



Triennial Reserve Review – Year 4 Results December 2014

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CALGARY

Background

- Response to The City's Auditor Office audit of the City's Financial Reserves (AC2009-74).
- Council Policy (CFO13 Financial Reserves), and Administrative Policy (FA-50 Financial Reserves) approved in 2010
 - include a Triennial Reserve Review process.
- Every active reserve is to be reviewed at least once every three years.
- 2nd cycle – all recommendations from 1st review were implemented



Purpose of the Triennial Reserve Review

- Ensure reserve activity meets all authorizing documents requirements;
- Reserve activity is in accordance with Administration 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 2014 (9 reserves)

Reserve Name	Reserve Type	Balance as of 2013, December 31 (in millions)
911 Communications Centre Capital Financing	Capital	\$8.8
Calgary Police Services - Capital Reserve	Capital	\$28.4
Calgary Police Services - Court Fines Reserve	Operating	\$4.0
Calgary Police Services - Helicopter Maintenance	Operating	\$2.7
Fleet Services Capital Reserve	Capital	\$0.0
Golf Course Levy	Sustainment	\$0.3
Innovative Technology	Capital	\$15.9
Lifecycle Maintenance and Upgrade Reserve	Capital	\$125.7
Reserve for Future Capital	Capital	\$269.6
		\$455.4



Review Findings

Overall, reserves are being managed in accordance with authorizing documents and City policies.

There are opportunities to clarify some reserve's purpose, conditions and or restrictions.

Recommending all reserves reviewed remain open, all have legitimate business reasons to remain open.



Summary of Recommendations

Clarifying the wording in the Annual Reserve Report Summary pages:

Lifecycle Maintenance & Upgrade Reserve Reserve for Future Capital

Amend Purpose, Funding Source, Conditions and/or Restrictions:

911 Communications Centre	Fleet Services
Golf Course Levy	Innovative Technology

Remove a condition no longer required:

Calgary Police Services Capital Reserve
Calgary Police Services Helicopter Maintenance

Minor change to funding of the Real Estate Reserve (not reviewed this year)



Reserves to be reviewed in 2015 (18 reserves)

Reserve Name	Reserve Type	Reserve Balance as of Dec 31, 2013 (in \$ millions)	Previously Reviewed Year
Calgary Heritage Authority Reserve	Operating	1.698	New reserve (2012)
Children's Reserve Fund	Operating	4.595	2012
ENMAX Dividend Stabilization Reserve	Operating	10.100	New reserve (2012)
Family & Community Support Service Fund	Operating	3.688	2012
Fiscal Stability Reserve	Operating	365.460	2012
Group Life	Operating	1.338	2012
Health, Safety and Wellness	Operating	7.566	2012
Heritage Incentive	Operating	1.283	2012
Mall Programming	Operating	0.744	2012
Self – Insurance	Operating	7.000	2012
Snow and Ice Control	Operating	4.141	New reserve (2012)
Asphalt and Crusher Plant Lifecycle Capital Reserve	Capital	7.500	2012
Corporate Housing	Capital	34.105	2012
Downtown Improvement	Capital	3.207	2012
LED Traffic Signal Display Re-Lamping Reserve	Capital	5.622	2012
Parking Land Acquisition Reserve	Capital	24.688	2012
Millican-Ogden Community Enhancement	Sustainment	0.171	2012
Real Estate Services	Sustainment	80.552	2012
Total		563.458	



ADMINISTRATION RECOMMENDATIONS

That the Priorities and Finance Committee recommends that Council:

1. Approve the changes to reserves as outlined in Attachment 1
2. Approve the list of reserves to be reviewed in 2015 as outlined in Attachment 3.

