to be directed for City Forces Paving Programs, thereby alleviating the Tax Support required for these programs.

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4 Calgary Parking Authority Reserve	Capital Cash Flow (CF)	To be reviewed and developed in 2023. The Funds will go through formal Council approval to finalize the terms and conditions, including the purpose, conditions, restrictions related budget programs and funding sources. The funds are currently shown as a reconciling item on page 17 of The City of Calgary Reserves and Long-Term Liabilities Balances 2021 report labelled as Calgary Parking Authority Reserves.	\$3M annual contributions, as indicated as necessary through Capital Asset Management Planning. All interest is reinvested. In order to meet distribution requirements to the City in 2022, CPA paused the contribution and reinvested interest.	<b>Conditions:</b> Capital projects must be approved by Council through the budgeting process.	\$159,374	N/A	\$159,374	\$55,500	A full review of the Calgary parking Authority's financial policies, and purpose and use of the existing reserves is planned in 2023 as part of the intergration into The City's operations. \$20 million was committed at the end of 2022 from the Long Term Investment Fund to fund 5A infrastructure in the 2023-2026 Service Plans and Budgets. Any further amounts would be premature and potentially reduce confidence in meeting long term objectives until this review takes place.
5 Golf Course Levy Reserve	Sustainment (Operating & Capital) Contingency (C)/ Cash Flow (CF)	To fund golf course capital projects and to finance any golf course operating budget deficit.	Surcharge on all golf passes and green fees and additional budget surplus transferred from golf course and recreation operations.  Investment Income	<b>Conditions:</b> None  <b>Restrictions:</b> Funds are to be used as per the purpose outlined above. \$1M is tied to a donation that is externally restricted.	\$7,432	\$1,750	\$5,682	\$3,475	From an operating perspective, this reserve is needed for operationally challenging years (i.e. poor weather) and it is fully expected to rise and fall with service demand. From a capital perspective, Golf Courses has a list of unfunded major capital improvements that could be funded by this reserve and are currently assessing these against the reserve's recent performance. Depleting this reserve would move this obligation to tax supported funding. This reserve is included in the current Triennial Reserve Review.
6 Perpetual Care of the Municipal Cemeteries Reserve	Sustainment (Operating & Capital) Cash Flow (CF)	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.	40 per cent 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.  Investment Income	<b>Conditions:</b> None <b>Restrictions:</b> None	\$24,901	\$823	\$24,078	\$2,000	The reserve is projected to be greatly depleted over the coming years as its used to fund added development in new cemeteries and maintenance in existing ones. Current forecasts have it sitting at \$7M by 2030. Along with funding capital development/lifecycle needs, the reserve is in place to ensure perpetual maintenance and care of graves in all of the cemetery sites. A reserve balance of over \$100M is required to achieve the reserve's perpetual care purpose and it is forecasted to not reach this level of funding until the next century. Depleting this reserve will move more of this obligation to tax supported funding. This reserve is included in the current Triennial Reserve Review.
7 Waste and Recycling Sustainment Reserve	Sustainment (Operating & Capital) Contingency (C)/ Cash Flow (CF)	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.	User fees at planned contribution levels and annual operating budget variances generated from self-supported programs.  Investment Income	<b>Conditions:</b> A target balance for contingency purposes of 10 per cent of the current year's annual revenue is to be maintained.  <b>Restrictions:</b> None	\$83,565	\$46,005	\$37,560	\$36,664	In determining the recommended 2023-2026 budget, Waste & Recycling service line evaluated public programs against criteria consistent with the User Fees and Subsidies policy for suitability for tax support. As well, as per C2022-0798 Waste & Recycling is implementing a plan to increase the sustainment reserve target balance to 120 days of operating & maintenance (equivalent to \$48M in 2022) by 2030. This reserve is included in the current Triennial Reserve Review.

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<b>Committed in 2023-2026 Budget</b>									
8 Parking Revenue Reinvestment Reserve	Operating Cash flow (CF)	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.	50 per cent 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.	<b>Conditions:</b> 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.  <b>Restrictions:</b> None	\$4,161	\$0	\$2,609	\$0	<ul style="list-style-type: none"> <li>•Sole funding source of the reserve is CPA revenue surplus</li> <li>•No contributions to the reserve for 2022-2025 are anticipated due to current revenue levels.</li> <li>•Average annual spending from the reserve is around \$1.1M - \$1.5M; reserve balance forecasted to drop to about \$0.3M by 2024.</li> <li>•The reserve is currently already being used to fund expenditures which would otherwise require tax funding (see TT2017-0044).</li> </ul> <p>This reserve is included in the current Triennial Reserve Review.</p>
9 911 Communications Centre Capital Financing Reserve	Capital Cash flow (CF)	To fund future capital improvements and upgrades to the Calgary 911 Communications Centre.	A portion of revenue generated from the monthly fee charged to citizens on both landlines and wireless phones.	<b>Conditions:</b> None  <b>Restrictions:</b> None	\$22,712	(\$47)	\$22,759	\$22,600	Plans to spend 100% of the Reserve in 2023-2026 cycle for NG911 capital. This reserve is included in the current Triennial Reserve Review.
10 Downtown Improvement Fund	Capital Cash Flow (CF)	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.	License fees charged to commercial users of public rights-of-way.  Investment Income	<b>Conditions:</b> 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.  <b>Restrictions:</b> Centre City is defined in the May 2007 Centre City Plan (page 33) and includes the Beltline	\$2,706	\$505	\$2,201	\$1,200	Reserve is fully committed to capital projects in the 2023-2026 budget. This reserve is included in the current Triennial Reserve Review.
<b>No Tax Support for Service</b>									
11 Business License Sustainment Reserve	Sustainment (Operating & Capital) Cash Flow (CF)	The Calgary Community Standards (Business License) 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: <ul style="list-style-type: none"> <li>• Stabilize the operating budget</li> <li>• Fund one-time operating expenditures</li> <li>• Fund the capital expenditures</li> </ul>	Business License annual operating surplus as of 2014 and future years.  Investment Income	<b>Conditions:</b> None <b>Restrictions:</b> None	\$8,366	\$54	\$8,312	\$700	Use must provide benefits to the industry; otherwise potential legal risk to the City.
12 Livery Transport Services Sustainment Reserve	Sustainment (Operating & Capital) Cash Flow (CF)	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: <ul style="list-style-type: none"> <li>• Stabilize the operating budget;</li> <li>• Fund one-time operating expenditures; and</li> <li>• Fund capital expenditures that directly support livery transport services</li> </ul>	The Livery Transport Services' operating surpluses.  Investment Income	<b>Conditions:</b> None <b>Restrictions:</b> As per the purpose.	\$5,157	\$1,603	\$3,554	\$710	Use must provide benefits to the industry; otherwise potential legal risk to the City.
13 Utility Sustainment Reserve	Sustainment (Operating & Capital) Contingency (C)/ Cash Flow (CF)	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.	Utility rate revenues at planned contribution levels and annual operating budget variances. Portion of offsite levies to be spent in future years.  Investment Income	<b>Conditions:</b> The targeted level for the sustainment portion of the reserve is 120 days of Utilities operating expenditures.  <b>Restrictions:</b> None	\$164,201	\$58,760	\$105,441	\$66,503	The reserves are funded through provincially regulated Utility Rates and restricted to Water Service, Waste Water Service and Storm Water Management (no tax support).