

Reserve Review Comments and Recommendations

Reserve Name	Att. 4 Page No.	Reserve Type	Balance 2023 (in '000s)	Review Comments and Reasons for Recommendations (Numerical Values in '000s)	Recommendation(s) for Approval (Numerical Values in '000s)
Health, Safety and Wellness Reserve	1	Operating	\$18,315	<p>The purpose of the reserve is to fund preventative and proactive health, safety, and wellness programs as part of The City's ongoing commitment to the safety, health, and wellness of employees.</p> <p>All reserve transactions sampled were properly authorized and in accordance with the reserve terms.</p> <p>Special reporting requirements were not completed in 2023 due to realignment and the terms of reference for the Human Resources Client Council are being reviewed for 2024 and beyond.</p> <p>The reserve balance has been consistent over the past few years and is expected to be maintained at the end of this budget cycle. Spending plans/initiatives are generally developed once a year.</p>	<p><u>Follow-Up</u> Reserve owner to create a plan outlining when the special reporting requirements for the Human Resources Client Council will be re-established.</p> <p>Reserve owner to create a spending plan to determine future usage of the reserve beyond this current budget cycle and review alongside with operating budgets to determine if any funds can be relinquished from this reserve. Information to be provided to Administrative Review Committee in the 2025 Triennial Reserve Review.</p>
Tax Loss Provision Reserve	3	Operating	\$300	<p>The purpose of the reserve is to provide funding in the event of substantial unanticipated adverse outcomes from Assessment complaints and appeals.</p> <p>Non-compliance was found from the funding source, as \$18,720 was transferred to the Fiscal Stability Reserve in 2023, instead of to this reserve. All other reserve transactions sampled were properly authorized and in accordance with the reserve terms.</p>	<p><u>Substantive Change:</u> Close this reserve and transfer the remaining balance to the Fiscal Stability Reserve. The Fiscal Stability Reserve can be used to address any losses above the Tax Loss Provision Liability.</p>

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				Reserve usage has been limited, with transfers to other reserves in the prior five years. As The City has been proactive with tax assessment dispute resolution, there is a sufficient tax loss contingency balance to cover any tax losses. Therefore, this reserve is no longer needed.	
Asphalt and Crusher Plant Lifecycle Capital Reserve	5	Capital	\$7,500	<p>The purpose of the reserve is to finance capital expenditures relating to Mobility-Plants Operations as budgeted through The City's annual capital budget process or a specific Council approval.</p> <p>All reserve transactions sampled were properly authorized and in accordance with the reserve terms.</p> <p>Clerical revisions are required on the reserve template; refer to the <i>Recommendation(s) for Approval</i> column.</p>	<p><u>Clerical Changes</u> Revise the reserve template as outlined in Attachment 4 (Pages 5-6) to:</p> <ul style="list-style-type: none"> • Include the omitted budget ID in the related budget information; and • Correct the classification error in the current activity for 2022 contributions from operation and contribution to capital financing.
Community Investment Reserve	7	Capital	\$147,820	<p>The purpose of the reserve is:</p> <ol style="list-style-type: none"> To invest in priority community capital infrastructure and address emerging community needs. To target the reduction of the growing infrastructure gap as identified through the Community Services capital infrastructure investment strategy. <p>All reserve transactions sampled were properly authorized and in accordance with the reserve terms. The commitments information is not clear and should be reviewed.</p> <p>Clerical revisions are required on the reserve template; refer to the <i>Recommendation(s) for Approval</i> column.</p>	<p><u>Clerical Changes</u> Revise the reserve template as outlined in Attachment 4 (Pages 7-9) to:</p> <ul style="list-style-type: none"> • Include omitted authorizing document references; • Update related programs budget ID information (internal template); and • Disclose investment income separately in the commitments section. <p><u>Follow-up</u> Reserve Finance Lead to work with the Financial Reporting team to improve the presentation and disclosure of the commitments and to bring back the information to the 2025</p>

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					Triennial Reserve Review for the Administrative Review Committee's review.
Debt Servicing Reserve	10	Capital	\$52,570	<p>The purpose of the reserve is for principal and interest payments of tax-supported debt.</p> <p>All reserve transactions sampled were properly authorized and in accordance with the reserve terms.</p> <p>The reserve has been maintained at a constant balance of \$52,570 since 2013 and there is no anticipated future use of these funds. The reserve balance is no longer required and can be relinquished.</p>	<p><u>Substantive Change:</u> Transfer the \$52,570 reserve balance to the Fiscal Stability Reserve.</p> <p><u>Follow-up</u> Reserve owner to:</p> <ul style="list-style-type: none"> • Review whether this reserve is still required; and • Bring back the information to the 2025 Triennial Reserve Review for the Administrative Review Committee's review.
Established Area Investment Fund	12	Capital	\$36,007	<p>The purpose of the reserve is to fund approved capital spending for public realm improvements and one-time programming in established areas, as outlined in the Established Area Growth and Change Strategy (EAGCS).</p> <p>All reserve transactions sampled were properly authorized and in accordance with the reserve terms, however, it was noted that a more formal approval process should be developed for the funding of this reserve.</p> <p>Clerical revisions are required on the reserve template; refer to the <i>Recommendation(s) for Approval</i> column.</p>	<p><u>Process Improvement</u> It is recommended that a more formal approval process be developed using a threshold (to be determined). A form should be developed by the Corporate Budget Office that outlines the rationale for the amount contributed to the reserve that includes the CFO's (or delegate's) approval.</p> <p><u>Clerical Changes</u> Revise the reserve template as outlined in Attachment 4 (pages 12-13) to</p> <ul style="list-style-type: none"> • Include the omitted authorization documents; • Revise the purpose of the reserve for clarity; • Remove the funding source as it is no longer relevant; and • Include the special reporting requirement.

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Green Line Fund	14	Capital	\$172,799	<p>The purpose of the reserve is to pool municipal funding for the Green Line Project. Federal infrastructure funding models require each order of government to contribute a portion of total project costs; this reserve holds The City's funding, contributed from vacated tax room.</p> <p>There was an over-draw of the reserve in 2023 that was corrected in 2024. All other reserve transactions sampled were properly authorized and in accordance with the reserve terms.</p> <p>Due to the ongoing discussions with the province and given the Green Line wind down, revisions to the reserve are required to address and respond to this change in the program.</p> <p>In addition, revisions are required to the reserve to bridge timing differences between when expenditures are incurred and when funding from senior government funding partners is subsequently received. By funding the expenditures for Green Line from the reserve, to be replenished upon receipt of funding from the funding partners, this reduces the burden on the City's working capital and thus reduces borrowing requirements and associated interest costs to The City.</p>	<p>Substantive Changes</p> <p>Revise the reserve template as outlined in Attachment 4 (pages 14-15) to include the:</p> <ul style="list-style-type: none"> • Wind down costs of the Green Line Project; and • Bridging of timing differences to manage working capital.

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Reserve for Future Capital and Lifecycle Maintenance and Upgrade Merged – <i>compliance review only</i>	16	Capital	\$977,167	<p>The purpose of the reserve is:</p> <p>RFC:</p> <ul style="list-style-type: none"> To fund various capital projects as per Council approval; To hold Pay-As-You-Go (“PAYG”) funding which helps to pay for City maintenance and upgrade projects, project producing asset with a useful life of five years or less, and, for grant-funded project, cost ineligible to be paid using grant funding; and To hold contingency funds (for unforeseen projects or new emergency needs). <p>LMUR: The Lifecycle Maintenance and Upgrade Reserve (“LMUR”) was established to maintain and upgrade capital assets.</p> <p>All reserve transactions sampled were properly authorized and in accordance with the reserve terms. However, it was noted that the review process for reserve transactions and availability of supporting documentation requires improvement.</p> <p>Clerical revisions are required on the reserve template; refer to the <i>Recommendation(s) for Approval</i> column.</p>	<p><u>Process Improvement</u> Corporate Budget Office to obtain and review supporting documentation and calculations prior to posting monthly financing entries and include supporting documentation in Peoplesoft (FSCM).</p> <p><u>Clerical Changes</u> Revise the reserve template as outlined in Attachment 4 (pages 16-20) to:</p> <ul style="list-style-type: none"> Simplify the name of the reserve; Update the reserve template to reference new business unit names after corporate realignment; and Include a missing authorization document.
TELUS Convention Centre Reserve	21	Capital	\$200	<p>The purpose of the reserve (created in 1985) was to finance carpeting and other major replacement items with a useful life of five years or less. Commissioners’ Report C97-83 amended the use of this reserve for capital purchases regardless of their useful life.</p>	<p><u>Substantive Changes</u> Close the reserve with the timing aligned to the next budget cycle to allow for agreements with the Telus Convention Centre to be revised to remove mentions of this reserve.</p>

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				<p>The reserve was non-compliant with the funding sources. No annual reserve funding was made in 2023; instead, funding came from the Council-approved capital budget. In addition, the funding source was revised without proper authorization. All other reserve transactions sampled were properly authorized and in accordance with the reserve terms.</p> <p>With no future inflows expected, the reserve balance is stagnant at \$200 and should be closed.</p>	<p>Revise the reserve template as outlined in Attachment 4 (page 21) to remove the unauthorized change to the funding source.</p> <p><u>Follow-Up</u> Finance Manager supporting the business unit to assess whether the annual contribution to the Telus Convention Centre should be combined with the annual operating grant to streamline the process.</p>
Business License Sustainment Reserve	22	Sustainment	\$11,234	<p>The purpose of the reserve is to stabilize the budget during fluctuations in the business sector to ensure consistent, sustainable, self-supporting customer and regulatory services.</p> <p>The reserves will be used for the following specific uses:</p> <ol style="list-style-type: none"> 1. Stabilize the operating budgets; 2. Fund one-time operating expenditures; and 3. Fund capital expenditures. <p>All reserve transactions sampled were properly authorized and in accordance with the reserve terms.</p> <p>Reserve owners have identified a need for a change to the ownership of the reserve due to realignment. The change is from Emergency Management & Community Safety to Development Business and Building Services.</p>	<p><u>Clerical Changes</u> Revise the reserve template as outlined in Attachment 4 (pages 22-23) to include:</p> <ul style="list-style-type: none"> • The new capital budget ID in the Related Budget Information Section; and • Reserve ownership change due to realignment.

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				Clerical revisions are required on the reserve template; refer to the <i>Recommendation(s) for Approval</i> column.	
Community Sustainability Reserve	24	Sustainment	\$ 1,522	<p>The purpose of the reserve is to offer interim support to community organizations requiring short-term assistance to address operational challenges. Funding is available for:</p> <ul style="list-style-type: none"> • Stability and redevelopment support to organizations facing unexpected financial difficulties or dealing with organizational or governance issues for over a year; and • Professional consulting services to help organizations improve sustainability and enhance the delivery of programs and services to citizens. <p>All reserve transactions sampled were properly authorized and in accordance with the reserve terms. However, we noted that not all approved commitments were included in the commitments section of the reserve template.</p> <p>There are no ongoing funding sources for this reserve and the purpose of the reserve can be managed by the Fiscal Stability Reserve.</p>	<p><u>Substantive Change</u> Close the Community Sustainability Reserve and transfer the reserve balance to the Fiscal Stability Reserve (FSR) and manage any future risks in this reserve. Operational business unit to request funding to withdraw from FSR when required.</p> <p><u>Clerical Change</u> Revise the reserve template as outlined in Attachment 4 (pages 24-25) to include all the commitments.</p>
Corporate Housing Reserve	26	Sustainment	\$ 42,076	<p>The purpose of the reserve is to support the development of affordable rental, social, and special needs housing, this reserve fund covers both infrastructure and operating costs associated with affordable housing initiatives. Starting in 2019, the reserve also accumulates any unspent portions of the Housing Incentive Program budget for future use, especially in cases where a full incentive cannot be distributed within a single year.</p>	<p><u>Substantive Changes</u> Update the reserve purpose, conditions, and authorizing documents, as outlined in Attachment 4 (pages 26-28), to include funding for land purchases for further affordable housing initiatives.</p> <p><u>Clerical Changes</u></p>

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				<p>All reserve transactions sampled were properly authorized and in accordance with the reserve terms.</p> <p>Revisions to the reserve template are required to incorporate land purchases for affordable housing initiatives. Council approved a \$20M recurring budget for a Housing Land Fund commencing in 2024 for the 2023-2026 budget cycle.</p> <p>Clerical revisions are required on the reserve template; refer to the <i>Recommendation(s) for Approval</i> column.</p>	<p>Revise the reserve template as outlined in Attachment 4 (pages 26-28) to</p> <ul style="list-style-type: none"> • Correct external and internally restricted amounts; and • List all the applicable capital budget IDs.
General Hospital Legacy Reserve	29	Sustainment	\$ 17, 733	<p>The purpose of the reserve is to contain the funds allocated to the Calgary General Hospital Legacy Fund, generated from the revenues generated by the use, redevelopment and sale of the Calgary General Hospital, Bow Valley Centre lands (Bridges Project).</p> <p>All reserve transactions sampled were properly authorized and in accordance with the reserve terms.</p> <p>Clerical revisions are required on the reserve template; refer to the <i>Recommendation(s) for Approval</i> column.</p> <p>Reserve ownership needs to be reviewed and an electronic reserve binder was not maintained as required by the Financial Reserve Procedures.</p>	<p><u>Clerical Changes</u></p> <p>Revise the reserve template as outlined in Attachment 4 (pages 29-30) to include:</p> <ul style="list-style-type: none"> • The Bridgeland-Riverside Multi-modal Pedestrian Bridge project in the restriction section; and • The Council approved commitment in the commitments section. <p><u>Follow-ups</u></p> <p>The Reserve Finance Lead to maintain an electronic binder that includes all the required documentation as outlined in the Financial Reserves Procedures.</p> <p>The reserve ownership should be reviewed by the Finance Manager Operational Services and Finance Manager Infrastructure Services and their respective Operational Directors by Q4 2024.</p>

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Parks Endowment and Sustainment Reserve	31	Sustainment	\$ 6,473	<p>This purpose of the reserve is a temporary repository for contributions to the development and operations of City Parks from businesses, foundations, grants, individuals and internal revenues. The fund will be used to develop, enhance or maintain Parks operations specific to the funding agreements.</p> <p>Reserve owners identified non-compliant usage of their reserve in 2023 due to an accounting classification error, which was corrected in 2023.</p> <p>All other sampled transactions were appropriate in compliance to reserve purpose, conditions, and restrictions.</p>	No recommendations.
Utility Sustainment Reserve	34	Sustainment	\$ 245,719	<p>The purpose of the reserve is 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.</p> <p>All reserve transactions sampled were properly authorized and in accordance with the reserve terms. However, we noted that the presentation and disclosure of future commitments may be inconsistent with reserve template requirements.</p> <p>Clerical revisions are required on the reserve template; refer to the <i>Recommendation(s) for Approval</i> column.</p>	<p><u>Clerical Changes</u> Revise the reserve template as outlined in Attachment 4 (pages 34-35) to:</p> <ul style="list-style-type: none"> • Include omitted authorization documents; • Correct a 2023 classification error; and • Correct the restricted balance amount and disclose investment income in the commitments section. <p><u>Follow-up</u> Reserve Finance Lead to work with the Financial Reporting team to improve the 2024 presentation and disclosure of the budgeted outflows in the future commitments. The</p>

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					Administrative Review Committee to follow-up with this recommendation in the 2025 Triennial Reserve Review.

Follow-Ups from Prior Triennial Reserve Reviews

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Calgary Police Service Court Fine Revenue Operating Reserve	36	Operating	\$5,354	<p><u>2023 Triennial Reserve Review (EC2023-1211) Recommendation</u> Chief Financial Officer and Director Finance to hold discussions with CPS and ELT, by Q4 2023, on potential changes to CPS reserves that may better suit their operations. Chief Financial Officer and Director Finance to bring back any updates to the 2024 Triennial Reserve Review.</p> <p><u>2024 Follow-Up</u> Calgary Police Services (CPS) reviewed the possibility of combining CPS reserves and have determined that at this time they will not pursue this. However, this topic will be incorporated into future discussions.</p> <p>This recommendation is closed.</p>	Recommendation closed, no further follow-up required.
Calgary Police Service Helicopter Maintenance	38	Operating	\$1,725		

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Calgary Police Service Capital Reserve	39	Capital	\$30,194		
Mall Programming Fund	42	Operating	\$916	<p><u>2023 Triennial Reserve Review (EC2023-1211) Recommendation</u> Reserve owner to create a plan for the use of this reserve for this budget cycle, to be developed by Q4 2023, and to provide this information to the Administrative Review Committee for their review in the 2024 Triennial Reserve Review.</p> <p><u>2024 Follow-Up</u> Proposed new timeline for reporting back on Mall Programming Committee spending plan by end of Q1 2025. Council requested the Mall Programming Reserve to review its committee structure. Downtown Strategy is currently working with the Mall Programming Reserve Committee to review the committee structure. This will allow more time to engage with the external committee, review committee structure, and finalize the spending plan.</p> <p>This recommendation is in-progress.</p>	<p><u>Follow-Up</u> Reserve owner to create a plan for the use of this reserve to be developed by Q1 2025, and to provide this information to the Administrative Review Committee for their review in the 2025 Triennial Reserve Review.</p>

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Winter Maintenance Reserve (previously Snow and Ice Control (SNIC) Reserve)	44	Operating	\$15,000	<p><u>2022 Triennial Reserve Review (EC2023-0466) Recommendations</u> Reserve Operational Lead (Mobility) to evaluate the relevance of the current maximum balance for the reserve, once the SNIC policy is reviewed in Q3 2023.</p> <p>Parks to review their SNIC operating budget and historical spend and adjust accordingly during mid-cycle adjustment rather than relying heavily on the reserve funding, as the reserve is only intended to supplement SNIC budgets.</p> <p><u>2024 Follow-Up</u> In 2024, in response to Council's directive to enhance winter maintenance service levels and for assessment and modernization of the reserve, the reserve owner business unit:</p> <ul style="list-style-type: none"> • Implemented the Winter Maintenance Policy Update IP2024-0103 which was approved by Council; • Made amendments to the SNIC reserve which were approved by Council (IP2024-0103); • Increased the maximum balance for the reserve from \$15,000 to \$22,000; and • Changed the name of the reserve was from Snow and Ice Control (SNIC) Reserve to Winter Maintenance Reserve. <p>The SNIC internal review for Parks is currently underway and reliance on the budget is still required. Plan to complete budget revisions by end of 2025.</p>	<p><u>Follow-Up</u> Parks to review their SNIC operating budget and historical spend and adjust accordingly during mid-cycle adjustment rather than relying heavily on the reserve funding, as the reserve is only intended to supplement SNIC budgets. Information to be provided to the Administrative Review Committee for their review in the 2026 Triennial Reserve Review.</p>

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				These recommendations are partially closed.	
911 Communications Centre Capital Finance Reserve	47	Capital	\$22,453	<p><u>2022 Triennial Reserve Review (EC2023-0466) Recommendations</u> By Q4 2023, the Reserve Financial Lead to:</p> <ul style="list-style-type: none"> • Discuss with the Corporate Budget Office the 2023-2026 operating and capital forecasts, maximize funding from the capital deposit and reserve, and relinquish any unrequired MSI and PAYG funding; and • Discuss with operations the minimum balance requirement for the reserve. <p><u>2024 Follow-Up</u> As part of this recommendation Calgary 911 relinquished \$10 million of MSI as part of the mandatory relinquishment.</p> <p>Minimum balance review to be aligned with the corporate reserves analysis as per City Auditor's Financial Reserves Audit recommendation (AC2024-0569).</p> <p>These recommendations are partially closed.</p>	<p><u>Follow-up</u> By Q2 2025, the Reserve Financial Lead to discuss with operations the minimum balance requirement for the reserve as per corporate reserves analysis. To be reviewed in the 2025 Triennial Reserve Review.</p>
Information Technology Reserve	48	Capital	\$39,145	<p><u>2023 Triennial Reserve Review (EC2023-1211) Recommendations</u> For the Hardware Replacement component of the reserve, the reserve owner should, by Q1 2024:</p> <ul style="list-style-type: none"> • Determine the maximum balance based on risk; and • Assess the adequacy of the budgeted annual contribution to the reserve. 	<p><u>Follow-up</u> By Q2 2025, the Reserve Financial Lead to discuss with operations the minimum and maximum balance requirement for the reserve as per corporate reserves analysis. To be reviewed in the 2026 Triennial Reserve Review.</p>

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				<p>Reserve owner to provide this information to the Administrative Review Committee for their review in the 2024 Triennial Reserve Review.</p> <p><u>2024 Follow-Up</u> Review to be aligned with the corporate reserves analysis as per City Auditor's Financial Reserves Audit recommendation (AC2024-0569).</p> <p>This recommendation is in-progress.</p>	
<p>Calgary Parking Capital Reserve Fund</p> <p>Calgary Parking Long Term Investment Fund</p> <p>Cash-in-Lieu Lifecycle Sustainment Reserve</p>	<p>50</p> <p>52</p> <p>54</p>	<p>Sustainment</p> <p>Sustainment</p> <p>Sustainment</p>	<p>\$116,395</p> <p>\$53,560</p> <p>\$37,376</p>	<p><u>2022 Triennial Reserve Review (EC2023-0466) Recommendations</u> Revisit these reserves in the 2024 Triennial Reserves Review to make any required updates to take into account Calgary Parking's new funding model and the reserve's interactions with other City sources of financing, including other reserves.</p> <p>The Cash-in-Lieu Reserve should be merged with the Calgary Parking Capital Reserve in 2023 as they overlap and there is no business need to maintain them separately.</p> <p><u>2024 Follow-Up</u> A new financial policy was approved by Council on 2024, September 4 (EC2024-0836). The new authorization document is to be added to the reserve template.</p>	<p><u>Clerical Changes</u> Revise the reserve template as outlined in Attachment 4 (pages 50-51) to add the new authorization document number.</p> <p>Recommendations closed, no further follow-up required.</p>

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				<p>The Long-Term Investment Fund is now closed, and funds were directed to other reserves and funding initiatives.</p> <p>The Cash-in-Lieu Lifecycle Sustainment reserve is now closed and was merged with the Calgary Parking Capital Reserve Fund.</p> <p>These recommendations are closed.</p>	
Public Art Reserve	56	Sustainment	\$5,435	<p><u>2022 Triennial Reserve Review (EC2023-0466) Recommendations</u></p> <p>Reserve owner to:</p> <ul style="list-style-type: none"> Review the 2021 and 2022 funding provided to the reserve, by Q4 2023, and determine whether the reserve was over or under funded and remediate if required; Obtain proper approvals for the annual reserve funding; and Provide this information to the Administrative Review Committee for their review in the 2024 Triennial Reserve Review. <p><u>2024 Follow-Up</u></p> <p>The future usage and purpose of the reserve will be reviewed after the agreement with the third-party provider (CADA) agreement expires in 2024.</p> <p>The funding calculation for the reserve is no longer relevant and should be removed. There was no transfer to the reserve in 2023. For 2023-2026, an operating budget was approved to support Public Art starting in 2024 (\$840 per year was added to the Public Art operating budget instead of going into the reserve).</p> <p>Unexpended capital allocated to the Public Art Program should be contributed to the reserve for future usage.</p>	<p><u>Follow-up</u></p> <p>Reserve owner to review commitments and adequacy of the reserve balance by Q4 2025 and the Administrative Review Committee to review in the 2026 Triennial Reserve Review.</p> <p><u>Substantive Changes</u></p> <p>Revise the reserve template as outlined in Attachment 4 (pages 56-57) to:</p> <ul style="list-style-type: none"> Remove the funding source calculation that is no longer relevant; Update the related budget information; and Include the additional funding source.

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				<p>These recommendations are in-progress.</p>	
Waste and Recycling Sustainment Reserve	58	Combined operating & Capital	\$53,340	<p><u>2022 Triennial Reserve Review (EC2023-0466) Recommendation</u> Reserve Operational Lead to review the reserve budgeted inflows and outflows by Q1 2024 to determine any impacts of the new residential charges that were effective in 2023.</p> <p><u>2024 Follow-Up</u> Completed revisions of budgeted contributions to the reserve for revenue increases from black/blue/green cart. Impacts of the changes to residential program charges approved by Council have been incorporated in the 2023 reserve reporting template, and will continue to be, incorporated in the annual reserve reporting template.</p> <p>This recommendation is closed.</p>	Recommendation closed, no further follow-up required.
Sustainment Reserves – Investment Income	N/A	N/A	N/A	<p><u>2022 Triennial Reserve Review (EC2023-0466) Recommendation</u> 2024 Triennial Reserve review to include a formal review of investment income allocation for sustainment reserves.</p> <p><u>2024 Follow-Up</u> A review of sustainment reserves earning investment income and the investment income allocation criteria outlined in the Financial Reserve Procedures was conducted during the 2024 Triennial Reserve Review. The review noted the following:</p>	<p><u>Follow-ups</u> Revise the Financial Reserve Procedures as follows: <i>Reserves meeting specific criteria shall earn and retain investment income. The criteria required for a reserve to earn investment income are:</i> a. <i>Endowment funds contributed to the reserve,</i></p>

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				<ul style="list-style-type: none"> Legacy funds contributed to reserves are no longer applicable and should be removed as a criterion on a go-forward basis; Specific criteria should be used to allocate investment income, therefore investment income mandated by Council should be removed as a criterion on a go-forward basis; To mitigate the risk of cost escalations, The City should include “to maintain future capital purchasing power with no other source of inflationary funding to the reserve” as a criterion for investment income allocation; and Of the 18 sustainment reserves, only 4 do not receive investment income. From these 4, only the Land Servicing Reserve may be eligible to receive investment income under the new investment income allocation criteria (refer to the recommendation column); additional analysis is required to determine this reserve’s eligibility. <p>The review was completed and additional follow-ups are required.</p>	<p>b. Legacy funds contributed to a reserve, including funds transferred from a closed reserve that earned investment income, <i>b. Funds where external agreements specify investment income will be earned; or</i> d. Specifically mandated to earn investment income by Council. <i>c. Reserves intended to maintain future capital purchasing power with no other sources of inflationary funding to the reserve.</i></p> <p>Land Servicing Reserve Owner to prepare an analysis on inflationary impacts on the purchase and sale of land for the Land Servicing Reserve and to provide information in the 2025 Triennial Reserve Review for the Administrative Review Committee’s review to determine the eligibility for investment income under the new criteria.</p>