

Chief Financial Office Report to
Regular Meeting of Council
2017 November 27

ISC: UNRESTRICTED
C2017-1123
ATTACHMENT 11
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2017 Triennial Reserve Review Report and 2016 Report on Reserves and Long-Term Liabilities

EXECUTIVE SUMMARY

This report provides an update on the status of The City's reserves. It summarizes the results of the 2017 Triennial Reserve Review as well as the process performed by an Administrative Reserve Review Committee. Additionally, The City's Report on Reserves and Long Term Liabilities for 2016 is included.

ADMINISTRATION RECOMMENDATION:

That Council:

1. Approve the changes to reserves recommended by the 2017 Triennial Reserves Review as outlined in Attachment 11.1 and Attachment 11.2;
2. Approve the list of reserves to be reviewed in 2018 as outlined in Attachment 11.3;
3. Approve the amendment of the Community Sustainability & Public Art Reserve as outlined in Attachment 11.4; and
4. Receive for information the 2016 Report on Reserves and Long Term Liabilities, contained in Attachment 11.5.

PREVIOUS COUNCIL DIRECTION / POLICY

The City Auditor's Office completed an audit of The City's Financial Reserves in 2009. In response to this audit, FCS2010-01 (AC2009-74), Administration assisted in the creation of a Council Policy on Financial Reserves, #CFO013, along with an associated Administration Policy and procedures.

Council Policy #CFO013 mandates a Triennial Reserve Review process in which every reserve is reviewed at least once every three years. Nine reserves were reviewed in 2017; the review of these reserves was approved by Council (PFC2016-0796 Attachment 3) on 2016 December 13. A report on the results of the review and any recommendations is to be provided to the Priorities and Finance Committee for its review and thereafter forwarded to Council for approval.

Council Policy #CFO013 requires that Reserves information be reported to the Priorities and Finance Committee and to Council in the annual Reserves Report for information purposes.

Council Policy #CFO013 provides for amendments to a reserve, which may be undertaken as a response to the Triennial Reserve Review or proactively by the originating City department.

To allow this year's reserve review to coincide with and be considered alongside the 2018 budget adjustments process, it is being reported directly to Council by special approval by the Chief Financial Officer and City Manager as allowed by and in accordance with Council policy #CFO013.

BACKGROUND

The creation, use and management of reserve funds in a formalized financial reserve policy is a best practice and consistent feature of most large cities in Canada and the United States.

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Reserves are a part of good management that allows for funds to be either spent judiciously over time or to ensure service levels are maintained and not immediately impacted by potential downturns in the economy. Reserves provide a measure of financial flexibility to react to budget shortfalls or to financial impacts of significant unexpected issues in a timely manner. A properly balanced approach to the planning and use of reserves is considered good financial management and is a key component of The City of Calgary's strong credit rating. For the majority of reserves, expenditures from and contributions to reserve funds are included in the Budget and Budget Adjustments approved by Council.

The City's reserves consist of the following:

Reserve Type	# of Reserves	Reserve Balance as of 2016 Dec 31
Operating	15	\$676 million
Capital	17	\$900 million
Sustainment	12	\$513 million
Total per Reserve Report	44	\$2,089 million

Within the 15 operating reserves, \$557 million is held in the Fiscal Stability Reserve as an operating contingency fund and to provide for one-time funding. The majority of the 17 capital reserves totalling \$900 million are either fully committed or have substantial commitments against them to finance existing approved projects and these commitments will reduce the balances over time. A total of \$513 million is held in 12 separate sustainment reserves.

The attached reports present:

- The results of the Triennial Reserves Review for 2017;
- Recommendations for reserve amendments as a result of the review process as well as the proactive amendment of the Community Sustainability & Public Arts reserve; and
- Detail on all reserves and long term liabilities including the approval and authorization, funding sources, any conditions and restrictions on use and a summary of activity in each of the last five years.

INVESTIGATION: ALTERNATIVES AND ANALYSIS

Triennial Reserves Review Process

For 2017, Council approved the review of nine reserves, representing \$551 million in reserve balance as of 2016 December 31.

The purpose of the Triennial Review process is to ensure that:

- i. Reserve activity meets all authorizing documents requirements;
- ii. Reserve activity is in accordance with City reserve policies and procedures;
- iii. The reserve's purpose, conditions and/or restrictions are still relevant; and
- iv. The reserve is still required in its current form.

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The review for each active reserve is completed by the Administrative Reserve Review Committee and covers reserve operations for its current and previous full year of operations. The Administrative Reserve Review Committee is comprised of:

- The Chief Financial Officer;
- Finance Manager, Corporate Budget Office;
- Finance Manager, Corporate Financial Reporting;
- A General Manager; and
- A Business Unit Director.

1.0 Initial Review

A review team completed a detailed review of reserve transactions and documentation of each reserve. The review team collected all relevant reserve documents and reviewed selected 2015 and 2016 transactions in order to evaluate:

- Contributions from operations to reserves;
- Contributions from reserves to operations or capital;
- Transfers between reserves;
- Compliance of reserve activities with the reserve's mandate and all other City policies and procedures; and
- Completeness and accuracy of the disclosure of financial information in the Annual Reserve Report.

The review team provided findings to the Administrative Reserve Review Committee. The committee met several times throughout the year to consider the initial review results, evaluate recommendations made by the review team, determine whether the reserves are still relevant, and whether they continue to align with current Council objectives.

2.0 Review Guiding Principles

Over the years, reserves have been created for a number of reasons and with various purposes. In order to consistently evaluate various types of reserves and determine whether changes should be recommended, the Administrative Reserve Review Committee previously agreed on a number of guiding principles.

2.1 Minimize Number of Open Reserves

Wherever possible, the number of reserves should be reduced. The Administrative Reserve Review Committee looked to consolidate or close reserves where multiple reserves serve similar purposes and to eliminate miscellaneous and redundant reserves.

2.2 Business Categories

Currently, reserves are categorized in accounting terms as operating, capital or sustainment. However, the Administrative Reserve Review Committee also categorized reserves by business purpose such that reserves can be evaluated consistently based on the business reason for the reserve. For example, some reserves have been created to manage the timing of cash flows.

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Such reserves should have a reserve plan and transactions should be budgeted wherever possible, but they do not necessarily lend themselves to a target balance.

Alternatively, reserves created for contingency purposes should have a target balance. Not all transactions for these reserves can be budgeted since Administration can not anticipate a contingent event, but establishing a target balance based on an estimate of risk is appropriate.

2.3 Ongoing Relevance of Reserves

The Administrative Reserve Review Committee also looked to ensure that the business reason for the reserve was still relevant and where applicable, that Administration has a plan on the strategic use of the reserve going forward and that reserve activity be budgeted where applicable.

3.0 Results of the Reviews

3.1 Reserve Activity Meets all Authorizing Documents Requirements

All reserves reviewed are being administered as intended.

3.2 Reserve Activity is in Accordance with City Reserve Policies and Procedures

All reserve activity reviewed was recorded in a timely fashion and in accordance with Council and Administrative reserve policies and Administrative reserve procedures. No issues were identified with recorded reserve activity; however, there is an opportunity to present the reserve activities more clearly within the reserve reports. Recommendations on this are included within this report. Refer to Attachment 11.1 and 11.2 for further information.

3.3 The Reserve's Purpose, Funding, Conditions and/or Restrictions are Still Relevant

The reserves' purposes, funding, conditions and/or restrictions are still relevant. There are instances where a reserve's purpose, funding, conditions and/or restrictions are recommended for update.

Council directed Administration (C2016-0632) to work with the Calgary Police Service to review the maximum annual contribution to, and the maximum year-end balance of, the Pay-As-You-Go Fund as part of the Triennial Reserve Review in 2017. The review was conducted by the Calgary Police Service, and the Calgary Police Commission approved a recommendation for no change to these restrictions at this time. This recommendation is included within this report.

This report also recommends for approval a one-time contribution from the Fleet Services Capital Reserve to the capital portion of the Budget Savings Account for Infrastructure Calgary.

The Golf Course Division within the Recreation business unit received a gift of \$1 million in 2017 from the estate of a private citizen. The direction from the estate for the use of these funds aligns with the purpose of the Golf Course Levy Reserve. A recommendation is being made in this report to authorize this one-time contribution to the Golf Course Levy Reserve. There are associated restrictions for the use of these funds included within the recommendation in Attachment 11.1.

Although the Community Sustainability & Public Arts reserve was not included in the 2017 Triennial Reserves Review process, Administration is proactively recommending an amendment to the reserve to provide more transparency between the two initiatives by splitting the reserve

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into two reserves: one for Community Sustainability, and one for Public Arts. The realignment of this reserve into two reserves meets the public's need for transparency and accountability.

Refer to Attachments 11.1, 11.2 and 11.4 for further information on these recommendations.

3.4 The Reserve is Still Required

As part of the review, the Administrative Reserve Review Committee questions whether every reserve being reviewed is needed, or can be closed. No reserve has been recommended for closure as a result of this year's review.

The Fleet Services Capital reserve has not been used in the past three years. Fleet Services is developing a capital plan in 2018 for the utilization of the reserve. It is recommended that a limited scope review of the reserve be performed in 2018 based on this capital expenditure plan; any recommendations arising will be brought forward in the 2018 Triennial Reserve Review.

Council, through a motion arising as a result of report CPS2017-0539, directed Administration to return to Council at the 2018 budget adjustment process with options on how to move forward with City-owned golf course operations. The outcome of this analysis may have implications to the Golf Course Levy Reserve. It is recommended that, should a significant change in the golf courses' operating model result from the motion arising project, these changes be reviewed in the 2018 Triennial Reserve Review cycle to determine whether there are any implications for the reserve.

As previously approved by Council (PFC2015-0917), the Millican-Ogden Community Enhancement Reserve was to be closed by no later than 31 December 2017. As the reserve has met its purpose and its funds have been spent with no balance remaining, it will be closed in accordance with previous approval. The reserve will no longer be reviewed as part of the Triennial Reserve Review process, but will continue to be reported on in accordance with the reserve policy and procedures.

Refer to Attachment 11.1 and 11.2 for further information.

3.5 Report Attachments

Refer to Attachment 11.1 for a complete list of general comments and reserve recommendations.

Attachment 11.2 includes reserve summaries from the 2016 Report on Reserves and Long Term Liabilities for the reserves reviewed. Recommended changes to the text are printed in red. Text with strikethroughs is to be removed.

Attachment 11.3 includes the list of reserves to be reviewed in 2018.

Attachment 11.4 includes a recommendation for a proactive amendment of the Community Sustainment & Public Art Reserve.

The first four attachments require Council approval.

Attachment 11.5 contains the 2016 Report on Reserves and Long Term Liabilities, which is presented without any edits recommended as a result of the 2017 Triennial Reserves Review as changes recommended to be made occur after 2016 December 31. This report is for Council information.

2017 Triennial Reserve Review Report and 2016 Report on Reserves and Long-Term Liabilities

Stakeholder Engagement, Research and Communication

All relevant reserve leads and General Managers were informed and consulted as part of the review.

Strategic Alignment

The Triennial Reserve Review process helps The City become a more effective organization by ensuring its reserves are being managed properly and effectively.

The 2016 Report on Reserves and Long Term Liabilities is provided for information to contribute to Council fulfilling their governance responsibilities. Robust public information on reserves and long term liabilities is essential to ensure public confidence and fulfill our obligation for transparency and accountability.

Social, Environmental, Economic (External)

A number of reserves reviewed support social and environmental programs which assist The City in providing such services. Proper management of the reserves helps The City maintain its commitment to these social and environmental initiatives.

Financial Capacity

Current and Future Operating Budget:

In certain instances, some reserve transactions are a result of unplanned activities (for example, use of contingency funds) and therefore cannot be budgeted. However, where reserve activities can be planned, those transactions are included in the operating budget. There is no impact on the current operating budget resulting from this report.

Current and Future Capital Budget:

Where reserve activities can be planned, those transactions are included in the capital budget. There is no impact on the current capital budget resulting from this report.

Risk Assessment

The Triennial Reserve Review process and the Report on Reserves and Long Term Liabilities promote responsible stewardship of reserves and ensure that these funds are managed prudently.

REASON(S) FOR RECOMMENDATION(S):

As directed in the Council-approved policy #CFO013, Administration is required to provide a Triennial Reserves Review process as well as make annual reports to the PFC and Council on Reserves and Long Term Liabilities; as detailed above, this report is being made directly to Council.

The recommendations provided in this report meet these obligations, and help to streamline administration of reserves and, where required, update reserve purposes, conditions and restrictions to Council and the general public.

2017 Triennial Reserve Review Report and 2016 Report on Reserves and Long-Term Liabilities

ATTACHMENT(S)

1. Attachment 11.1 – Comments and Recommendations of the 2017 Triennial Reserves Report
2. Attachment 11.2 – Excerpts from the 2016 Report on Reserves and Long-Term Liabilities
3. Attachment 11.3 – List of reserves proposed to be reviewed in 2018
4. Attachment 11.4 – Amendment of the Community Sustainability & Public Arts Reserve
5. Attachment 11.5 – 2016 Report on Reserves and Long Term Liabilities

Reserve Comments and Recommendations

Reserve Name	Attachment 2 Page Number	Reserve Type	Balance 2016 (in thousands)	General Comments	Recommendation(s)
Calgary Police Service Court Fine Operating Reserve	1	Operating	\$4,000	The reserve is used to mitigate potential future revenue shortfalls in the Court Fine budgeted revenue portion of the Calgary Police Service (CPS) operating budget. The reserve is funded with a one-time contribution from Calgary Police Service operating budget in 2012.	There are no recommendations at this time.
Calgary Police Service Helicopter Maintenance Reserve	2	Operating	\$2,390	The reserve is used to finance maintenance of the Calgary Police Service helicopters (HAWCS); minimizing major fluctuations in the Calgary Police Service operating budget, as costs vary dramatically from year to year depending on the life cycle of the various maintenance components.	There are no recommendations at this time.
911 Communications Centre Capital Financing Reserve	3	Capital	\$24,141	<p>The reserve is used to fund future capital improvements and upgrades to the Calgary 911 Communications Centre.</p> <p>Council approved a portion of the monthly fee on wireless phones as a funding source for the reserve in report CPS2014-0255. The reserve template is to be updated for this funding source and a recommendation is being made in this report.</p> <p>The budget for the transfer of a portion of the these revenues to the reserve is at historical levels and needs to be updated to reflect the actual amounts. A recommendation to update the business unit budgeting practice for this is being made in this report.</p>	<p>Recommend changes to the reserve's purpose and funding sources. The changes are outlined in Attachment 2.</p> <p>Recommend that the business unit update its budgeting practice for the transfer of funds to this reserve in the next budget cycle.</p>
Calgary Police Service Capital Reserve	4	Capital	\$40,254	<p>The reserve is used to fund police vehicle purchases, automated fingerprint identification system (AFIS) upgrades, Pay-As-You-Go capital assets, red light camera program and other infrastructure requirements. The reserve is used in accordance with the reserve purpose.</p> <p>Council directed Administration in report C2016-0632 dated 2016 July 25 to work with the Calgary Police Service to review the maximum annual contribution to, and maximum year end balance of, the Pay-As-You-Go fund as part of the Triennial Reserve Review in 2017. The review was conducted by the Calgary Police Service and recommendations were approved by the Calgary Police Commission. These recommendations are included in this report for Council approval.</p>	<p>Recommend change to the financial activity table for the addition of a disclosure note to the Pay-As-You-Go fund to explain the closing balance for 2016. This change is outlined in Attachment 2.</p> <p>Recommend that the existing restrictions to the maximum annual contribution of \$2,500 and the maximum year end balance of \$2,500 be maintained.</p>

Reserve Comments and Recommendations

Reserve Name	Attachment 2 Page Number	Reserve Type	Balance 2016 (in thousands)	General Comments	Recommendation(s)
Fleet Services Capital Reserve	6	Capital	\$14,326	<p>The reserve is used to fund Fleet Services capital expenditures and is funded from business unit operating budget surplus and proceeds from disposal of assets. The reserve has not been used in the past three years.</p> <p>There is a proposal by the business unit for a one-time transfer in 2017 of \$4,900 to the capital portion of the Budget Savings Account for Infrastructure Calgary. A recommendation for this is being made in this report.</p> <p>The business unit is in the process of developing expenditure plans to demonstrate that the remainder of the reserve is still relevant for the business unit needs. A recommendation is being proposed for the review of the reserve for relevance in the 2018 Triennial Reserve Review cycle to allow the business unit to develop a capital plan inclusive of maintenance facilities.</p>	<p>Recommend changes to the reserve purpose and financial activity table. These changes are outlined in Attachment 2.</p> <p>Recommend a one-time transfer in 2017 of \$4,900 from the reserve to the capital portion of the Budget Savings Account for Infrastructure Calgary.</p> <p>Recommend that a limited scope review of the future of the reserve be undertaken in the 2018 Triennial Reserve Review based on the capital expenditure plan to be developed by the business unit.</p>
Information Technology Reserve	7	Capital	\$20,746	<p>The reserve is used to fund information technology projects and infrastructure, fibre optics projects, lifecycle replacement of City hardware and software.</p> <p>There is a condition around the target balance for the hardware lifecycle portion of the reserve. This condition is to be updated to align with business needs and for clarity purposes. A recommendation for this is being made in this report.</p> <p>The funding sources for this reserve as reported on the reserve template are to be clearly stated. A recommendation for this is being made in this report.</p> <p>The proceeds from disposal of replaced computer equipment is a funding source for the Information Technology Initiatives component of the reserve. These funds are being proposed to be redirected to the Hardware Replacement component within the same reserve. A recommendation for this is being made in this report.</p> <p>The various components within this reserve earn investment income on their respective balances. It is being proposed that only the Fibre Optics component receive an interest income allocation on the balances within this component. A recommendation for this is being made in this report.</p> <p>The financial activity within the different components in this reserve are reported in a combined table. It is being proposed that the presentation of the financial activity be broken-out by the various components based on the purposes. A recommendation for this is being made in this report.</p>	<p>Recommend changes to the reserve purpose, funding sources and source contacts. These changes are outlined in Attachment 2.</p> <p>Recommend changes to the reserve condition for the target balance for the Hardware Replacement component of the reserve. The target balance for the lifecycle portion of the reserve is to be updated to be between two times and two and a half times the three year average forecast of capital spending for hardware lifecycle replacement. This change is outlined in Attachment 2.</p> <p>Recommend changes to the allocation of the proceeds from disposal of replaced computer equipment from the Information Technology Initiatives component to the Hardware Replacement component within this reserve. This change is effective 2017.</p> <p>Recommend changes to the allocation of interest income to the various components within this reserve. Only the Fibre Optic component within the reserve is to earn investment income on its balances. This change is effective 2018.</p> <p>Recommend that breakout of the presentation of the financial activity for this reserve by the various reserve components that are based on the reserve purposes. This change is outlined in Attachment 2.</p>

Reserve Comments and Recommendations

Reserve Name	Attachment 2 Page Number	Reserve Type	Balance 2016 (in thousands)	General Comments	Recommendation(s)
Life Cycle Maintenance and Upgrade Reserve	9	Capital	\$116,122	<p>The reserve is used to fund the maintenance and upgrade of capital assets.</p> <p>The property tax room allocated to the Green Line is also administered through this reserve.</p>	Recommend changes to the reserve to include missing authorization documents, to break-out the financial activity table to separate out the funds related to the Green Line and to update the source contacts. The changes are outlined in Attachment 2.
Reserve for Future Capital (RFC)	11	Capital	\$327,014	<p>The reserve collects funds for three major purposes: Pay-As-You-Go (PAYG) funding of certain capital assets, capital contingencies, and miscellaneous flow-through reserves allocated to particular business units. While all of these components are included in the RFC, they generally have distinct funding sources, balances and purposes.</p> <p>The City's PAYG fund was initially established in 1986. It is funded primarily by a contribution from The City's operating budget and from accumulated debt savings. Administration uses PAYG funding as an alternative to debt in order to pay for lifecycle maintenance and upgrade projects, short-term capital projects producing assets with a life of under five years, and certain grant-ineligible costs on grant-funded projects. While this last use has been common practice for years, meets the original intent of PAYG funding, and has been clearly disclosed to City Council on multiple occasions (e.g. FCS2006-42, FCS2008-28), it is not reflected in the reserve's authorizing documents; a recommendation that use be authorized is included in this report.</p> <p>Over the course of the review, opportunities to streamline the administration of the reserve and its components were identified. Once they have been implemented, the reserve template can be revised to show a more detailed breakdown of the uses and commitments of funds between its three major components.</p>	<p>Recommend changes to the reserve authorizing documents and purpose. These changes are outlined in Attachment 2.</p> <p>Recommend that following completion of Administration's efforts to streamline the internal management of this reserve, the presentation of the RFC be revised to show a breakdown of the reserve's balance and activities between its three major components. The revised presentation of the financial activity to be implemented in the 2019-22 budget cycle.</p>

Reserve Comments and Recommendations

Reserve Name	Attachment 2 Page Number	Reserve Type	Balance 2016 (in thousands)	General Comments	Recommendation(s)
Golf Course Levy Reserve	13	Sustainment	\$1,712	<p>The reserve is used to fund Golf Course capital projects and any Golf Course operating budget deficit.</p> <p>The funding sources for the reserve includes a surcharge on all golf passes and green fees and surplus transferred from operations. A recommendation is being made in this report to clarify the funding sources and for a change in the reserve title to remove the term 'levy' since the funding sources have expanded from the initial years.</p> <p>The Recreation business unit has received a gift of \$1,000 in 2017 from the estate of a private citizen to be used for the Shaganappi Golf Course. The business units is proposing that the funds be held in this reserve with restrictions around its use. This is a one-time contribution to the reserve and, in accordance with policy, Council approval is required. A recommendation is being made in this report for this.</p> <p>Council, through a motion arising as a result of report CPS2017-0539, directed Administration to consider the contents of the motion arising and return to Council at the 2018 budget adjustment process with options on how to move forward with City-owned golf course operations. The outcome of this analysis may have implications for this reserve. There is a recommendation being made in this report to review these implications, if any, in the 2018 Triennial Reserve Review cycle, if there is a significant change to the golf courses' operating model.</p>	<p>Recommend changes to the reserve name, authorizing documents, purpose and funding sources. These changes are outlined in Attachment 2.</p> <p>Recommend that the gift of \$1,000 from the estate of a private citizen be transferred to the reserve as a one-time contribution. These funds are to be tracked separately and in accordance with directions from the estate, the funds are restricted for use for upgrades and maintenance projects at the Shaganappi Golf Course.</p> <p>Recommend that the reserve leads advise the Administrative Review Committee of any implications to the reserve should a significant change in the golf courses' operating model result from the motion arising project. This information is to be provided during the 2018 cycle of the Triennial Reserve Review.</p>

Calgary Police Service Court Fine Revenue Operating Reserve	\$	4,000
Operating Reserve (\$000s)		(2016)

Authorization: PFC2013-0084

Purpose: To mitigate potential future revenue shortfalls in the Court Fine budgeted revenue portion of the Calgary Police Service (CPS) operating budget.

Conditions: Contribute \$4,000 from the 2012 Court Fine revenue portion of the CPS operating budget.

Future year contributions are not scheduled unless recommended by the Calgary Police Commission or specifically approved by Council. If requesting permission from Council to contribute to the Operating reserve, the Commission must first fund any operating shortfalls, as well as the CPS Pay-As-You-Go Reserve (to the maximum of \$2,500) before any remaining surplus will be contributed to the Operating Reserve. The CPS Operating and Capital budgets (including the Court Fine revenue portion of the Operating budget), will be approved by Council as part of the multi-year budget cycles and through the adjustment process when required.

Restrictions: The reserve is funded with a one-time contribution from the CPS in 2012, unless further Council direction is received. Withdrawals from the Operating Reserve to fund shortfall in the Court Fine revenue portion of the CPS Operating budget will require a written request from the Calgary Police Commission to the attention of the City Treasurer. Any other withdrawal requests from the reserve would require a similar written request, but would also require Council's approval of each specific request.

Funding Sources: Police operating budget

Investment income: ____ yes x no

Related Budget Programs: Operating program: #070 Calgary Police Service

Special Reporting Requirements: None

Current Activity (\$000s):

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Opening balance	4,000	4,000	4,000	4,000	-
Contributions from operations	-	-	-	-	4,000
Closing balance	4,000	4,000	4,000	4,000	4,000

Source Contacts: **Business Unit – Calgary Police Service**
Financial Lead – C. Male, City Treasurer
Operational Lead - B. Hutchins, Finance Manager

Review Schedule: Last Review: 2014 Next Review: 2017

Calgary Police Service Helicopter Maintenance Reserve

Operating Reserve (\$000s)

\$ 2,390
(2016)

Authorization: FB96-48 and FCS2006-29

Purpose: To provide an operating reserve to stabilize maintenance costs for the Police Service helicopter (HAWCS), as costs vary dramatically from year to year depending on the life cycle of the various maintenance components. Reserve funds will be used to finance maintenance of the Calgary Police Service helicopters, minimizing major fluctuations in the Calgary Police Service operating budget.

Conditions: Funds are to be used to finance maintenance of the CPS helicopters.

Restrictions: As per purpose.

Funding Sources: Police operating funds

Investment income: ____ yes x no

Related Budget

Programs: Operating program: #070 Calgary Police Service

Special Reporting

Requirements: None

Current Activity (\$000s):

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Opening balance	3,024	3,000	2,706	2,905	2,617
Contributions from operations	808	809	808	809	808
Contributions to operations	(1,442)	(785)	(514)	(1,008)	(520)
Closing balance	<u>2,390</u>	<u>3,024</u>	<u>3,000</u>	<u>2,706</u>	<u>2,905</u>

Source Contacts:

Business Unit – Calgary Police Service

Financial Lead – B. Hutchins, Finance Manager

Operational Lead – R. Chaffin, Deputy Chief

Review Schedule:

Last Review: 2014

Next Review: 2017

911 Communications Centre Capital Financing Reserve

\$ 24,141
(2016)

Capital Reserve (\$000s)

Authorization: GP98-21, FCS2004-59, FCS2010-10, CPS2014-0255 and PFC2014-0847

Purpose: To fund future capital improvements/ and upgrades to the **Calgary** 911 **Public Safety** Communications Centre.

Conditions: As per purpose.

Restrictions: Funds to be used as per purpose.

Funding Sources: A portion of revenue generated from the monthly fee charged to **Calgarians citizens on both landlines and wireless phones. (\$0.37 per voice phone line).**

Investment income: ____ yes x no

Related Budget

Programs: Operating Program: # 004 CCS – Calgary 911 (formerly # 002 Public Safety Communications)

Capital Program: # 045 Calgary 911 (formerly # 045 Public Safety Communications)

Special Reporting Requirements:

None

Current Activity (\$000s):

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Opening balance	18,577	11,830	8,821	6,612	3,440
Contributions from operations (1)	6,769	8,300	3,498	2,611	3,227
Contributions to capital financing	(1,205)	(1,553)	(489)	(402)	(100)
Transfer from Police Reserve	-	-	-	-	45
Closing balance	<u>24,141</u>	<u>18,577</u>	<u>11,830</u>	<u>8,821</u>	<u>6,612</u>

(1) As per report CPS2014-0255, Council approved directing the 2014 wireless 911 funding to the 911 Communications Centre Capital Financing Reserve.

Source Contacts:

Business Unit – Calgary Community Standards
Financial Lead – G. Drall, Finance Lead
Operational Lead – D. Odney, Commander

Review Schedule:

Last Review: 2014

Next Review: 2017

Calgary Police Service Capital Reserve

Capital Reserve (\$000s)

\$ 40,254
(2016)

Authorization: FB93-80, FB2000-12, FB2000-24, FCS2004-22, FCS2004-61, FCS2011-34, PFC2014-0847 and C2016-0632

Per FCS2011-34, this is a consolidation of the Calgary Police Services Pay-As-You-Go Capital Reserve, the Calgary Police Services Capital Financing Reserve and the red light camera funds from the Reserve for Future Capital.

Purpose:

- 1) To provide for the capital financing of Police Vehicles.
- 2) To provide for the capital financing of Police Automated Fingerprint Identification System (AFIS) upgrades. AFIS is a joint venture with the Edmonton Police Service.
- 3) To assist with financing Calgary Police Service (CPS) capital assets (Pay-As-You-Go).
- 4) To provide for the capital financing of the Red Light Camera program and other CPS infrastructure requirements.

Conditions: As per purpose.

Restrictions: Maximum annual contribution for the Pay-As-You-Go fund cannot exceed \$2,500 and the Pay-As-You-Go year-end balance cannot exceed \$2,500.

2016 - Allow a contribution of ~~\$10.5 million~~ 10,500 to the Pay-As-You-Go fund of the Calgary Police Service Capital Reserve in 2016 only.

Funding Sources:

Vehicles – Police operating funds;
AFIS upgrades – All user fees received from AFIS operations;
Pay-As-You-Go – Police operating funds and proceeds from disposal of capital assets;
Red Light Camera Surplus Funds.

Investment income: x yes (AFIS only) no

Related Budget Programs:

Operating Program: #070 Calgary Police Service

Capital Programs: #031 Police Equipment
#037 Police Vehicles
#034 Automated Fingerprint System
#038 Police Facilities
#039 Police Computer Systems

Special Reporting Requirements:

None

Current Activity (000's): Vehicles

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Opening Balance	22,319	18,531	18,066	17,293	11,685
Contributions from operations	5,750	9,483	6,760	7,190	9,457
Contributions from Revolving Fund for General Land Purchases (1)	-	-	-	-	7,500
Contributions to capital financing	(5,740)	(5,695)	(6,295)	(6,417)	(11,349)
Closing Balance	22,329	22,319	18,531	18,066	17,293

(1) Per LAS2009-45, this transfer is from the Real Estate & Development Services Revolving Fund for General Land Purchases (7,500) (formerly Corporate Properties Revolving Fund) for acquisition of the Police block 39 property.

Current Activity (000's): AFIS

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Opening Balance	819	783	751	718	801
Contributions from operations	13	16	15	17	12
Investment Income (AFIS only)	19	20	17	16	18
Contributions to capital financing	-	-	-	-	(113)
Closing Balance	851	819	783	751	718

Current Activity (000's): Pay-As-You-Go

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Opening Balance	2,500	2,500	2,430	2,500	2,500
Contributions from operations	8,272	2,500	2,499	2,325	2,500
Contributions to capital financing	(1,534)	(2,500)	(2,429)	(2,395)	(2,500)
Closing Balance (2)	9,238	2,500	2,500	2,430	2,500

(2) Per FCS2004-22, a maximum amount of \$2,500 to be held in the reserve (at December 31). The 2016 balance is in excess of this maximum because of an additional transfer (C2016-0632) approved by Council in 2016.

Current Activity (000's): Red Light Camera

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Opening Balance	8,711	9,164	7,115	5,412	5,165
Contributions from operations	2,796	3,230	3,119	2,917	2,693
Contributions to capital financing	(3,671)	(3,683)	(1,070)	(1,214)	(2,446)
Closing Balance	7,836	8,711	9,164	7,115	5,412

Consolidated Closing Balance (3)	40,254	34,349	30,978	28,362	25,923
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(3) Per FCS2011-34, the above balances were consolidated and the above values represent a consolidation of reserve balances from prior years for illustrative purposes only. The reserves consolidated into this are Red Light Camera Funds and the Calgary Police Service Pay-As-You-Go Reserve.

Source Contact: Business Unit – Calgary Police Service
Financial Lead – B. Hutchins, Finance Manager
Operational Lead – R. Chaffin, Chief

Review Schedule: Last Review: 2014 Next Review: 2017

Fleet Services Capital Reserve

\$ 14,326
(2016)

Capital Reserve (\$000s)

- Authorization:** Commissionaires Report, FCS2010-10, FCS2011-34 and PFC2014-0847
- Purpose:** To finance future Fleet Services capital expenditures under Council's ~~specific or blanket~~ approvals.
- Conditions:** Funds must be used to finance capital expenditures relating to Fleet Services only.
- Restrictions:** Funds are to be used as per purpose outlined above.
- Funding Sources:** Allocation of operating proceeds from disposal of capital assets and operating budget surpluses.
- Investment income: ____ yes x no
- Related Budget Programs:** Capital Program: #871 Acquisitions
- Special Reporting Requirements:** None

Current Activity (\$000s):

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Opening balance	10,456	4,042	-	-	-
Proceeds from asset disposal	961	1,496	278		
Contributions from operations	2,909	4,918	3,764	-	-
Closing balance	14,326	10,456	4,042	-	-

Source Contacts: **Business Unit – Fleet Services**
Financial Lead – E. Jarvo – Finance Lead
Operational Lead – M. Belzile, Manager Business Operations

Review Schedule: Last Review: 2014 Next Review: 2017

Information Technology Reserve

Capital Reserve (\$000s)

\$ 20,746
(2016)

- Authorization:** FB96-101, C98-74, FCS2007-45, FCS2010-10, FCS2011-34 and PFC2014-0847
- Purpose:** To fund information technology projects **and infrastructure**, fibre optics projects; and lifecycle replacement of City hardware and software.
- Conditions:** The reserve will be used to fund systems costing \$50 or more. ~~Per FCS2011-34,~~ The target balance for the lifecycle portion of the reserve is ~~equal to between~~ two times **and two and a half times** the **three year** average **annual forecast of** capital spending for ~~desktops, laptops and printers.~~ **hardware lifecycle** replacement.
- Restrictions:** Funds are to be used as per purpose.
- Funding Sources:** Initial funding – 1996 Operations
- Future funding – replenished on an ongoing basis by annual operating budget contributions, **personal computer** replacement contributions, **network account recoveries from business units**, telecommunication projects and proceeds from sales of replaced computer equipment.
- Investment income: x yes (**Fibre Optics only**) no
- Related Budget Programs:** Capital Programs: #803 IT Development Projects
#741 Information Technology Infrastructure
#751 Fibre Network
- Special Reporting Requirements:** **None**

Current Activity (\$000s):

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Opening balance	—18,658	—18,189	—15,867	—15,156	—16,322
—Investment income	—211	—209	—155	—117	—92
—Net contribution from operations	—13,577	—10,499	—9,849	—8,933	—8,747
—Contribution to capital	—(11,700)	—(10,239)	—(7,682)	—(8,339)	—(10,605)
—Transfer from Reserve for Future Capital (1)	—	—	—	—	—600
Closing balance	<u>—20,746</u>	<u>—18,658</u>	<u>—18,189</u>	<u>—15,867</u>	<u>—15,156</u>

Current Activity (000's): IT Initiatives

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Opening Balance	4,754	2,002	1,660	1,627	1,520
Contribution from operations	2,886	2,918	145	-	-
Proceeds from asset disposal	164	127	162	-	70
Investment income	122	67	35	33	37
Contribution to capital	(908)	(360)	-	-	(600)
Transfer from Reserve for Future Capital (1)					600
Closing Balance	7,018	4,754	2,002	1,660	1,627

(1) Transfer from City Clerks to IT to fund Election and Census System re-development

Current Activity (000's): IT Projects Pool

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Opening Balance	5,138	6,898	4,772	4,166	5,496
Contribution from operations	3,000	2,000	5,000	5,000	5,000
Contribution to capital	(4,236)	(3,760)	(2,874)	(4,394)	(6,330)
Closing Balance	3,902	5,138	6,898	4,772	4,166

Current Activity (000's): Corporate Telecom – Fibre Optics

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Opening Balance	3,160	2,777	2,268	2,167	2,689
Contribution from operations	3,300	1,322	1,273	846	610
Investment income	53	68	51	(786)	50
Contribution to capital	(3,303)	(1,007)	(815)	41	(1,182)
Closing Balance	3,210	3,160	2,777	2,268	2,167

Current Activity (000's): Hardware Replacement

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Opening Balance	4,014	3,094	4,285	5,778	6,617
Contribution from operations	2,827	2,760	2,150	1,665	1,654
Contribution to capital	(1,947)	(1,840)	(3,341)	(3,158)	(2,493)
Closing Balance	4,894	4,014	3,094	4,285	5,778

Current Activity (000's): Enterprise Software Growth

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Opening Balance	1,592	3,418	2,882	1,418	-
Contribution from operations	1,400	1,371	1,119	1,422	1,412
Investment income	36	74	69	42	6
Contribution to capital	(1,306)	(3,271)	(652)	-	-
Closing Balance	1,722	1,592	3,418	2,882	1,418
Consolidated Closing Balance	20,746	18,658	18,189	15,867	15,156

Source Contact: Business Unit –Information Technology

Financial Leads – E. Galindo, Finance Lead; T. Nguyen, Finance Manager
Operational Lead – H. Reed-Fenske, Director

Review Schedule: Last Review: 2014

Next Review: 2017

Lifecycle Maintenance and Upgrade Reserve

\$ 116,122
(2016)

Capital Reserve (\$000s)

Authorization: C2002-082, ~~CPS2005-03~~, FCS2006-042, FCS2008-028, FCS2011-34, M2012-0828, ~~C2013-0330~~, ~~C2013-0668~~ and ~~PFC2014-847~~
~~NM2015-33~~

Purpose: The Lifecycle Maintenance and Upgrade Reserve (LMUR) was established to maintain and upgrade capital assets (C2002-082).

Conditions: Funds are to be used as per purpose outlined above.

Restrictions:

1. Funds are to be used as per purpose outlined above.
2. Net proceeds from sale of surplus fire capital assets and future funds received from Alberta Health Services (AHS) are to be used exclusively for fire protective equipment (FCS2011-034).
3. Net proceeds from the sale of surplus transit capital assets are to be used exclusively for transit capital purchases (FCS2011-034).
4. Funds of the ~~Additional Property~~ Tax Room to be used as per Council approval (M2012-0828, ~~C2013-0330~~).

Funding Sources: Funding Sources include:

- 2.6% of annual property taxes (FCS2008-28);
- \$10,000/yr from Debt Servicing Reserve (FCS2008-028), provided no new tax-supported debt is issued and funds are not required for the interest payments for MSI related bridge financing;
- The Debt Servicing Reserve be reviewed annually and any available funding not committed for tax supported debt will be transferred to the LMUR (FCS2006-042);
- Net proceeds from sale of surplus transit and fire assets, and funds received from AHS (FCS2011-34);
- ~~Additional~~ Tax Room funds (M2012-0828 and C2013-0330);
- Transfer of \$475 in 2014 from City Clerk Operating Budget to LMUR to fund capital projects (C2014-0608).

Related Budget Programs: Investment income: ____ yes x no

Operating Program: #840 Capital Financing Costs.

Capital Programs: Capital programs in various business units

Special Reporting Requirements: None

Current Activity (\$000s):

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Lifecycle Maintenance & Upgrade					
Opening balance	106,487	97,251	125,729	102,075	92,205
Contributions from operations (1)	42,031	37,859	36,071	33,051	29,552
Contributions from Debt Servicing Reserve	17,879	14,528	11,710	10,000	10,000
Contributions from Property Tax Room (2)	10,346	10,346	10,231	62,346	10,231
Contributions to capital	(81,322)	(53,883)	(87,558)	(81,830)	(38,545)
Transfer to Budget Savings Account (3)	-	(150)	-	-	-
Transfer (to) from Misc Capital - Fire (4)	1,940	393	151	12	120
Transfer (to) from Misc Capital - Transit (4)	981	143	917	75	(1,488)
Closing balance (5)	<u>98,342</u>	<u>106,487</u>	<u>97,251</u>	<u>125,729</u>	<u>102,075</u>
Green Line Fund					
Opening balance	42,904	-	-	-	-
Contributions from Property Tax Room (2)	52,000	52,000	-	-	-
Contributions to capital	(77,123)	(9,096)	-	-	-
Closing balance	<u>17,781</u>	<u>42,904</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Reserve					
Closing balance (5)	<u>116,123</u>	<u>149,391</u>	<u>97,251</u>	<u>125,729</u>	<u>102,075</u>

(1) 2.6% of annual property taxes

(2) As per report M2012-0828 and C2013-0330, the ~~Additional~~ Property Tax Room funds are transferred to the LMUR annually.

(3) Allocated but unspent funds from capital projects financed by LMUR funding can be transferred to the capital Budget Savings Account upon project completion.

(4) As per report FCS2011-34, the Misc Capital Fire and Transit reserves are transferred into the LMUR.

(5) Committed amounts included in the closing balance total \$46,187 for future projects.

Source Contact: Business Unit – Finance
Financial and Operational – ~~K. Hapke~~, K. Ohlhauser, Budget Officer

Review Schedule: Last Review: 2014

Next Review: 2017

Reserve for Future Capital (RFC)

\$ 327,014
(2016)

Capital Reserve (\$000s)

Authorization:	C85-66, C96-15, NM2004-17, FCS2004-62, FCS2006-42, FCS2008-24, FCS2008-28, LPT2008-38, CPS2010-24, FCS2010-27, CPS2010-41, FCS2011-34, LAS2011-66, LAS2012-23, C2014-0774, C2014-0863, and GP2015-0485.
Purpose:	<ol style="list-style-type: none">1. To fund various capital projects as per Council approval;2. To hold Pay-As-You-Go (PAYG) funding which helps to pay for City maintenance and upgrade projects, projects producing assets with a useful life of five years or less, and, for grant-funded projects, costs ineligible to be paid using grant funding;3. To hold contingency funds (for unforeseen projects or new emergency needs).
Conditions:	A target balance for contingency purposes is 10% of previous year's capital spending less Municipal Sustainability Initiative (MSI) and less self-funded capital projects (FCS2011-034).
Restrictions:	<ol style="list-style-type: none">1. Funds are to be used as per purpose outlined above.2. Facility Management (FM, formerly Corporate Properties & Buildings) lease/sales revenue be reserved for corporate accommodation facilities and sites managed by FM (FCS2010-027).
Funding Sources:	<p>Funding sources include:</p> <ol style="list-style-type: none">1. FM lease/sales revenue and space provision funds for new employees (FCS2010-027)2. Franchise Fee amounts in excess of budget (FCS2004-62)3. Contribution from Debt Servicing Reserve (DSR) for PAYG funding (up to \$30,000 as of 2013)4. PAYG funding from operation. Funding increase every 4-year planning period with population and non-residential construction inflation (FCS2008-28)5. Transfer of Provincial Disaster Recovery reimbursement of 2013 Flood operating costs received to RFC to fund resiliency capital projects (C2014-0774)6. Heritage Building Preservation fund, one-time \$35 million allocation of 2014 operating surplus to restore and preserve city-owned heritage buildings (C2014-0863)7. Other funding sources as directed by Council.
Related Budget Programs:	<p>Investment income: ___ yes _x_ no</p> <p>Operating Programs: #840 Capital Financing Costs #694 Facility Management</p> <p>Capital Programs: Capital programs are identified in various business units</p>
Special Reporting Requirements:	None

Current Activity (\$000s):

Reserve for Future Capital - Total

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Opening balance	354,190	318,286	269,629	271,888	255,491
Net contribution from operations	62,726	80,575	155,979	78,539	89,713
Transfer from DSR	30,000	30,000	30,000	30,000	25,000
Contribution from Parking Authority	1,000	1,000	1,000	1,000	1,000
Contribution to capital financing	(119,402)	(74,171)	(136,822)	(107,225)	(94,981)
Contribution to debt prepayment	-	-	-	(3,073)	(2,835)
Contribution to Community Investment Reserve	(1,500)	(1,500)	(1,500)	(1,500)	(1,500)
Closing balance (1)	327,014	354,190	318,286	269,629	271,888

Represented By:

Allocated

Property owners' local improvement repayments	-	-	-	-	3,072
RFC Flow Through (2)	119,683	122,247	96,791	26,231	15,758
Committed PAYG not spent	67,038	81,998	63,641	71,484	78,057
Committed RFC not spent	28,305	11,673	20,051	64,824	58,381

Unallocated

RFC - contingency (3)	111,988	138,272	137,803	107,090	116,620
	327,014	354,190	318,286	269,629	271,888

- (1) Committed amounts including in the closing balance net of 2017 and 2018 budgeted PAYG contributions is \$200,164 (\$132,266 for PAYG and \$67,898 for RFC).
- (2) Flow through funds include specific amounts committed to major projects typically spanning multiple years. In 2016, these funds primarily relate to future flood resiliency, heritage building restoration and preservation, and the management of corporate accommodation facilities.
- (3) Per FCS2011-34 the target balance for contingency purposes is 10% of previous year's capital less MSI and self-funded capital projects. As such the \$111,988 includes \$73,227 as the target contingency balance with the remaining \$38,761 as unallocated.

Source Contact:

Business Unit – Finance

Financial Lead – ~~K. Hapke~~ K. Ohlhauser, Budget Officer

Business Unit – Facility Management

Financial Lead – ~~G. Myres~~ K. Campbell, Finance Lead

Operational Lead – T. Hansen, Director

Review Schedule:

Last Review: 2014

Next Review: 2017

Golf Course Levy Reserve

Combined Operating and Capital Reserve (\$000s)

\$ 1,712
(2016)

Authorization: CS91-64-02, FB92-64, **CS95-07**, FCS2004-22, FCS2011-13 and PFC2014-0847

Purpose: To finance golf course capital projects and to fund any Golf Course operating **budget** deficit.

Conditions: As per purpose.

Restrictions: Funds are to be used as per the purpose outlined above.

Funding Sources: Surcharge on all golf passes and green fees and additional **budget** surplus transferred from **golf course and recreation** operations.

Investment income: x yes no

Related Budget Programs:

Operating Program: #426 Recreation

Capital Program: #505 Golf Courses

Special Reporting Requirements:

None

Current Activity (\$000s):

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Opening balance	1,126	529	327	148	111
User surcharges	147	161	183	166	-
Investment income	36	25	19	13	27
Contributions from operations	403	411	-	389	532
Contributions to capital	-	-	-	-	(30)
Debt service repayments	-	-	-	(389)	(492)
Closing balance	<u>1,712</u>	<u>1,126</u>	<u>529</u>	<u>327</u>	<u>148</u>

Source Contacts:

Business Unit – Calgary Recreation

Financial Lead – J. Au, Finance Lead

Operational Lead – G. Steinraths, Manager, Golf Course Operations

Review Schedule:

Last Review: 2014

Next Review: 2017

Reserves to be Reviewed in 2018

Reserve Name	Reserve Type	Reserve Balance as of Dec 31, 2016 (in \$ thousands)	Previously Reviewed Year
Calgary Heritage Authority Reserve	Operating	1,765	2015
Children's Reserve Fund	Operating	4,693	2015
ENMAX Dividend Stabilization Reserve	Operating	20,000	2015
Family & Community Support Services (FCSS) Stabilization Fund	Operating	5,504	2015
Fiscal Stability Reserve	Operating	556,561	2015
Group Life Reserve	Operating	1,685	2015
Health, Safety and Wellness Reserve	Operating	15,984	2015
Heritage Incentive Reserve	Operating	965	2015
Mall Programming Fund	Operating	788	2015
Self-Insurance Reserve	Operating	7,000	2015
Snow and Ice Control (SNIC) Reserve	Operating	15,000	2015
Asphalt and Crusher Plant Lifecycle Capital Reserve	Capital	7,500	2015
Corporate Housing Reserve	Capital	29,885	2015
Downtown Improvement Fund	Capital	3,684	2015
LED Street Light Re-Lamping Reserve	Capital	5,688	2015
Parking Land Acquisition Reserve	Capital	40,772	2015
Budget Savings Account	Sustainment	130,103	N/A
Real Estate Services	Sustainment	63,969	2015
Total		911,546	

Community Sustainability & Public Art Reserve

\$ 7,228
(2016)

Combined Operating & Capital Reserve (\$000s)

Authorization: CPS2008-39, C2008-76, CPS2009-06, FCS2009-26, FCS2010-28, PFC2013-0745, PFC2014-254, ALT2014-0153, ALT2014-0909 and PFC2016-0796

Purpose: This reserve has two separate purposes with two separate funding sources.

1. The purpose of the Community Sustainability Reserve is to provide interim support to assist community organizations in need of short term assistance to address operational shortfalls, as determined by Calgary Neighbourhoods. This Reserve is intended to assist organizations so that they may continue to operate and meet the needs of their community, and/or the citizens of Calgary at large. Funding is available to provide financial support, and if applicable, resources such as consultation support, in order to maximize the capacity and sustainability of an organization to contribute to inspiring neighbourhoods. Funding is provided for:
 - a. Stabilization and redevelopment assistance to organizations that encounter unexpected financial circumstances or have been dealing with organizational or governance issues for more than a year.
 - b. Professional consulting services support to organizations in any area that may impact sustainability to deliver improved programs and services to citizens, whether in crisis or not.
2. Per ALT2014-0909, the purpose of the Public Art Reserve is lifecycle and conservation, maintenance and programming, and pooling for iconic art pieces.

Conditions: Community Sustainment Reserve:

In order to qualify for funding, Community Associations and social recreational organizations must have an active lease or license of occupation with The City through the Community Association or Social Recreation Leasing Policy.

CSPS011 – Lease/License of Occupation to Community Organizations.

Qualifying organizations must agree to work with Administration to develop and implement recommendations resulting from professional reviews, where possible and reasonable.

The maximum funding amount for operational use is \$200 over a 5 year period of time, and approved by the Director of Calgary Neighbourhoods. The maximum funding amount includes both stabilization and redevelopment assistance.

Public Art Reserve: As per purpose.

Restrictions: As per purpose and conditions.

Funding Sources: The Community Sustainability Reserve received a one-time transfer of \$580 from the Lifecycle Assistance and Energy Reserve (CPS2008- 39) for operating purposes and \$3,000 from corporate in 2008 (C2008- 76) for capital purposes. The purpose of the reserve was amended in 2016 so that the remaining reserve balance at Dec 31, 2015 of \$2,270 could only be used for operational purposes. Funds can only be used for capital projects if the funds were approved prior to the 2016 reserve purpose amendment.

The annual amount transferred to the Public Art Reserve is approved by ALT before each multi-year budget cycle and is based on a calculation in accordance with the Corporate Public Art Policy.

Investment income: ☐ yes ☒ no

Related Budget

Programs: Operating Program: #426 Recreation

Special Reporting None
Requirements:

Current Activity (\$000s):

Community Sustainability Reserve	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Opening Balance	2,270	2,443	2,678	3,151	3,580
Contributions from operations	-	-	-	-	-
Contributions to operations	-	-	-	(473)	(429)
Transfer between reserves	(147)	(173)	(235)	-	-
Closing Balance	2,123	2,270	2,443	2,678	3,151
Public Art Reserve	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Opening Balance	4,093	3,272	2,607	1,885	156
Contributions from operations	26	-	-	15	39
Contributions to operations	(290)	(454)	(124)	-	(597)
Transfer between reserves	1,276	1,275	789	707	2,287
Closing Balance	5,105	4,093	3,272	2,607	1,885
Total Closing Balance	7,228	6,363	5,715	5,285	5,036

Source Contacts: **Business Unit – Calgary Neighbourhoods**
Financial Lead – J. Salazar, Finance Lead
Operational Lead – J. Drucker, Manager, Neighbourhood Connections
Business Unit – Calgary Recreation
Financial Lead – J. Au, Finance Lead
Operational Lead – S. Iley, Manager, Arts and Culture

Review Schedule: Last Review: 2016 Next Review: 2019

Community Sustainability & ~~Public Art~~ Reserve

\$ 2,123
(2016)

Combined Operating & Capital Reserve (\$000s)

Authorization: CPS2008-39, C2008-76, CPS2009-06, FCS2009-26, FCS2010-28, PFC2013-0745, and PFC2016-0796 ~~PFC2014-254, ALT2014-0153 and ALT2014-0909~~

Purpose: ~~This reserve has two separate purposes with two separate funding sources.~~

The purpose of the Community Sustainability Reserve is to provide interim support to assist community organizations in need of short term assistance to address operational shortfalls, as determined by Calgary Neighbourhoods. This Reserve is intended to assist organizations so that they may continue to operate and meet the needs of their community, and/or the citizens of Calgary at large. Funding is available to provide financial support, and if applicable, resources such as consultation support, in order to maximize the capacity and sustainability of an organization to contribute to inspiring neighbourhoods. Funding is provided for:

- a. Stabilization and redevelopment assistance to organizations that encounter unexpected financial circumstances or have been dealing with organizational or governance issues for more than a year.
- b. Professional consulting services support to organizations in any area that may ~~impact sustainability to deliver improved programs and services to~~ citizens, whether in crisis or not.

~~Per ALT2014-0909 the purpose of the Public Art Reserve is lifecycle and conservation, maintenance and programming, and pooling for iconic art pieces.~~

Conditions: In order to qualify for funding, Community Associations and social recreational organizations must have an active lease or license of occupation with The City through the Community Association or Social Recreation Leasing Policy.

CSPS011 – Lease/License of Occupation to Community Organizations.

Qualifying organizations must agree to work with Administration to develop and implement recommendations resulting from professional reviews, where possible and reasonable.

The maximum funding amount for operational use is \$200 over a 5 year period of time, and approved by the Director of Calgary Neighbourhoods. The maximum funding amount includes both stabilization and redevelopment assistance.

~~Public Art Reserve: As per purpose.~~

Restrictions: As per purpose and conditions.

Funding Sources: The Community Sustainability Reserve received a one-time transfer of \$580 from the Lifecycle Assistance and Energy Reserve (CPS2008- 39) for operating purposes and \$3,000 from corporate in 2008 (C2008- 76) for capital purposes. The purpose of the reserve was amended in 2016 so that the remaining reserve balance at Dec 31, 2015 of \$2,270 could only be used for operational purposes. Funds can only be used for capital projects if the funds were approved prior to the 2016 reserve purpose amendment.

~~The annual amount transferred to the Public Art Reserve is approved by ALT before each multi-year budget cycle and is based on a calculation in accordance with the Corporate Public Art Policy.~~

Investment income: ☐ yes ☒ no

Related Budget Programs: N/A ~~Operating Program: #426 Recreation~~

Special Reporting Requirements: None

Current Activity (\$000s):

Community Sustainability Reserve	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Opening Balance	2,270	2,443	2,678	3,151	3,580
Contributions from operations	-	-	-	-	-
Contributions to operations	-	-	-	(473)	(429)
Transfer between reserves	(147)	(173)	(235)	-	-
Closing Balance	2,123	2,270	2,443	2,678	3,151

Public Art Reserve	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Opening Balance	4,093	3,272	2,607	1,885	156
Contributions from operations	26	-	-	15	39
Contributions to operations	(290)	(454)	(124)	-	(597)
Transfer between reserves	1,276	1,275	789	707	2,287
Closing Balance	5,105	4,093	3,272	2,607	1,885

Total Closing Balance	7,228	6,363	5,715	5,285	5,036
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Source Contacts: **Business Unit – Calgary Neighbourhoods**
Financial Lead – J. Salazar, Finance Lead
Operational Lead – J. Drucker, Manager, Neighbourhood Connections
~~**Business Unit – Calgary Recreation**~~
~~Financial Lead – J. Au, Finance Lead~~
~~Operational Lead – S. Iley, Manager, Arts and Culture~~

Review Schedule: Last Review: 2016 Next Review: 2019

Community Sustainability & Public Art Reserve

\$ 5,105
(2016)

Combined Operating & Capital Reserve (\$000s)

Authorization: ~~CPS2008-39, C2008-76, CPS2009-06, FCS2009-26,~~ FCS2010-28, PFC2013-0745, PFC2014-254, ALT2014-0153, ALT2014-0909 and PFC2016-0796

Purpose: ~~This reserve has two separate purposes with two separate funding sources.~~

~~The purpose of the Community Sustainability Reserve is to provide interim support to assist community organizations in need of short term assistance to address operational shortfalls, as determined by Calgary Neighbourhoods. This Reserve is intended to assist organizations so that they may continue to operate and meet the needs of their community, and/or the citizens of Calgary at large. Funding is available to provide financial support, and if applicable, resources such as consultation support, in order to maximize the capacity and sustainability of an organization to contribute to inspiring neighbourhoods. Funding is provided for:~~

- ~~a. Stabilization and redevelopment assistance to organizations that encounter unexpected financial circumstances or have been dealing with organizational or governance issues for more than a year.~~
- ~~b. Professional consulting services support to organizations in any area that may impact sustainability to deliver improved programs and services to citizens, whether in crisis or not.~~

Per ALT2014-0909 the purpose of the Public Art Reserve is lifecycle and conservation, maintenance and programming, and pooling for iconic art pieces.

Conditions: ~~Community Sustainment Reserve:~~

~~In order to qualify for funding, Community Associations and social recreational organizations must have an active lease or license of occupation with The City through the Community Association or Social Recreation Leasing Policy.~~

~~CSPS011—Lease/License of Occupation to Community Organizations.~~

~~Qualifying organizations must agree to work with Administration to develop and implement recommendations resulting from professional reviews, where possible and reasonable.~~

~~The maximum funding amount for operational use is \$200 over a 5 year period of time, and approved by the Director of Calgary Neighbourhoods. The maximum funding amount includes both stabilization and redevelopment assistance.~~

~~Public Art Reserve:~~ As per purpose.

Restrictions: As per purpose and conditions.

THE CITY OF CALGARY
REPORT ON
RESERVES AND LONG TERM LIABILITIES
2016

December 2017

THE CITY OF CALGARY
RESERVES AND LONG TERM LIABILITIES
AS AT DECEMBER 31, 2012 - 2016
(\$000's)

	Page	2016	2015	2014	2013	2012
		(Restated)				
<u>Operating Reserves</u>						
Calgary Heritage Authority Legacy Endowment Fund	Closed 6	-	-	-	-	-
Calgary Heritage Authority Reserve	7	1,765	1,770	1,736	1,698	1,664
Calgary Police Service Court Fine Revenue Operating Reserve	8	4,000	4,000	4,000	4,000	4,000
Calgary Police Service Helicopter Maintenance	9	2,390	3,024	3,000	2,706	2,905
Children's Reserve Fund	10	4,693	4,605	4,605	4,595	4,502
Civic Partners Review Reserve	Closed 12	-	-	-	-	65
ENMAX Dividend Stabilization Reserve	14	20,000	20,000	16,450	10,100	-
Family & Community Support Service (FCSS) Stabilization Fund	16	5,504	5,704	3,710	3,688	3,348
Fiscal Stability Reserve	18	556,561	547,811	443,371	365,460	294,985
Group Life Reserve	20	1,685	1,580	1,494	1,338	1,253
Health, Safety and Wellness Reserve	21	15,984	13,271	10,975	7,566	7,166
Heritage Incentive Reserve	22	965	1,087	1,369	1,283	1,185
Special Reserve Fund for Heritage Preservation	Closed 24	-	-	-	-	-
Mall Programming Fund	25	788	770	754	744	1,017
Parks Foundation Reserve	26	2,376	2,395	2,257	2,114	2,099
Self - Insurance Reserve	28	7,000	7,000	7,000	7,000	7,000
Snow and Ice Control (SNIC) Reserve	30	15,000	8,940	-	4,141	3,220
Tax Loss Provision Reserve	31	37,398	37,398	37,398	39,823	39,823
Unappropriated Surplus	Closed 32	-	-	-	-	31,258
		676,109	659,355	538,119	456,256	405,490

THE CITY OF CALGARY
RESERVES AND LONG TERM LIABILITIES
AS AT DECEMBER 31, 2012 - 2016
(\$000's)

	Page	2016	2015	2014	2013	2012
			(Restated)			
Capital Reserves						
911 Communications Centre Capital Financing Reserve	33	24,141	18,577	11,830	8,821	6,612
Artificial Turf Field Lifecycle Reserve	34	3,015	2,221	1,548	1,047	2,108
Asphalt and Crusher Plant Lifecycle Capital Reserve	35	7,500	6,367	5,363	7,500	6,459
Calgary Police Service Capital Reserve	36	40,254	34,349	30,978	28,362	25,923
Community Investment Reserve	38	102,204	152,379	168,302	151,077	112,223
Corporate Housing Reserve	40	29,885	38,504	36,073	34,105	46,749
Debt Servicing Reserve	42	52,570	52,570	52,570	52,570	67,769
Downtown Improvement Fund	44	3,684	3,629	3,372	3,207	3,033
Fleet Services Capital Reserve	45	14,326	10,456	4,042	-	-
Information Technology Reserve	46	20,746	18,658	18,189	15,867	15,156
LED Street Light Re-Lamping Reserve	47	5,688	5,528	5,816	5,622	5,666
Legacy Parks Reserve	48	10,558	18,450	23,033	19,738	13,332
Lifecycle Maintenance and Upgrade Reserve	50	116,122	149,391	97,251	125,729	102,075
Parking Land Acquisition Reserve	52	40,772	38,215	32,657	24,688	19,991
Reserve for Future Capital	54	327,014	354,190	318,286	269,629	271,888
Revolving Fund Reserve for General Land Purchases	56	101,073	86,881	84,505	52,347	58,654
TELUS Convention Centre Reserve	58	242	213	253	200	200
		899,794	990,578	894,068	800,509	757,838
Sustainment Reserves						
(combined operating & capital reserves)						
Budget Savings Account	60	130,103	60,905	-	-	-
Community Sustainability Reserve	62	2,123	2,270	2,443	2,678	3,151
CBS and CCS - Business License Sustainment Reserve	64	106,363	98,408	76,247	48,701	30,794
Golf Course Levy Reserve	66	1,712	1,126	529	327	148
Livery Transport Services	67	3,737	4,076	4,539	3,722	3,127
Millican-Ogden Community Enhancement	68	5	132	171	171	171
Parks Endowment and Sustainment Reserve	70	3,118	2,328	1,291	1,184	1,408
Perpetual Care of the Municipal Cemetery System Reserve	72	15,905	13,949	12,549	10,359	8,635
Public Art Reserve	73	5,105	4,093	3,272	2,607	1,885
Real Estate Services	74	63,969	68,396	97,664	80,552	76,122
Utility Sustainment Reserve	76	133,033	83,257	49,153	44,076	52,226
Waste and Recycling Sustainment Reserve	77	48,019	48,809	41,968	33,808	41,911
		513,192	387,749	289,826	228,185	219,578
Total Reserves		2,089,095	2,037,682	1,726,552	1,488,672	1,386,033
Amounts included in the Reserve Report but recorded in other funds						
(Operating or Capital Fund) or consolidated for financial reporting purposes						
Less:						
Unappropriated Surplus (Current year surplus)		(37,731)	(59,026)	(27,490)	(8,159)	(31,258)
Livery Transport Services surplus		-	-	-	-	-
Revolving Fund for General Land Purchases		(101,073)	(86,881)	(84,505)	(52,347)	(58,654)
CMLC Internally Restricted (Real Estate Services)		(4,964)	(4,964)	(6,750)	(6,752)	(7,883)
AHCC Internal Sale (Corporate Housing Reserve)		(326)	(299)	(323)	(2,203)	(2,204)
Amounts not included in the Reserve Report but recorded in the Reserve Fund for financial reporting purposes						
Calgary Housing Company surplus (deficit)		27,448	27,426	22,589	17,010	13,737
Calgary Public Library operating fund		993	993	573	1,672	1,147
Calgary Arts Development Authority Ltd. operating fund		269	245	169	173	132
Utility Sustainment Adjustment (offset with capital deposits)		2,098	-	-	-	-
Reserves per financial statements		1,975,809	1,915,176	1,630,815	1,438,066	1,301,050

THE CITY OF CALGARY
RESERVES AND LONG TERM LIABILITIES
AS AT DECEMBER 31, 2012 - 2016
(\$000's)

	Page	2016	2015 (Restated)	2014	2013	2012
<u>Long Term Liabilities</u>						
<u>Capital Deposits</u>						
Acreage Assessments	80	402,170	339,009	341,689	316,486	304,502
Alberta Municipal Infrastructure Program (AMIP) Agreement	82	-	-	11,699	25,969	45,351
Cash in Lieu of Parking Fund	83	15,098	14,697	8,882	5,783	5,219
Eau Claire Improvement Fund	84	829	2,296	931	975	934
Federal Gas Tax Fund	85	76,132	67,079	-	32,769	44,377
Basic Municipal Transportation Grant	86	-	8,817	259,873	134,742	131,561
Infrastructure Canada - Alberta Program (ICAP)	87	-	-	173	173	173
Miscellaneous Capital Deposits	88	241,435	209,686	200,066	267,930	138,070
Municipal Sustainability Initiative (MSI)	90	259,942	362,375	99,264	132,973	4,387
Plus 15 Cash in Lieu Fund	91	24,665	24,364	23,999	22,937	22,350
Total Capital Deposits		1,020,271	1,028,323	946,576	940,737	696,924
Utility Sustainment Adjustment (offset with reserves)		(2,098)	-	-	-	-
Capital Deposits per financial statements		1,018,173	1,028,323	946,576	940,737	696,924
<u>Employee Benefit Obligations</u>						
Defined Benefit Pension Plans (Registered & Non-Registered)	92	86,738	78,890	68,153	59,873	43,690
Funded Vacation and Overtime Liability	93	217,074	208,480	195,551	189,095	180,688
Other Retirement Benefits Liability	94	176,341	167,879	160,036	149,941	137,514
		480,153	455,249	423,740	398,909	361,892
<u>Supplementary Schedules</u>						
Reserves Continuity	97					

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***OPERATING, CAPITAL
AND SUSTAINMENT RESERVES***

Calgary Heritage Authority (CHA) Legacy Endowment Fund -**CLOSED**

\$ -
(2016)

Operating Reserve (\$000s)

Authorization: LAS2006-118 and PFC2012-0159

Purpose: Calgary Heritage Authority Legacy Endowment Fund from the sale of unused density from fire hall #1 site.

Conditions: As per Confirmed Council Minutes October 16, 17 & 18, 2006: "That the Report and Recommendations remain confidential following the in camera discussion pursuant to Section 24(1) of the Freedom of Information and Protection of Privacy Act until a report returns to Council and is approved following development permit approval". The development permit has been approved. In July 2012 Council authorized the reserve to be amalgamated with the Special Reserve Fund for Heritage Preservation under the newly named Calgary Heritage Authority Reserve. All funds were transferred in 2012.

Restrictions: Restrictions transferred to the Calgary Heritage Authority reserve per PFC2012-0159.

Funding Sources: Funding sources transferred to the Calgary Heritage Authority Reserve per PFC2012-0159.

**Related Budget
Programs:**

**Special Reporting
Requirements:** None

Current Activity (\$000s):

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Opening balance	-	-	-	-	1,487
Investment income	-	-	-	-	-
Contribution	-	-	-	-	-
Transfer to Calgary Heritage Authority (1)	-	-	-	-	(1,487)
Closing balance	-	-	-	-	-

(1) Per PFC2012-0159 this reserve has been closed and the balance transferred to the Calgary Heritage Authority Reserve.

Source Contacts: Financial – Finance Lead, Planning, Development & Assessment (PDA),
Finance & Supply
Operational – Manager, City Wide Planning & Design

Review Schedule: Not applicable – reserve closed

Calgary Heritage Authority Reserve

Operating Reserve (\$000s)

Authorization: PFC2012-0159 and PFC2015-0917

Purpose: Provide financial operating resources for the overall activities and responsibilities of the Calgary Heritage Authority ("CHA").

Conditions: Reserve will maintain a minimum, protected balance of \$1,338.

Restrictions: Funds are to be used at the sole discretion of the Calgary Heritage Authority to support their activities as mandated by the Calgary Heritage Authority Act.

Funding Sources: The opening balance of this reserve is funded through the transfers from the CHA Legacy Endowment Fund (original funding from sale of unused density from fire hall #1 site) and transfers from the Heritage Preservation Fund. Investment income earned on the balances in this reserve will provide future funding.

Investment income: x yes no

Related Budget Programs: Operating program: #610 Calgary Growth Strategies (formerly #610 City Wide Policy & Integration) on behalf of the CHA.

Special Reporting Requirements: None

Current Activity (\$000s):

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Opening balance	1,770	1,736	1,698	1,664	-
Transfer from CHA Legacy Endowment Fund (1)	-	-	-	-	1,487
Transfer from Special Reserve for Heritage Preservation (1)	-	-	-	-	141
Contribution to operations	(45)	(9)	-	-	-
Investment Income	40	43	38	34	36
Closing balance	<u>1,765</u>	<u>1,770</u>	<u>1,736</u>	<u>1,698</u>	<u>1,664</u>

(1) As per report PFC2012-0159, these reserves were closed and balances transferred to Calgary Heritage Authority Reserve.

Source Contacts: **Business Unit – Calgary Growth Strategies**
Financial Lead – E. Coyle, Finance Lead
Operational Lead – D. Sargent, Coordinator, City Wide Policy

Review Schedule: Last Review: 2015 Next Review: 2018

Calgary Police Service Court Fine Revenue Operating Reserve

Item #7 1 1

\$	4,000
	(2016)

Operating Reserve (\$000s)

Authorization: PFC2013-0084**Purpose:** To mitigate potential future revenue shortfalls in the Court Fine budgeted revenue portion of the Calgary Police Service (CPS) operating budget.**Conditions:** Contribute \$4,000 from the 2012 Court Fine revenue portion of the CPS operating budget.

Future year contributions are not scheduled unless recommended by the Calgary Police Commission or specifically approved by Council. If requesting permission from Council to contribute to the Operating reserve, the Commission must first fund any operating shortfalls, as well as the CPS Pay-As-You-Go Reserve (to the maximum of \$2,500) before any remaining surplus will be contributed to the Operating Reserve. The CPS Operating and Capital budgets (including the Court Fine revenue portion of the Operating budget), will be approved by Council as part of the multi-year budget cycles and through the adjustment process when required.

Restrictions: The reserve is funded with a one-time contribution from the CPS in 2012, unless further Council direction is received. Withdrawals from the Operating Reserve to fund shortfall in the Court Fine revenue portion of the CPS Operating budget will require a written request from the Calgary Police Commission to the attention of the City Treasurer. Any other withdrawal requests from the reserve would require a similar written request, but would also require Council's approval of each specific request.**Funding Sources:** Police operating budgetInvestment income: ____ yes x no**Related Budget Programs:** Operating program: #070 Calgary Police Service**Special Reporting Requirements:** None**Current Activity (\$000s):**

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Opening balance	4,000	4,000	4,000	4,000	-
Contributions from operations	-	-	-	-	4,000
Closing balance	4,000	4,000	4,000	4,000	4,000

Source Contacts: **Business Unit – Calgary Police Service**
 Financial Lead – C. Male, City Treasurer
 Operational Lead - B. Hutchins, Finance Manager

Review Schedule:
 Last Review: 2014 Next Review: 2017

Calgary Police Service Helicopter Maintenance Reserve**\$ 2,390**

Operating Reserve (\$000s)

(2016)**Authorization:** FB96-48 and FCS2006-29

Purpose: To provide an operating reserve to stabilize maintenance costs for the Police Service helicopter (HAWCS), as costs vary dramatically from year to year depending on the life cycle of the various maintenance components. Reserve funds will be used to finance maintenance of the Calgary Police Service helicopters, minimizing major fluctuations in the Calgary Police Service operating budget.

Conditions: Funds are to be used to finance maintenance of the CPS helicopters.

Restrictions: As per purpose.

Funding Sources: Police operating funds

Investment income: ____ yes x no

Related Budget Programs: Operating program: #070 Calgary Police Service

Special Reporting Requirements: None

Current Activity (\$000s):

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Opening balance	3,024	3,000	2,706	2,905	2,617
Contributions from operations	808	809	808	809	808
Contributions to operations	(1,442)	(785)	(514)	(1,008)	(520)
Closing balance	<u>2,390</u>	<u>3,024</u>	<u>3,000</u>	<u>2,706</u>	<u>2,905</u>

Source Contacts: **Business Unit – Calgary Police Service**
 Financial Lead – B. Hutchins, Finance Manager
 Operational Lead – R. Chaffin, Deputy Police Chief

Review Schedule: Last Review: 2014 Next Review: 2017

Children's Reserve Fund

Operating Reserve (\$000s)

Authorization: C2000-07, FCS2004-22, CPS2008-87, FCS2010-19, FCS2011-34, PFC2012-0606 and PFC2015-0917

Purpose: To support access for low-income families and their children (up to 18 years of age) or directly for low income children, to programs which will enhance their social well-being (including arts, recreation and sports programs).

Conditions: Administration may use up to 100% of the annual interest earned to help fund operating programs for children and youth. Interest earned not used in a year can be carried forward into future years.

Restrictions: None

Funding Sources: As per Report FCS2004-22 in 2004 all funds from the Emerging Social Issues Reserve have been transferred to a new Children's Reserve Fund. Other sources are at the discretion of Council.

Investment income: x yes no

Related Budget Programs: Operating program: #421 Calgary Neighbourhoods

Special Reporting Requirements: None

Current Activity (\$000s):

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Opening balance	4,605	4,605	4,595	4,502	4,492
Investment Income	105	115	101	93	99
Contribution to Recreation/Calgary Neighbourhoods	(17)	(115)	(91)	-	(89)
Closing balance	<u>4,693</u>	<u>4,605</u>	<u>4,605</u>	<u>4,595</u>	<u>4,502</u>

Source Contacts: **Business Unit – Calgary Neighbourhoods**
 Financial Lead – J. Salazar, Finance Lead
 Operational Lead – M. Hulsker, Manager, Strategic Services

Review Schedule: Last Review: 2015 Next Review: 2018

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Civic Partners Review Reserve - CLOSED

\$ -
(2016)

Operating Reserve (\$000s)

Authorization: CPS2003-92, FCS2004-22, CPS2004-63, FCS2010-10 and PFC2012-0606

Purpose: To conduct reviews which assess strategic alignment between The City and its Civic Partners in the following Civic Partner categories: Agencies, Alliances, Joint Ventures, City Related Entities and Provincially-Legislated Entities.

To support research efforts to examine The City's support of partners within a sector (including but not limited to Tourism, Heritage, Culture, Arts). The research would be used to gain understanding of trends and to develop strategic approaches for The City to support organizations in a given sector.

Conditions: The Director of Recreation will authorize funding in accordance with Council approved direction. Funding will be used to support review costs such as:

- Research required for analysis and recommendations to be made to Council;
- Management of a review project in conjunction with designated City staff;
- Other review-related support;
- Expenses associated with any public consultations, surveys, etc.

The Civic Partner Accountability Framework presents three core principles to ensure partnership accountability:

- Mission Alignment – the partner must be able to deliver services that benefit the public good as determined by Council;
- Partner Organization Governance – the partner must be able to demonstrate good governance practices;
- Measure Performance – partnerships should have defined goals that are measured and publicly reported on a regular basis.

As per Report FCS2004-22 the reserve was established from the closure of the Agency Review Reserve; no impact to existing budgets. The fund is expected to be closed within four years; once it is fully expended.

As per Report FCS2010-10, this fund is extended to the end of the 2009-2010 business cycle, following which Administration will report back to Council to recommend disposition of any unspent balance.

As per Report PFC2012-0606, the reserve is to be closed once current outstanding balance has been spent.

Restrictions: Funding will be used to research and report to Council the results of a partner review and sector review with recommended future direction.

Funding Sources:

Investment income: ____ yes x no

Related Budget Programs:

Operating program: #426 Recreation

Special Reporting Requirements:

None

Current Activity (\$000s):

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Opening balance	-	-	-	65	65
Transfer to operations	-	-	-	(65)	-
Closing balance	-	-	-	-	65

Source Contacts: Financial – Finance Lead, Recreation, Finance & Supply
Operational – Manager Strategy and Partnerships, Community Neighbourhood Services

Review Schedule: Not applicable – reserve closed

\$ 20,000
(2016)

ENMAX Dividend Stabilization Reserve

Operating Reserve (\$000s)

Authorization: NM2012-05**Purpose:** To provide an operating reserve to stabilize the ENMAX dividend for any budget shortfall, as ENMAX dividend varies from year to year.**Conditions:** Fund balance cannot exceed \$20,000 in total.**Restrictions:** Reserve is a contingency to fund shortfalls in the ENMAX dividend compared to budget.**Funding Sources:** 50% of the ENMAX dividend received in excess of the annual budget, to be transferred to this reserve, to a maximum of \$20,000.Investment income: ☐ yes ☒ no**Related Budget****Programs:** Operating program: #860 General Revenue**Special Reporting****Requirements:** None**Current Activity (\$000s):**

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Opening balance	20,000	16,450	10,100	-	-
Contributions from operations	-	3,550	6,350	10,100	-
Closing balance	<u>20,000</u>	<u>20,000</u>	<u>16,450</u>	<u>10,100</u>	<u>-</u>

Source Contacts:**Business Unit – Corporate Revenue & Costs**

Financial Lead – C. Fung, Corporate Finance Lead

Operational Lead – J. Kwong, Finance Manager

Review Schedule:

Last Review: 2015

Next Review: 2018

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Family & Community Support Service ("FCSS") Stabilization Fund

Operating Reserve (\$000s)

\$ 5,504
(2016)

Authorization: CS95-21, CS008, CPS98-12, CPS2003-26; FCS2004-22, CPS2009-09, CPS2011-19 and PFC2015-0917

Purpose: The reserve is used to:

- Cover any shortfalls in case the Provincial FCSS allocation of funds is less than expected at any given year;
- Respond to emerging social issues; and
- To support clearly defined capacity-building initiatives as per Council's Policy of FCSS.

Conditions: Agencies wishing to access funds, must meet the requirements stated above under Purpose. In addition, they are required to complete an application. Administration will review the application and consult with community partners to determine the project's impact and viability.

Restrictions: As per purpose.

Funding Sources:

1. Unexpended or surplus funds from previously allocated ongoing and one-time contributions.
2. Any increase to the provincial or municipal portion of the FCSS budget announced after Council's approval of allocation for the year.

Investment income: ____ yes x no

Related Budget Programs:

Operating Program: #421 Calgary Neighbourhoods

Special Reporting Requirements:

Annual review by Community & Neighbourhood Services, as described under conditions.

Current Activity (\$000s):

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Opening balance	5,704	3,710	3,688	3,348	3,343
Contributions from operations	2,605	2,630	1,474	1,894	1,439
Contributions to operations (1)	(2,897)	(636)	(1,452)	(1,554)	(1,434)
Investment income	92	-	-	-	-
Closing balance	<u>5,504</u>	<u>5,704</u>	<u>3,710</u>	<u>3,688</u>	<u>3,348</u>

- (1) As per CPS2011-19, Council approved an annual transfer of \$1,000 from the FCSS Stabilization Fund. Administration is to use the funds on a one-time basis as per the purpose above. In 2015, Council approved the annual transfer amount of \$500 as per CPS2015-0150. An additional transfer of \$2,100 was approved by Council in 2016, as per CPS2016-0036, to be allocated to 72 funded agencies.

Source Contacts:

Business Unit – Calgary Neighbourhoods

Financial Lead – J. Salazar, Finance Lead

Operational Lead – M. Hulsker, Manager, Strategic Services

Review Schedule:

Last Review: 2015

Next Review: 2018

Fiscal Stability Reserve

Operating Reserve (\$000s)

Authorization: Mill Rate bylaw 20M79, C2005-04, and FCS2007-45

Purpose: Prior to January 2005, the reserve was used to stabilize tax increases from year to year in order to balance operating budgets without large tax increases; planned contributions from the reserve are made as required and operating surpluses are returned to the reserve. After January 2005, the reserve has been mandated to serve the following purposes:

- A contingency fund for operational emergencies, urgent or contingency capital expenditures, and to compensate for unplanned revenue reductions with significant financial impacts;
- Investment income from the reserve would be used to fund one-time operating budget expenditures.

Conditions: As per report FCS2007-45, the reserve must maintain a minimum balance of 5% of The City's tax-supported gross expenditures (net of recoveries) and the Fiscal Stability Reserve (FSR) target balance is set at 15% of The City's tax-supported gross expenditures (net of recoveries).

Restrictions: As per purpose.

Funding Sources: Council approved annual tax supported operating surpluses transferred to the reserve, and investment income earned on reserve funds. As per report FCS2007-45, Council approved previously committed one-time contingent funds that are no longer required for their original purpose, such as recoveries from provisions for tax losses, legal claims or environmental provisions.

Investment income: ☒ yes ☐ no

**Related Budget
Programs:**

Operating Programs: #856 Taxation
#860 General Revenues

**Special Reporting
Requirements:**

None

Current Activity (\$000s):

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
		(Restated)			
Opening Balance	547,811	443,371	365,460	294,985	240,932
Surplus (Previous year)	-	-	-	31,258	5,240
Surplus (Current year) (1)	37,731	59,026	27,490	8,159	-
Investment income	12,319	11,465	8,504	6,855	5,444
Net contribution to operations (6)	(21,728)	(14,359)	(27,106)	(17,370)	(11,123)
Net contribution (to) from capital (2)	(1,382)	4,892	(16,310)	-	-
Funding contribution from operations (3)	10,945	55,809	84,713	45,073	57,450
Transfers (to)/from other reserves (4)	(29,135)	(12,393)	620	(3,500)	(2,958)
Closing balance (5)	556,561	547,811	443,371	365,460	294,985

- (1) Due to a change in policy commencing 2013, the current year surplus is included to more appropriately reflect the funds in the FSR. In years prior, the current year surplus used to be shown as a separate item called Unappropriated Surplus in the Reserves Report.
- (2) 2016: Consists mostly of contribution to capital for Utilities flood expenditures.
2015: Excess insurance receipt of \$4,892 transferred back to FSR.
2014: Net contribution to capital relates to expenditures for flood resiliency projects and other flood related projects incurred as a result of the 2013 flood.
- (3) Funding contribution from operations are from the transfer of various unspent contingency funds (Property and Business Tax contingent fund).
- (4) Transfer (to) from other reserves:
2016: As per report C2014-0863, transfer funds from FSR to Roads Snow and Ice Control (SNIC) of (\$5,000); funding to capital budget program 639 of (\$900), for the Decidedly Jazz Dance Centre Project; transfer of funds from FSR to various business units' flow through FSR (\$23,235).
2015: As per report C2014-0863, transfer funds from FSR to Roads SNIC of (\$5,000), transfer funds from FSR to various business units' flow through FSR (\$7,393).
2014: As per report C2014-0863, \$620 of unallocated funds transferred from the Council Innovation Fund.
2013: As per report PFC2012-0045, transfer of funds from FSR to Roads SNIC of (\$3,500).
2012: Transfers from other reserves per PFC2012-0707, transfer of Office of Civic Partners – Economic Development and Policy Coordination (EDPC) year end surplus of \$542. As per PFC2012-0045, transfer of funds to Roads SNIC of (\$3,500).
- (5) Committed amounts in the closing balance total \$228,862 consisting of: \$112,034 one-time approved council items and \$116,828 of balance remaining for Flood Commitment. Closing balance ratio to tax supported gross expenditures (net of recoveries) after committed amounts is 9.6% before current year surplus and 10.8% including current year surplus.

Source Contacts:

Business Unit – Finance

Financial Lead – J. Kwong, Finance Manager, Corporate Budget Office
Operational Lead – C. Male, City Treasurer

Review Schedule:

Last Review: 2015

Next Review: 2018

Group Life Reserve

Externally Restricted Operating Reserve (\$000s)

- Authorization:** FB95-92, Group Policy No. 127 and PFC2012-0606
- Purpose:** To satisfy contractual obligations under the Group Life benefit contract between The City and Great West Life (GWL).
- Conditions:** As per purpose.
- Restrictions:** Under the terms of the contract, The City must maintain a reserve balance comprised of two activities: 1) Incurred but Not Reported (IBNR) for claims incurred by employees in the current year but not reimbursed by the plan until the following year. The IBNR portion of the reserve is equal to 12% (2015) of the annualized Refund Billed Premium based on the last month of the policy year; and 2) a Claims Fluctuation reserve (CFR) balance equal to 25% (2015) of the Refund Billed Premium for the last complete policy year.
- Funding Sources:** Operating Budget Program 787, Employee Benefits.
- Investment income: ☒ yes ☐ no
- Related Budget Programs:** Operating Program: #787 Employee Benefits
- Special Reporting Requirements:** Quarterly financial reports and annual Core Plan financial statements for the City management and MEBAC executive. The financial statements are subject to an external audit every four years effective 2014.

Current Activity (\$000s):

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Opening balance	1,580	1,494	1,338	1,253	1,189
Investment income	36	37	29	25	26
Contributions From/(to) Operations	69	49	127	60	38
Closing balance	<u>1,685</u>	<u>1,580</u>	<u>1,494</u>	<u>1,338</u>	<u>1,253</u>

- Source Contact:** **Business Unit - Finance**
Financial Lead – D. Christensen, Benefits Finance Leader
Operational Lead – C. An, Finance Manager, Corporate Financial Reporting

- Review Schedule:** Last Review: 2015 Next Review: 2018

Health, Safety and Wellness Reserve

Operating Reserve (\$000s)

Authorization: FB94-126, FB98-64, FCS2006-32, and FCS2010-10

Purpose: To fund preventive and proactive health, safety and wellness programs as part of The City's ongoing commitment to the safety, health and wellness of employees.

Conditions: Environment & Safety to report annually to the S.P.C. on Utilities and Environment on safety compliance and performance. Human Resources provides an annual report to the Human Resources Client Council (HRCC) on health and wellness expenditures and outcomes.

Future Workers Compensation Board (WCB) rebates and dividends will be allocated 75% to the Health, Safety and Wellness (HSW) Reserve and 25% to general revenue. The Human Resources and Environment & Safety Management business units share responsibility for the HSW Reserve. Each business unit manages and report independently on its portion which is derived from half of the 2008 opening balances plus half of the annual contributions to the reserve.

Restrictions: As per purpose.

Funding Sources: A portion of the \$1,600 received in 1994 from the Workers Compensation Board (WCB) as a result of increased diligence in the management of WCB claims. Effective 1998, funding will be received (\$600 per year) through an increase to the employee benefit rate. A portion of WCB rebates to The City are also transferred to the reserve.

Investment income: ☐ yes ☒ no

Related Budget Programs:

Operating Program: #787 Employee Benefits

Special Reporting Requirements:

None

Current Activity (\$000s):

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Opening balance	13,271	10,975	7,566	7,166	7,350
Contributions from operations:					
Employee benefits rate	600	600	600	600	600
WCB	5,119	4,870	4,928	1,183	490
Contributions to operations	(3,006)	(3,174)	(2,119)	(1,383)	(1,274)
Closing balance	<u>15,984</u>	<u>13,271</u>	<u>10,975</u>	<u>7,566</u>	<u>7,166</u>

Source Contacts:

Business Unit – Human Resources

Financial Leads – M. Moroz, Finance Lead and T. Nguyen, Finance Manager
Operational Lead – M. Lavallee, Chief Human Resources Officer

Review Schedule:

Last Review: 2015

Next Review: 2018

Heritage Incentive Reserve

Operating Reserve (\$000s)

Authorization: FB2002-27, FCS2004-15, FCS2004-20, PFC2012-0159 and PFC2015-0917

Purpose: To fund the implementation of the Heritage Incentive Program which began in 2003.

Grants are provided to non-city owned municipal historic resources to:

- Promote the rehabilitation and economic re-use of buildings designated as Municipal Historic Resources under the Historical Resources Act of Alberta (HRA).
- Address inequities that property owners assume when rehabilitating buildings designated under the HRA.
- Revitalize and rehabilitate derelict or underutilized heritage buildings.
- Revitalize older communities and commercial districts.

Conditions: Specific Conditions relating to use of the Reserve with respect to the grant application process, payment process, and sign requirements are detailed in report PFC2012-0159.

Restrictions: There shall be a maximum expenditure of 50% of the approved project costs or 15% of the current assessed value of the property; whichever is the lesser, except for special circumstances approved by Council. All grants may be paid out in a single payment or over the course of a 5-year period.

Applications may be accepted every five years but the total grant amount cannot exceed 50% of the approved project costs or 15% of the current assessed value of the property; whichever is the lesser, every 15 years except for special circumstances approved by Council.

Funding Sources: To be funded annually from operating budget #610 Calgary Growth Strategies (formerly #610 City Wide Policy & Integration). Prior to 2014, it was funded by operating budget #616 Land Use Planning & Policy (formerly #611 Planning & Transportation Policy).

Investment income: ____ yes X no

**Related Budget
Programs:**

Operating Program: #610 Calgary Growth Strategies (formerly #610 City Wide Policy & Integration)

**Special Reporting
Requirements:**

None

Current Activity (\$000s):

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Opening balance	1,087	1,369	1,283	1,185	1,153
Contributions from operations	225	225	225	225	225
Contributions to operations	(347)	(507)	(139)	(127)	(193)
Closing balance	965	1,087	1,369	1,283	1,185

Source Contacts:

Business Unit – Calgary Growth Strategies

Financial Lead – E. Coyle, Finance Lead

Operational Lead – D. Sargent, Coordinator, City Wide Policy

Review Schedule:

Last Review: 2015

Next Review: 2018

Special Reserve Fund for Heritage Preservation - CLOSED

\$ -
(2016)

Externally Restricted Operating Reserve (\$000s)

Authorization: OE95-36, C2007-83, LPT2007-64 and PFC2012-0159

Purpose: To fund high profile projects which demonstrate an aspect of historical preservation, which serve to acquire important historical collections, or which promote awareness and enjoyment of the City's history.

Conditions: Funds are to be used for Historical Preservation purposes. In July 2012 Council authorized the reserve to be amalgamated with the Calgary Heritage Authority (CHA) Legacy Endowment Fund under the newly named Calgary Heritage Authority Reserve. All funds were transferred in 2012.

Restrictions: Council must approve expenditures from the fund at the recommendation of the Heritage Advisory Board (now the Calgary Heritage Authority). Only projects initiated by The City or the Calgary Heritage Authority, with a \$10,000 limit, are considered.

Funding Sources: Revenues from the disposal of the Herald Building gargoyle collection. Additional funds received by The City through the sale of historical resources and artifacts, or received through special donations of a similar nature, would augment this fund.

Investment income: X yes no

Related Budget Programs:

Operating Program: #616 Land Use Planning & Policy

Special Reporting Requirements:

None

Current Activity (\$000s):

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Opening balance	-	-	-	-	141
Investment income	-	-	-	-	-
Transfer to Calgary Heritage Authority Reserve (1)					(141)
Closing balance	-	-	-	-	-

(1) As per report PFC 2012-0159 this reserve has been closed and the balance transferred to the Calgary Heritage Authority Reserve.

Source Contacts: Financial – Finance Lead, PDA, Finance & Supply
Operational – Manager, City Wide Strategy

Review Schedule: Not applicable – reserve closed

Mall Programming Fund

Operating Reserve (\$000s)

\$ 788
(2016)

Authorization: OE2001-03 and PFC2012-0606

Purpose: To maintain and supplement activities and programs on Stephen Avenue Mall, specifically in the 300 west block between Bankers Hall and Toronto Dominion Square.

Conditions: Funds are to be managed by the Mall Programming Fund Management Committee ("MPFMC") comprising of a representative from Gentra/Brookfield, Oxford Properties, the Calgary Downtown Association, and The City, with The City representative as chairman.

Restrictions: The MPFMC is authorized to approve expenditures that utilize the investment income earned by the Fund while any expenditure involving the principal of the Fund is subject to Council approval.

Funding Sources: The developer of Bankers Hall was required to pay \$850 to establish the Fund. The interest earned on the initial contribution will be used for programming activities on the 300-west block on Stephen Avenue. Interest income can be carried forward if not spent in the year which it was earned.

Investment income: x yes no

Related Budget Programs:

Operating Program: #651 Urban Strategy (formerly #612 Local Area Planning & Implementation)

Capital Program: #616 Centre City Initiatives

Special Reporting Requirements:

None

Current Activity (\$000s):

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Opening balance	770	754	744	1,017	1,002
Investment income	18	18	16	18	22
Contributions (to) from operations	-	3	-	-	(7)
Contributions to capital financing (1)	-	(5)	(6)	(291)	-
Closing balance	<u>788</u>	<u>770</u>	<u>754</u>	<u>744</u>	<u>1,017</u>

(1) In December 2012, as per PFC2012-0606, Council approved use of up to \$300 of the principal to fund a lighting program for the block.

Source Contacts:

Business Unit – Urban Strategy

Financial Lead – M. Fung, Finance Lead

Operational Lead – B. Barrington, Program Manager

Review Schedule:

Last Review: 2015

Next Review: 2018

Parks Foundation Reserve

Operating Reserve (\$000s)

- Authorization:** CS90-17-01, FB99-48, FCS2004-22, Memorandum of Agreement – April 15, 2004, FCS2007-09 and PFC2016-0796
- Purpose:** Create an Endowment fund and use the investment income to fund the administrative costs of Parks Foundation Calgary – a City of Calgary Civic Partner, and eliminate the annual contribution from The City to Parks Foundation Calgary's operating budget.
- Conditions:** Should Parks Foundation Calgary remove the funds from the Endowment Fund, except as outlined in the Restrictions below, The City will request the return of the funds in the Parks Foundation Calgary's Operating Endowment Fund.
- Restrictions:** Only investment earnings as outlined in the Memorandum of Agreement may be withdrawn to be used for administrative services of Parks Foundation Calgary.
- Funding Sources:** The City contributed \$200 to the operating endowment for every \$300 Parks Foundation Calgary raised for capital endowment, up to a maximum contribution by The City of \$2,000, which was reached in 1998.

Investment income: x yes no**Related Budget Programs:**

Operating Program: #449 Civic Partners (Liaison: Community Services)

Special Reporting Requirements:

None

Current Activity (\$000s):

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Opening balance	2,395	2,257	2,114	2,099	2,100
Investment income	140	213	218	90	74
Contributions to operations	(159)	(75)	(75)	(75)	(75)
Closing balance	<u>2,376</u>	<u>2,395</u>	<u>2,257</u>	<u>2,114</u>	<u>2,099</u>

Source Contacts:**Business Unit – Calgary Parks**

Financial Lead – T. LePrieur, Finance Lead

Operational Lead – A. Charlton, Director

Review Schedule:

Last Review: 2016

Next Review: 2019

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Self-Insurance Reserve

Operating Reserve (\$000s)

Authorization:	FB86-130, FB94-26, FCS2010-19, PFC2012-0606 and PFC2015-0917
Purpose:	<p>All activities undertaken by The City are covered under the Civic Insurance Program using common insurance industry principles. This program is comprised of purchased insurance coverage as well as a self-funded component for any losses not covered by the purchased policy. This reserve is utilized to offset any large claim against The City either in excess of a purchased policy limit or a loss that is not covered by any insurance policy.</p> <p>The City is self-insured pursuant to section 825 of the Insurance Act of Alberta for auto.</p> <p>Outside insurance coverage exists for claims exceeding established self-insurance retention levels for:</p> <ul style="list-style-type: none"> a) Auto and general liabilities b) Property – insured on statement of value of approximately \$10,300
Conditions:	<p>To be compliant with regulatory requirements a minimum of \$2,000 with the Self-Insurance Reserve must be allocated specifically to address auto liabilities.</p> <p>In order to self-insure auto liability, The Alberta Insurance Act requires The City to maintain a separate fund.</p> <p>Interest is only earned up to the amount required to maintain a reserve balance of \$7,000.</p>
Restrictions:	The reserve only funds losses in excess of \$500.
Funding Sources:	<p>Contributions from operations, subject to Council's budget approval.</p> <p>Investment income: <u> x </u> yes <u> </u> no</p>
Related Budget Programs:	Operating Program: #858 Investment Income, #810 Law Program
Special Reporting Requirements:	None

Current Activity (\$000s):

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Opening balance	7,000	7,000	7,000	7,000	7,000
Contributions to operations	-	-	-	-	-
Investment income	-	-	-	-	-
Closing balance	<u>7,000</u>	<u>7,000</u>	<u>7,000</u>	<u>7,000</u>	<u>7,000</u>

In addition to the closing balance above, a liability has been accrued to help cover the cost of various claims and lawsuits brought against The City in the ordinary course of business.

Administration provides an annual report to the Audit Committee on the Risk Management and Claims Division's information on the number of claims per year and claims paid per year. This confidential report is presented to the Audit Committee every year.

The reserve is only used when necessary and has not been used for the periods reported above.

Source Contact: **Business Unit – Corporate Administration**
Financial Lead – L. Marsh, Finance Lead
Operational Lead – P. Corbeil, Manager, Risk Management & Claims

Review Schedule: Last Review: 2015 Next Review: 2018

Snow and Ice Control (SNIC) Reserve

Operating Reserve (\$000s)

Authorization: PFC2012-0045 and C2014-0863

Purpose: Council directed Administration to establish a Snow and Ice Control (SNIC) reserve during the 2012-2014 Business Plan and Budget debates. The reserve shall be used exclusively by the Roads Business Unit to supplement its annual SNIC budget in order to maintain Council's approved SNIC policy during years with above average severity (the number of snow events and a combination of snow, temperature and wind). The eligible expenditures are those activities as defined in the Council Policy on Snow and Ice Control (LPT2011-57).

Conditions: If the reserve fund is depleted to zero in a future year, Administration will advise Council.

Fund balance cannot exceed \$15,000 as per C2014-0863.

Restrictions: As stated above.

Funding Sources: The reserve will be replenished from any surplus in Roads' SNIC budget in winters with below average severity. Contributions of \$5,000 per year for 2015 and 2016 to the reserve from the Fiscal Stability Reserve (FSR) was approved in Action Plan 2015-2018.

Roads will work with Finance at the end of March and December of each year to determine the required draw or replenishment of funds to the SNIC Reserve. Roads' SNIC budget will not be adjusted in order to maintain the established baseline budgets.

Investment income: ☐ yes ☒ no

Related Budget Programs:

Operating Program: #132 Roads

Special Reporting Requirements:

The terms of reference will be reviewed prior to the beginning of each business planning and budget cycle.

Current Activity (\$000s):

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Opening balance	8,940	-	4,141	3,220	-
Contributions from (to) operations	1,060	2,050	(4,141)	(2,579)	(280)
Contribution from Calgary Transit	-	1,890	-	-	-
Contribution from FSR	5,000	5,000	-	3,500	3,500
Closing balance	15,000	8,940	-	4,141	3,220

Source Contact:**Business Unit – Roads**

Financial Lead – L. Wong, Finance Lead

Operational Lead – B. Biensch, Maintenance Manager

Review Schedule:

Last Review: 2015

Next Review: 2018

Tax Loss Provision Reserve

Operating Reserve (\$000s)

Authorization: FCS2007-45, PFC2013-0812 and PFC2016-0796**Purpose:** In the event of a substantial unanticipated adverse outcome from Assessment complaints and appeals, this reserve has been established to provide for such losses.**Conditions:** The level (balance) of the Tax Loss Provision Reserve shall be determined by the Chief Financial Officer with input from the Tax Provision Steering Committee. The level of the Tax Loss Provision Reserve shall not exceed the level of the current year tax provision contingency balance.**Restrictions:** Contributions and withdrawals relating to specific tax loss related circumstances are authorized by the Chief Financial Officer. Any other contributions or withdrawals require Council approval.**Funding Sources:** Initial funding source in 2007 is \$27,000 transferred from the Assessment and Tax Contingency Provision Liability fund. Future required contributions are from operations.Investment income: ____ yes x no**Related Budget Programs:** Operating Program: #856 Taxation**Special Reporting Requirements:** None**Current Activity (\$000s):**

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Opening balance	37,398	37,398	39,823	39,823	36,329
Contributions from operations	-	-	-	-	3,494
Contributions to from other sources (1)	-	-	(2,425)	-	-
Closing balance	<u>37,398</u>	<u>37,398</u>	<u>37,398</u>	<u>39,823</u>	<u>39,823</u>

(1) As per PFC2013-0812, \$2,425 was used to minimize the impact to the tax base in 2014 as a result of a decrease in assessed value for properties impacted by the 2013 flood.

Source Contacts: **Business Unit – Corporate Revenue & Costs**
Financial Lead – C. Fung, Corporate Finance Lead
Operational Lead – E. Sawyer, Chief Financial Officer**Review Schedule:** Last Review: 2016 Next Review: 2019

Unappropriated Surplus - CLOSED

Operating Reserve (\$000s)

Authorization: FCS2010-19 and PFC2013-0745 (1)**Purpose:** Under Council policy, the current year's tax supported operating surplus is transferred to the Fiscal Stability Reserve (formerly Mill Rate Stabilization Reserve) in the following year.**Conditions:** As per purpose.**Restrictions:** The balance of this reserve is transferred to the Fiscal Stability Reserve in the following year.**Funding Sources:** The current year's net tax supported operating resultInvestment income: ____ yes x no**Related Budget****Programs:** Operating Program: #860 General Revenues**Special Reporting****Requirements:** None**Current Activity (\$000s):**

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Opening Balance	-	-	-	31,258	5,243
Surplus (1)	-	-	-	-	31,258
Transfer to Fiscal Stability Reserve	-	-	-	(31,258)	(5,243)
Surplus	-	-	-	-	31,258

(1) As per PFC2013-0745, this reserve was closed in 2012. Current year surplus was included in the Fiscal Stability Reserve

Source Contact: Financial and Operational – Manager, Corporate Budget Office, Finance & Supply**Review Schedule:** Not applicable – reserve closed

911 Communications Centre Capital Financing Reserve\$ **24,141**

(2016)

Capital Reserve (\$000s)

Authorization: GP98-21, FCS2004-59, FCS2010-10, CPS2014-0255 and PFC2014-0847**Purpose:** To fund future capital improvements/upgrades to the 911 Public Safety communications centre.**Conditions:** As per purpose.**Restrictions:** Funds to be used as per purpose.**Funding Sources:** A portion of revenue generated from the monthly fee charged to Calgarians. (\$0.37 per voice phone line).Investment income: ____ yes x no**Related Budget****Programs:**

Operating Program: # 004 CCS – Calgary 911 (formerly # 002 Public Safety Communications)

Capital Program: # 045 Calgary 911 (formerly # 045 Public Safety Communications)

Special Reporting**Requirements:**

None

Current Activity (\$000s):

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Opening balance	18,577	11,830	8,821	6,612	3,440
Contributions from operations (1)	6,769	8,300	3,498	2,611	3,227
Contributions to capital financing	(1,205)	(1,553)	(489)	(402)	(100)
Transfer from Police Reserve	-	-	-	-	45
Closing balance	<u>24,141</u>	<u>18,577</u>	<u>11,830</u>	<u>8,821</u>	<u>6,612</u>

(1) As per report CPS2014-0255, Council approved directing the 2014 wireless 911 funding to the 911 Communications Centre Capital Financing Reserve.

Source Contacts:**Business Unit – Calgary Community Standards**

Financial Lead – G. Drall, Finance Lead

Operational Lead – D. Odney, Calgary 911 Commander

Review Schedule:

Last Review: 2014

Next Review: 2017

Artificial Turf Field Lifecycle Reserve

Capital Reserve (\$000s)

Authorization: FCS2010-19, CPS2011-15, CPS2012-24, PFC2013-745 and PFC2016-0796

Purpose: Per FCS2010-19, expenditures associated with artificial turf field replacement.

Conditions: As per purpose.

Restrictions: Per FCS2010-19, Administration will return to Council for approval to withdraw funds from the reserve for artificial turf replacement.

Funding Sources: Beginning in 2010, annual contribution from Recreation's actual net revenue generated by artificial turf field rentals fees.

Investment income: x yes no**Related Budget Programs:**

Capital Program: #507 Recreation, Facilities

Special Reporting Requirements:

Administration will be closely monitoring field revenues, expenses and the annual reserve balances and report back to Council if the yearend reserve balance deviates by 25% from projection in any year. Any significant modifications in contribution amounts will be identified through the annual budget process as necessary. At each of the 2010 and 2011 playing season, Administration reported back to the SPC on Community Services (formerly Community and Protective Services) regarding financial information for management of artificial turf.

Current Activity (\$000s):

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Opening balance	2,221	1,548	1,047	2,108	428
Contributions from operations	908	628	476	298	271
Investment income	59	45	25	40	10
Contribution (to)/from capital	(173)	-	-	3,601	(3,601)
Transfer (to)/from Reserve for Future Capital	-	-	-	(5,000)	5,000
Closing balance	<u>3,015</u>	<u>2,221</u>	<u>1,548</u>	<u>1,047</u>	<u>2,108</u>

Source Contact:**Business Unit – Calgary Recreation**

Financial Lead – J. Au, Finance Lead

Operational Leads – J. McLaughlin, Manager, Capital Development;
H. Bruce, Manager, West Region**Review Schedule:** Last Review: 2016

Next Review: 2019

Asphalt and Crusher Plant Lifecycle Capital Reserve

Item #7.1.1

\$ **7,500**

Capital Reserve (000's)

(2016)

Authorization: FCS2010-10 and PFC2012-0606**Purpose:** To finance future capital expenditures under Council's specific or blanket approvals.**Conditions:** 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 inventory.

Maximum balance: \$7,500

Once this maximum balance is reached or if the balance is deemed sufficient to fund upgrade work within the four year business cycle, a portion or all of the annual budget surplus plant generates could go to fund additional paving projects at the discretion of the Director of Roads.

Restrictions: Funds are to be used as per the purpose outlined above.**Related Budget Programs:**

Operating Program: #132 Roads

Capital Programs: #128-136, Plants Capital

Funding Sources: All or a portion of any Roads – plants and paving operating budget surplus, proceeds from sale of surplus assets, depreciation on plant assets and interest income.Investment income: x yes no**Special Reporting Requirements:**

None

Current Activity (\$000s):

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Opening balance	6,367	5,363	7,500	6,459	7,497
Investment Income	107	60	119	76	78
Contributions to capital financing	(910)	(1,056)	(2,256)	(2,272)	(1,116)
Contributions from operations	1,936	2,000	-	3,237	-
Closing balance	<u>7,500</u>	<u>6,367</u>	<u>5,363</u>	<u>7,500</u>	<u>6,459</u>

Source Contacts:**Business Unit – Roads**

Financial Lead – L. Wong, Finance Lead

Operational Lead – I. Spoljarich, Senior Plants Leader

Review Schedule:

Last Review: 2015

Next Review: 2018

Calgary Police Service Capital Reserve

Capital Reserve (\$000s)

Authorization: FB93-80, FB2000-12, FB2000-24, FCS2004-22, FCS2004-61, FCS2011-34, PFC2014-0847 and C2016-0632

Per FCS2011-34, this is a consolidation of the Calgary Police Services Pay-As-You-Go Capital Reserve, the Calgary Police Services Capital Financing Reserve and the red light camera funds from the Reserve for Future Capital.

Purpose:

- 1) To provide for the capital financing of Police Vehicles.
- 2) To provide for the capital financing of Police Automated Fingerprint Identification System (AFIS) upgrades. AFIS is a joint venture with the Edmonton Police Service.
- 3) To assist with financing Calgary Police Service (CPS) capital assets (Pay-As-You-Go).
- 4) To provide for the capital financing of the Red Light Camera program and other CPS infrastructure requirements.

Conditions: As per purpose.

Restrictions: Maximum annual contribution for the Pay-As-You-Go fund cannot exceed \$2,500 and the Pay-As-You-Go year-end balance cannot exceed \$2,500.

2016 - Allow a contribution of \$10,500 to the Pay-As-You-Go fund of the Calgary Police Service Capital Reserve in 2016 only.

Funding Sources:

Vehicles – Police operating funds;
 AFIS upgrades – All user fees received from AFIS operations;
 Pay-As-You-Go – Police operating funds and proceeds from disposal of capital assets;
 Red Light Camera Surplus Funds.

Investment income: x yes (AFIS only) no

Related Budget Programs:

Operating Program: #070 Calgary Police Service

Capital Programs: #031 Police Equipment
 #037 Police Vehicles
 #034 Automated Fingerprint System
 #038 Police Facilities
 #039 Police Computer Systems

Special Reporting Requirements:

None

Current Activity (000's): Vehicles

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Opening Balance	22,319	18,531	18,066	17,293	11,685
Contributions from operations	5,750	9,483	6,760	7,190	9,457
Contributions from Revolving Fund for General Land Purchases (1)	-	-	-	-	7,500
Contributions to capital financing	(5,740)	(5,695)	(6,295)	(6,417)	(11,349)
Closing Balance	22,329	22,319	18,531	18,066	17,293

(1) Per LAS2009-45, this transfer is from the Real Estate & Development Services Revolving Fund for General Land Purchases (\$7,500) (formerly Corporate Properties Revolving Fund) for acquisition of the Police block 39 property.

Current Activity (000's): AFIS

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Opening Balance	819	783	751	718	801
Contributions from operations	13	16	15	17	12
Investment Income (AFIS only)	19	20	17	16	18
Contributions to capital financing	-	-	-	-	(113)
Closing Balance	851	819	783	751	718

Current Activity (000's): Red Light Camera

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Opening Balance	8,711	9,164	7,115	5,412	5,165
Contributions from operations	2,796	3,230	3,119	2,917	2,693
Contributions to capital financing	(3,671)	(3,683)	(1,070)	(1,214)	(2,446)
Closing Balance	7,836	8,711	9,164	7,115	5,412

Current Activity (000's): Pay-As-You-Go

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Opening Balance	2,500	2,500	2,430	2,500	2,500
Contributions from operations	8,272	2,500	2,499	2,325	2,500
Contributions to capital financing	(1,534)	(2,500)	(2,429)	(2,395)	(2,500)
Closing Balance	9,238	2,500	2,500	2,430	2,500

Consolidated Closing Balance (2)	40,254	34,349	30,978	28,362	25,923
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(2) Per FCS2011-34, the above balances were consolidated and the above values represent a consolidation of reserve balances from prior years for illustrative purposes only. The reserves consolidated into this are Red Light Camera Funds and the Calgary Police Service Pay-As-You-Go Reserve.

Source Contact: **Business Unit – Calgary Police Service**
Financial Lead – B. Hutchins, Finance Manager
Operational Lead – R. Chaffin, Chief of Police

Review Schedule: Last Review: 2014 Next Review: 2017

Community Investment Reserve

Capital Reserve (\$000s)

Authorization: C2004-60, NM2004-17, CPS 2005-24, NM2006-05, LAS2008-101, CPS2011-39, FCS2011-18, LAS2011-59, PFC2012-0248, C2014-0863, CPS2015-0647 and PFC2016-0796

NM2004-17 and CPS2005-24 established a Community Investment Reserve Fund in the amount of \$102,100 (GST) for five specified community capital infrastructure projects.

NM2006-05 increased the Community Investment Reserve Fund by \$100,000 (GST).

CPS2011-39 directed that \$42,000 annually Vacated Tax Room (VTR) be transferred to the Community Investment Reserve and funding for 2011-2016 be allocated.

PFC2012-0248 approved allocation of VTR and GST funding for the debt servicing of four New Recreation Facilities.

C2014-0863 approved allocation of VTR funding for 2017-2018 and the remaining GST funding.

CPS2015-0647 directed Administration to use the proposed guiding principles to allocate the VTR funding over the course of the next two business plan and budget cycles (to 2026).

Purpose:

- 1) To invest in priority community capital infrastructure and address emerging community needs.
- 2) To target the reduction of the growing infrastructure gap as identified through the Community Services capital infrastructure investment strategy.

Conditions: As per purpose

Restrictions: CPS2011-39 approves a new ongoing program for investment in community infrastructure.

Funding Sources:

- 1) Investment income generated from the reserve: to fund the cost of project management and other associated program costs.
- 2) Federal GST rebate effective Feb 01, 2004: \$102,100 (2004-2013 approx)
- 3) Federal GST rebate effective Feb 01, 2004: \$100,000 (2014-2023 approx)
- 4) VTR: \$42,000 annually (effective 2011)

Investment income: x yes no

Related Budget Programs:

Numerous Community Services Capital Programs

Special Reporting Requirements:

None

Current Activity (\$000s):

Current Activity (000's):	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Opening Balance	152,379	168,302	151,077	112,223	76,959
Contributions from Federal GST rebate	8,919	8,919	8,919	8,919	8,919
Contribution to capital projects - GST (1)	(8,196)	(30,321)	(14,101)	(717)	(6,670)
Contribution from Reserve for Future Capital - GST	1,500	1,500	1,500	1,500	1,500
Contributions from VTR	42,000	42,000	42,000	42,000	42,000
Contribution to capital projects - VTR (1)	(100,258)	(45,340)	(27,697)	(16,909)	(12,265)
Investment income (2)	5,860	7,369	6,604	4,181	2,152
Contribution to program costs	-	(50)	-	(120)	(372)
Closing Balance (3)	102,204	152,379	168,302	151,077	112,223

(1) Includes debt servicing payments for Regional Recreation Centres.

(2) Includes GST funds, VTR funds and Regional Recreation Centres debt.

(3) Committed amounts included in the closing balance total \$102,204 for future projects.

Source Contact:

Business Unit – Civic Partners

Financial Lead – S. MacFayden, Finance Manager
Operational Lead – K. Black, Director

Review Schedule:

Last Review: 2016

Next Review: 2019

Corporate Housing Reserve

Capital Reserve (\$000s)

- Authorization:** FB99-62, CPD2002-57, LAS2000-206, CPS2004-55, LPT2007-61, FCS2010-10, PFC2012-0606 and LAS2013-06
- Purpose:** To support the development of affordable rental, social and special need housing infrastructure and operating costs associated with affordable housing initiatives.
- Conditions:** In accordance with the terms of reference established for this reserve, the reserve funds will be used to support development initiatives that enhance or increase the supply of affordable rental and social/special needs housing. Municipal, non-profit, public and private organizations may be considered for funding, individually or as part of a partnership/joint venture.
- Restrictions:** External - \$15,411 Internal - \$6,627
- 2% of reserve (up to \$50 maximum) is designated as an emergency fund for unanticipated costs related to The City's Homeless Strategy
- Unless approved by Council, funding cannot be used to support operating and social support services associated with affordable housing.
- Funding Sources:**
- 1) The sale proceeds from selected City-Owned properties that are surplus to The City's needs; sales proceeds from other City-Owned properties not being used for affordable housing purposes and that are surplus to The City's needs shall be subject to Council approval through the Utilities and Corporate Services Committee (formerly Land and Asset Strategy Committee – LASC); 5% of gross industrial land sales proceeds.
 - 2) Lease revenues generated from City-owned properties being utilized for current and future affordable housing initiatives;
 - 3) Contribution of City funding (mill rate) for an amount equal to the amount previously paid in municipal subsidy agreements for provincially-owned public housing units;
 - 4) Third-party donations, grants and contributions from individuals, public and private organizations or agencies; and
 - 5) As approved in LA2000-206, 20% of net eligible revenue generated from Real Estate & Development Services (formerly Corporate Properties) Residential Portfolio be transferred annually to Corporate Housing Capital Reserve to fund municipally operated housing initiatives, and
 - 6) Investment income.
- Related Budget Programs:**
- Operating Program: # 495 Calgary Housing (formerly #488 Land Servicing & Housing)
- Capital Program: # 489 Affordable Housing (formerly #489 Public Housing)

**Special Reporting
Requirements:**

None

Current Activity (\$000s):

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
	(Restated)				
Opening balance	38,504	36,073	34,105	46,749	45,153
Investment income	645	762	597	784	868
Contributions from operations (1)	2,235	3,155	4,895	3,496	13,208
Contributions to operations (3)	(8,242)	(403)	(647)	(1,554)	(1,905)
Contributions to debt repayment	(245)	(245)	(997)	(1,750)	(1,751)
Contributions to capital (2)	(3,335)	(2,690)	(1)	(13,620)	(8,824)
Transfer (to)/from Reserve (1)	323	1,852	(1,879)	-	-
Closing balance	<u>29,885</u>	<u>38,504</u>	<u>36,073</u>	<u>34,105</u>	<u>46,749</u>

- (1) Includes provincial block funding of \$4,162 for 2012. The amount also includes sale proceeds from Manchester North for \$5,520 which was unbudgeted due to unknown timing and applied to the project in 2012. In addition, 5% of the Industrial Land sale revenue was contributed from operations which amount to \$2,040 in 2012, \$1,313 in 2013 and \$3,215 in 2014. Also, in 2015 a correction was made to reclassify the AHCC mortgage payment of \$1,879 from contributions from operations to transfer between reserves. This correction is for the 2014 mortgage payment.
- (2) Contributions to capital:
 2016: Demolition at Louise Station (\$1,000), Kingsland (\$1,204), Bridgeland (\$1,080), AH Pre-development (\$51)
 2015: Contributions to Capital: Construction with redesign of building and configuration for Kingsland (\$1,044) and demolition at Louise Station (\$1,646)
 2014: Contributions to Capital: Completion of North Manchester (\$1)
 2013: Contributions to Capital: Construction of North Manchester (\$1,834), purchase of Bridges Site 155 units (\$11,558) and two housing projects (\$228)
 2012: Construction of North Manchester (\$6,180) and Vida affordable housing projects (\$2,485) and (\$159) for two other affordable housing projects
- (3) Contributions to operations:
 2016: Includes funds transferred to Calgary Housing Company for the purchase of East Village.

Source Contact:

Business Unit – Calgary Housing
 Financial Leads – M. Alarakyia, Finance Coordinator;
 S. MacFayden, Finance Manager
 Operational Lead – T. Goldstein, Manager, Affordable Housing

Review Schedule:

Last Review: 2015

Next Review: 2018

Debt Servicing Reserve

Capital Reserve (\$000s)

Authorization:	FCS2004-22 combined three reserves Sinking Fund (C98-18), Major Project Reserve (C96-15, C98-93) and Transportation Capital Reserve (C98-16) FCS2006-42, UE2007-07, C2007-14, FCS2008-28, FCS2008-28 and PFC2016-0796.
Purpose:	For principal and interest payments of tax-supported debt. FCS2008-28, Contribute to Lifecycle Maintenance and Upgrade Reserve (LMUR) and Pay-As-You-Go (PAYG). On C2007-14 for Calgary Municipal Land Corporation (CMLC) – for operating expenditures up to \$10,000.
Conditions:	As per purpose.
Restrictions:	Funds are to be used as purpose outlined above.
Funding Sources:	Allocation of 84% of annual debt charge savings. Investment income: <u> x </u> yes <u> </u> no
Related Budget Programs:	Operating Program: #840 Capital Financing Costs
Special Reporting Requirements:	None

Current Activity (\$000s):

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Opening balance	52,570	52,570	52,570	67,769	72,996
Investment income	1,177	1,340	1,207	1,473	2,026
Contributions (to)/from from operations:					
Debt Charge Savings	94,752	94,752	94,752	94,752	94,752
Principal Payment	(36,733)	(38,505)	(39,374)	(54,506)	(57,981)
Interest Payment	(11,317)	(13,059)	(14,875)	(16,918)	(19,024)
Loan to Calgary Municipal Land Corp. (CMLC) (3)	-	-	-	-	10,000
Contributions to other Reserves:	-				
Contribution to LMUR (1)	(17,879)	(14,528)	(11,710)	(10,000)	(10,000)
Contribution to PAYG (2)	(30,000)	(30,000)	(30,000)	(30,000)	(25,000)
Closing Balance	52,570	52,570	52,570	52,570	67,769

- (1) As per report FCS2006-42 and FCS2008-28, the amounts transferred to Lifecycle Maintenance & Upgrade Reserve are:
 - fixed amount of \$10,000 annually: 2007 to 2016
 - funding not committed to tax supported debt: none in 2012 to 2013, \$1,710 for 2014, \$4,528 for 2015 and \$7,879 for 2016
- (2) As per report FCS2008-28 contribution to Pay-As-You-Go from Debt Servicing Reserve of \$10,000 in 2009, escalating by \$5,000 per year to \$30,000 by 2013;
- (3) As per report C2007-14 Council approved a loan to Calgary Municipal Land Corporation (Loan bylaw 32M2007). This loan was fully repaid at the end of 2012.

Source Contact:

Business Unit – Finance

Financial & Operational Lead – K. Ohlhauser, Budget Officer

Review Schedule:

Last Review: 2016

Next Review: 2019

Downtown Improvement Fund
Excluding Stephen Avenue Heritage Area Society Fund
 Capital Reserve (\$000s)

Authorization: OD85-120, OD87-113, FB94-93, M2007-009, LPT2008-74, PUD2012-03, PFC2012-0606, and PFC2015-0917

Purpose: 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.

Conditions: 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 plus any accrued carry-forward capital spending from previous years.

Restrictions: Centre City is defined in the May 2007 Centre City Plan (pg 33) and includes the Beltline.

Funding Sources: License fees charged to commercial users of public rights-of-way (OD84-45).

Funds included in approved capital projects set aside for extraordinary maintenance of specialty assets.

Investment income: x yes no

Related Budget Programs:

Operating Program: #651 Urban Strategy (formerly #612 Local Area Planning & Implementation)

Capital Programs: #152 Downtown Improvement
 #126-176 Industrial Sidewalk Retrofit

Special Reporting Requirements:

None

Current Activity (\$000s):

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Opening balance	3,629	3,372	3,207	3,033	3,435
Investment income	83	87	73	65	73
Contribution from operations (P 651)	255	178	142	211	270
Transfer to Public Art Reserve (1)	-	-	-	-	(2)
Contribution to capital	(283)	(8)	(50)	(102)	(743)
Closing balance	<u>3,684</u>	<u>3,629</u>	<u>3,372</u>	<u>3,207</u>	<u>3,033</u>

(1) Transfer to Public Art Reserve as approved by ALT to meet requirements of Public Art Policy

Source Contacts:

Business Unit – Urban Strategy
 Financial Lead – M. Fung, Finance Lead
 Operational Lead – B. Barrington, Program Manager

Review Schedule:

Last Review: 2015

Next Review: 2018

Fleet Services Capital Reserve

Capital Reserve (\$000s)

Authorization: Commissionaires Report, FCS2010-10, FCS2011-34 and PFC2014-0847

Purpose: To finance future Fleet Services capital expenditures under Council's specific or blanket approvals.

Conditions: Funds must be used to finance capital expenditures relating to Fleet Services only.

Restrictions: Funds are to be used as per purpose outlined above.

Funding Sources: Allocation of operating proceeds from disposal of capital assets and operating budget surpluses.

Investment income: ____ yes x no

Related Budget Programs: Capital Program: #871 Acquisitions

Special Reporting Requirements: None

Current Activity (\$000s):

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Opening balance	10,456	4,042	-	-	-
Contributions from operations	3,870	6,414	4,042	-	-
Closing balance	14,326	10,456	4,042	-	-

Source Contacts: **Business Unit – Fleet Services**
Financial Lead – E. Jarvo – Finance Lead
Operational Lead – M. Belzile, Manager, Business Operations

Review Schedule: Last Review: 2014 Next Review: 2017

Information Technology Reserve

Capital Reserve (\$000s)

Authorization:	FB96-101, C98-74, FCS2007-45, FCS2010-10, FCS2011-34 and PFC2014-0847
Purpose:	To fund information technology projects, fibre optics projects; and lifecycle replacement of City hardware and software.
Conditions:	The reserve will be used to fund systems costing \$50 or more. Per FCS2011-34, the target balance for the lifecycle portion of the reserve is equal to two times the average annual capital spending for replacement desktops, laptops and printers.
Restrictions:	Funds are to be used as per purpose.
Funding Sources:	Initial funding – 1996 Operations Future funding – replenished on an ongoing basis by annual operating budget contributions, PC replacement contributions, telecommunication projects and proceeds from sales of replaced computer equipment.
Related Budget Programs:	Investment income: <u> x </u> yes <u> </u> no Capital Programs: #803 IT Development Projects #741 Information Technology Infrastructure #751 Fibre Network
Special Reporting Requirements:	None

Current Activity (\$000s):

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Opening balance	18,658	18,189	15,867	15,156	16,322
Investment income	211	209	155	117	92
Net contribution from operations	13,577	10,499	9,849	8,933	8,747
Contribution to capital	(11,700)	(10,239)	(7,682)	(8,339)	(10,605)
Transfer from Reserve for Future Capital (1)	-	-	-	-	600
Closing balance	<u>20,746</u>	<u>18,658</u>	<u>18,189</u>	<u>15,867</u>	<u>15,156</u>

(1) Transfer from City Clerks to IT to fund Election and Census System re-development.

Source Contacts: **Business Unit – Information Technology**
Financial Leads – M. Moroz, Finance Lead; T. Nguyen, Finance Manager
Operational Lead – H. Reed-Fenske, Chief Information Technology Officer

Review Schedule: Last Review: 2014 Next Review: 2017

LED Street Light Re-Lamping Reserve

(formerly LED Traffic Signal Display Re-Lamping Reserve)

Capital Reserve (\$000s)

Authorization: TTP2002-44, PFC2012-0606 and PFC2015-0917**Purpose:** To help finance initial capital expenditures for streetlight Light Emitting Diode (LED) units and future lifecycle replacement of streetlights.**Conditions:** Funds are to be used as per the purpose outlined above.**Restrictions:** Funds are to be used as per the purpose outlined above.**Related Budget Programs:**

Operating Program: #132 Roads

Capital Programs: #128-131 Traffic Signals-LED Relamp
#128-100 LED Streetlights**Funding Source:** Annual operating contribution based on energy savings as a result of the streetlight LED replacement program.Investment income: ____ yes x no**Special Reporting Requirements:**

None

Current Activity (\$000s):

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Opening balance	5,528	5,816	5,622	5,666	4,963
Contribution from operations	1,750	1,466	697	703	703
Contribution to capital	(1,590)	(1,754)	(503)	(747)	-
Closing balance	<u>5,688</u>	<u>5,528</u>	<u>5,816</u>	<u>5,622</u>	<u>5,666</u>

Source Contact:**Business Unit – Roads**

Financial Lead – L. Wong, Finance Lead

Operational Lead – R. Seera, Traffic Operations Manager

Review Schedule:

Last Review: 2015

Next Review: 2018

Legacy Parks Reserve

Capital Reserve (\$000s)

Authorization:	LPC2003-17, NM2003-36, NM2003-40, C2003-67, C2006-62, NM2007-35, C2008-76, LPC2008-02, CPS2009-36, M2010-08, NM2012-05, LPC2012-0809, LPC2013-0428, LPC2014-0172, LPC2014-0823 and LPC2016-0626
Purpose:	To create new park space and enhance existing parks for the benefit of Calgarians, now and in the future.
Conditions:	<p>Allocation of funds are as follows:</p> <ul style="list-style-type: none"> • \$30,000 to fund the purchase and development of lands to comprise three new regional parks. • \$20,000 to fund upgrading and/or development of parks within The City limits. • Per C2006-62, Council approved an additional \$10,400 to fund the purchase of Bearspaw District. • Per LPC2008-02, Council approved an additional \$75,000 of new funding to fund Legacy Parks projects. • Per CPS 2009-36, reallocated \$7,000 of funds from Legacy to Devonian Gardens Redevelopment. • Per NM2012-05, Council approved \$75,000 of new funding to fund Legacy Parks projects. • Per LPC2012-0809 Council approved \$200 one-time operating budget from 2013 to 2017 for Parks Foundation Calgary funded by the Legacy Parks Reserve. • Per LPC2014-0823 Council approved specific projects to be funded by \$75,000 from NM2012-05. • Per LPC2016-0626, the Legacy projects underway were reprioritized and strategically phased and high priority projects were identified.
Restrictions:	Funds are to be used as per purpose outlined above.
Related Budget Programs:	<p>Capital Programs: #499 Legacy Parks</p> <p> #500 Parks and Natural Areas</p>
Funding Sources:	<p>As per NM2007-35, ENMAX dividends in excess of \$35,000 (to fiscal year end 2012).</p> <p>C2008-76 changed the funding to ENMAX dividends in excess of \$43,000. As per NM2012-05, ENMAX dividend in excess of \$47,000 be directed to ENMAX Legacy Parks fund for the next approximately 5 years, with the exception of 50% of any excess dividend, to a maximum of \$20,000, be set aside in a new reserve as a contingency fund for any shortfall in the ENMAX dividends below \$47,000.</p> <p>Investment income: <u> x </u> yes <u> </u> no</p>
Special Reporting Requirements:	Per LPC2013-0428, The Legacy Parks Fund Steering Committee reports directly to Council annually through the SPC on Community Services.

Current Activity (\$000s):

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Opening balance	18,450	23,033	19,738	13,332	19,738
Contributions from operations	-	4,950	6,150	9,900	8,700
Investment income	335	449	435	287	234
Contributions to capital	(11,107)	(9,982)	(3,290)	(3,781)	(5,297)
Contribution from Reserve for Future Capital	2,880	-	-	-	-
Closing balance	<u>10,558</u>	<u>18,450</u>	<u>23,033</u>	<u>19,738</u>	<u>23,375</u>

Source Contact:

Business Unit – Calgary Parks

Financial Lead – T. LePrieur, Finance Lead

Operational Lead – D. Marter, Manager, Capital Development

Review Schedule:

Last Review: 2016

Next Review: 2019

Lifecycle Maintenance and Upgrade Reserve

Capital Reserve (\$000s)

Authorization:	C2002-082, FCS2006-042, FCS2008-028, FCS2011-34, M2012-0828 and PFC2014-847
Purpose:	The Lifecycle Maintenance and Upgrade Reserve (LMUR) was established to maintain and upgrade capital assets (C2002-082).
Conditions:	Funds are to be used as per purpose outlined above.
Restrictions:	<ol style="list-style-type: none"> 1. Funds are to be used as per purpose outlined above. 2. Net proceeds from sale of surplus fire capital assets and future funds received from Alberta Health Services (AHS) are to be used exclusively for fire protective equipment (FCS2011-034). 3. Net proceeds from the sale of surplus transit capital assets are to be used exclusively for transit capital purchases (FCS2011-034). 4. Funds of the Additional Tax Room to be used as per Council approval (M2012-0828).
Funding Sources:	<p>Funding Sources include:</p> <ul style="list-style-type: none"> - 2.6% of annual property taxes (FCS2008-28); - \$10,000/yr from Debt Servicing Reserve (FCS2008-028), provided no new tax-supported debt is issued and funds are not required for the interest payments for MSI related bridge financing; - The Debt Servicing Reserve be reviewed annually and any available funding not committed for tax supported debt will be transferred to the LMUR (FCS2006-042); - Net proceeds from sale of surplus transit and fire assets, and funds received from AHS (FCS2011-34); - Additional Tax Room funds (M2012-0828 and C2013-0330); - Transfer of \$475 in 2014 from City Clerk Operating Budget to LMUR to fund capital projects (C2014-0608).
Related Budget Programs:	<p>Investment income: ___ yes <u>x</u> no</p> <p>Operating Program: #840 Capital Financing Costs.</p> <p>Capital Programs: Capital programs in various business units</p>
Special Reporting Requirements:	None

Current Activity (\$000s):

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Opening balance	149,391	97,251	125,729	102,075	92,205
Contributions from operations	42,031	37,859	36,071	33,051	29,552
Contributions from Debt Servicing Reserve	17,879	14,528	11,710	10,000	10,000
Contributions from Property Tax Room (1)	62,345	62,346	10,231	62,346	10,231
Contributions to capital	(158,445)	(62,979)	(87,558)	(81,830)	(38,545)
Transfer to Budget Savings Account	-	(150)	-	-	-
Transfer from Misc Capital - Fire (2)	1,940	393	151	12	120
Transfer (to) from Misc Capital - Transit (2)	981	143	917	75	(1,488)
Closing balance (3)	<u>116,122</u>	<u>149,391</u>	<u>97,251</u>	<u>125,729</u>	<u>102,075</u>

- (1) As per report M2012-0828 and C2013-0330, the Additional Tax Room funds are transferred to the LMUR annually.
- (2) As per report FCS2011-34, the Misc Capital Fire and Transit reserves are transferred into the LMUR.
- (3) Committed amounts included in the closing balance total \$46,616 for future projects.

Source Contact:

Business Unit – Finance

Financial and Operational – K. Hapke, Budget Officer

Review Schedule:

Last Review: 2014

Next Review: 2017

Parking Land Acquisition Reserve

Capital Reserve (\$000s)

Authorization: LPT2006-13, C2008-61, LAS2009-45, FCS2007-26, PFC2012-0606, C2013-0509, TT2013-0124, and TT2016-0204

Purpose: Enable Calgary Parking Authority to access the funds to support lifecycle requirements for existing cash-in-lieu parking facilities.

Council approved the following special purposes:

1. Allocate \$500 in 2013 and \$4,000 in 2014 from this reserve to Roads Program #127 to be used for Hillhurst/Sunnyside Transit Oriented Development project in Investing in Mobility.
2. Allocate \$100 in 2013 from this reserve to Roads Program #127 to be used as seed money for the Catherine Avenue Woonerf project to facilitate further design and cost estimates, conduct engagement and address land issues.

Conditions: As per purpose.

Restrictions: Funds are to be used as per the purpose outlined above.

Funding Sources: An annual allocation from monies received by The City from the Calgary Parking Authority to a cash-in-lieu of parking land acquisition fund. This allocation will be \$500 per annum commencing in 2007 as well as any Calgary Parking Authority revenues received by the City in excess of budgeted levels plus any associated investment income earned on fund balances.

Investment income: ☒ yes ☐ no

**Related Budget
Programs:**

Capital Programs: #851 Future Downtown Infrastructure Land
#127-140 Various Street Improvements

**Special Reporting
Requirements:**

None

Current Activity (\$000s):

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Opening balance	38,215	32,657	24,688	24,688	12,801
Contributions from Calgary Parking Authority	3,876	5,928	7,639	4,276	6,907
Contributions to capital financing	(4,636)	(1,180)	(248)	-	-
Contribution from Revolving Fund for General Land Purchases (1)	2,441	-	-	-	-
Investment income allocation	876	810	578	421	283
Closing balance	<u>40,772</u>	<u>38,215</u>	<u>32,657</u>	<u>29,385</u>	<u>19,991</u>

(1) Per C2008-61, this transfer was to purchase the portion of land not utilized by the District Energy Plant.

Source Contacts: **Business Unit – Calgary Transit & Transportation Infrastructure**
Finance Lead – T. Johnson, Finance Lead

Business Unit – Transportation Planning
Operational Lead – C. Blaschuk, Manager, Transportation Strategy

Review Schedule: Last Review: 2015 Next Review: 2018

Reserve for Future Capital (RFC)

Capital Reserve (\$000s)

Authorization:	C85-66, C96-15, FCS2004-62, FCS2008-28, FCS2010-27 and FCS2011-34.
Purpose:	<ol style="list-style-type: none"> 1. To fund various capital projects as per Council approval; 2. To hold Pay-As-You-Go (PAYG) funding which helps to pay for City maintenance and upgrade projects; 3. To hold contingency funds (for unforeseen projects or new emergency needs).
Conditions:	A target balance for contingency purposes is 10% of previous year's capital spending less Municipal Sustainability Initiative (MSI) and less self-funded capital projects (FCS2011-034).
Restrictions:	<ol style="list-style-type: none"> 1. Funds are to be used as per purpose outlined above. 2. Facility Management (FM, formerly Corporate Properties & Buildings) lease/sales revenue be reserved for corporate accommodation facilities and sites managed by FM (FCS2010-027).
Funding Sources:	<p>Funding sources include:</p> <ol style="list-style-type: none"> 1. FM lease/sales revenue and space provision funds for new employees (FCS2010-027) 2. Franchise Fee amounts in excess of budget (FCS2004-62) 3. Contribution from Debt Servicing Reserve (DSR) for PAYG funding (up to \$30,000 as of 2013) 4. PAYG funding from operation. Funding increase every 4-year planning period with population and non-residential construction inflation (FCS2008-028) 5. Transfer of Provincial Disaster Recovery reimbursement of 2013 Flood operating costs received to RFC to fund resiliency capital projects (C2014-0774) 6. Heritage Building Preservation fund, one-time \$35 million allocation of 2014 operating surplus to restore and preserve city-owned heritage buildings (C2014-0863) 7. Other funding sources as directed by Council.
Related Budget Programs:	<p>Investment income: ___ yes <u>x</u> no</p> <p>Operating Programs: #840 Capital Financing Costs #694 Facility Management</p>
Special Reporting Requirements:	<p>Capital Programs: Capital programs are identified in various business units</p> <p>None</p>

Current Activity (\$000s):

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Opening balance	354,190	318,286	269,629	271,888	255,491
Net contribution from operations	62,726	80,575	155,979	78,539	89,713
Transfer from DSR	30,000	30,000	30,000	30,000	25,000
Contribution from Parking Authority	1,000	1,000	1,000	1,000	1,000
Contribution to capital financing	(119,402)	(74,171)	(136,822)	(107,225)	(94,981)
Contribution to debt prepayment	-	-	-	(3,073)	(2,835)
Contribution to Community Investment Reserve	(1,500)	(1,500)	(1,500)	(1,500)	(1,500)
Closing balance (1)	<u>327,014</u>	<u>354,190</u>	<u>318,286</u>	<u>269,629</u>	<u>271,888</u>
Represented By:					
Allocated					
Property owners' local improvement repayments	-	-	-	-	3,072
RFC Flow Through	119,683	122,247	96,791	26,231	15,758
Committed PAYG not spent	67,038	81,998	63,641	71,484	78,057
Committed RFC not spent	28,305	11,673	20,051	64,824	58,381
Unallocated					
RFC - contingency (2)	<u>111,988</u>	<u>138,272</u>	<u>137,803</u>	<u>107,090</u>	<u>116,620</u>
	<u>327,014</u>	<u>354,190</u>	<u>318,286</u>	<u>269,629</u>	<u>271,888</u>

- (2) Committed amounts including in the closing balance net of 2017 and 2018 budgeted PAYG contributions is \$200,164 (\$132,266 for PAYG and \$67,898 for RFC).
- (3) Per FCS2011-34 the target balance for contingency purposes is 10% of previous year's capital less MSI and self-funded capital projects. As such the \$111,988 includes \$73,227 as the target contingency balance with the remaining \$38,761 as unallocated.

Source Contact:

Business Unit – Finance

Financial & Operational Lead – K. Ohlhauser, Budget Officer

Business Unit – Facility Management

Financial Lead – C. Myres, Finance Lead

Operational Lead – T. Hansen, Director

Review Schedule:

Last Review: 2014

Next Review: 2017

Revolving Fund Reserve for General Land Purchases

\$	101,073
	(2016)

Capital Reserve (000's)

Authorized: Commissioners' Report FB98-43, LAS2008-173 and PFC2016-0796

Purpose: Land required for City use must often be purchased well in advance of construction, but the capital budget has funds only for projects commencing within the current four year budget cycle. The purpose of this reserve is to acquire land required for City use in a timely manner for projects beyond the four year budget cycle, improvements to city-owned land and program administration.

Conditions: As per purpose.

Restrictions: None

Funding Sources: Initial funding in 1998 was as follows:

- \$5,306 from Real Estate Retained Earnings.
- \$2,500 from non-transportation project funding from the \$40,200 set aside for non-transportation capital projects in excess of the Envelope.

Ongoing funding:

- Income from existing net land leases. Revenue from existing leases may be routed to business units based on approval of business case to the Corporate Land Committee (CLC).
- Sales of general lands.
- Repayment of land purchases by business unit no later than year one of the next four year budget cycle or other alternate pay back arrangements as may be approved by CLC.

Investment income: ☒ yes ☐ no

**Related Budget
Programs:**

Operating Programs: #694 – Net General Lease Revenue
#488 – General Land Sales Revenue

Capital Program: #695 Land Acquisitions – Other Civic Departments

**Special Reporting
Requirements:**

Status update to Council on the Revolving Fund every two years with the Corporate Land Framework Report.

Reporting to SPC on Utilities and Corporate Services every four years on the status of current land holdings.

Current Activity (\$000s):

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Opening Balance	86,881	84,505	52,347	58,654	49,799
Investment Income	2,086	2,031	1,317	1,089	839
Contributions from land sales	32,854	29,394	35,869	12,711	6,177
Contributions from operations	7,720	1,048	1,739	2,181	2,401
Contributions (to)/from capital	(23,296)	(10,760)	(3,005)	(17,447)	3,510
Contributions to other reserves	(5,141)	(18,931)	-	(1,429)	(2,068)
Net transfers to restricted reserve (1)	(31)	(406)	(3,762)	(3,412)	(2,004)
Closing Balance	101,073	86,881	84,505	52,347	58,654

(1) Transfers to restricted reserves:

Funds are restricted sales of land sold to Calgary Municipal Land Corporation (CMLC) and Attainable Homes Calgary Corporation (AHCC). Sales set up as receivables. Receipt of funds will be the earlier of a) ten years from the advancement date, or b) in the event that CMLC/AHCC had disposed of the property, or any portion thereof, the date CMLC/AHCC receives proceeds of the sale to the third party. These funds are restricted until receipt of the funds from CMLC/AHCC is deposited. Total funds to be received equal \$5,845.

Source Contacts: **Business Unit – Real Estate & Development Services**
Financial Lead – S. Thompson, Finance Lead
Operational Lead – J. Halfyard, Manager, Land & Asset Management

Review Schedule: Last Review: 2016 Next Review: 2019

TELUS Convention Centre Reserve
Externally Restricted Capital Reserve (\$000s)

Authorization: C97-83 and C2000-70

Purpose: In 1985 the reserve was created 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.

Conditions: In order to cover emergencies, a minimum balance of \$200 must be maintained in the combination of this reserve and TELUS Convention Centre's operating reserve. C2000-70 approved the reduction in the minimum balance from \$500 to \$200.

Restrictions Expenditures are approved by the Calgary Convention Centre Authority.

Funding Sources: Annual contribution of \$180 from City operations.

Investment income: ____ yes x no

Related Budget Programs:

Operating Program: #449 Civic Partners, Convention Centre

Capital Program: #626 Calgary Convention Centre

Special Reporting Requirements: None

Current Activity (\$000s):

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Opening balance	213	253	200	200	200
Contributions from operations	180	180	180	180	180
Contributions to capital	(151)	(220)	(127)	(180)	(295)
Closing balance	<u>242</u>	<u>213</u>	<u>253</u>	<u>200</u>	<u>85</u>

Source Contacts: **Business Unit – Civic Partners**
Financial Lead – J. Salazar, Finance Lead
Operational Lead – L. Kerr, Manager, Partnership Management

Review Schedule: Last Review: 2016 Next Review: 2019

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Budget Savings Account Reserve

Combined Operating and Capital Reserve (\$000s)

\$ 130,103
(2016)

Authorization: PFC2015-0181, PFC2015-0959, PFC2016-0081 and C2016-0544

Purpose: Regular Budget Savings Account (BSA): To encourage and provide incentives for business units to seek annual savings, innovation and efficiencies, within their operating and capital budgets, including, but not limited to the use of "savings accounts".

Community Economic Resiliency Fund (CERF) Budget Savings Account: As per Council directive, to set aside funding from Corporate surplus / intentional savings to Community Economic Resiliency Fund within the Budget Savings Account for initiatives that support Calgarians and local businesses affected by the challenging economic conditions in Calgary. The Community Economic Resiliency Fund provides the opportunity to respond to the needs of the community in three ways; citizens see the direct benefit of the fund through frozen fees for key City services, non-profits and business units are able to maintain service levels and meet the increasing demand through the emergency fund and can be used as a direct stimulus to the economy by investing in initiatives for economic development and affordable housing.

Conditions: As per purpose.

Restrictions: To remain responsive to current economic conditions The City will retain flexibility in the uses of these funds in the short-term.

Any savings generated by business units will fund the Budget Savings Account. Funds will be allocated 50% to initiatives at the business unit level and 50% to initiatives at the corporate level; or, at 100% to Corporate during economic downturns.

Any savings generated in Corporate Programs, unless as directed by Council, will be directed to the Fiscal Stability Reserve as per Council's current direction.

Funding Sources: Funding for the savings account will be generated by favorable budget variances identified by business units through the management of their operating and capital budgets, and by Corporate as directed by Council.

Capital funding sources are subject to restrictions which potentially limit the uses of any funds saved. Any potential capital savings identified would require disposition in a manner consistent with the terms and conditions of any governing policies or agreements.

Investment income: ____ yes x no

Related Budget Programs:

Operating Programs: All impacted City Business Units
Capital Programs: All impacted City Business Units

Special Reporting Requirements:

None

Current Activity (\$000s):

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Opening Balance	60,905	-	-	-	-
Contributions from operations (1)	24,246	30,313	-	-	-
Contributions from Op - CERF (2)	58,800	30,000	-	-	-
Contributions from capital (3)	3,392	592	-	-	-
Contributions to operations	(269)	-	-	-	-
Contributions to Op - CERF	(16,971)	-	-	-	-
Closing Balance	130,103	60,905	-	-	-
Breakdown of Closing Balance:					
Operating BSA (4)	54,290	30,313	-	-	-
Operating BSA - CERF (5)	71,829	30,000	-	-	-
Capital BSA	3,984	592	-	-	-
Closing Balance	130,103	60,905	-	-	-

- (1) Operating savings from various business units.
- (2) 2016: Contribution for Phased Tax Program, Calgary Neighborhood Emergency Resilience and freeze user fee for Transit, Recreation fee and Pet Service Fee.
2015: Contribution for Affordable Housing Initiative in the Community, Economic Development Initiative, Calgary Neighborhood Emergency Resilience and freeze user fee for Transit, Parks fee, Recreation fee and Pet Service Fee.
- (3) Capital savings from various business units.
- (4) Committed amount in the closing balance is \$1,630 for Calgary Transit Fleet Reliability, Janitorial and Outside Maintenance and Rail System Communications.
- (5) Committed amounts in the closing balance total \$68,973 consisting of: \$45,000 for Phased Tax Program, \$3,500 for Economic Development Initiative, \$6,673 for Affordable Housing Initiatives, \$8,800 to freeze User Fees Increases and \$5,000 for Calgary Neighborhoods Emergency Resilience.

Source Contacts:

Business Unit – Finance

Financial Lead – J. Kwong, Finance Manager
Operational Lead – C. Male, City Treasurer

Review Schedule:

Last Review: N/A

Next Review: 2018

Community Sustainability Reserve

Combined Operating & Capital Reserve (\$000s)

Authorization: CPS2008-39, C2008-76, CPS2009-06, FCS2009-26, FCS2010-28, PFC2013-0745 and PFC2016-0796

Purpose: The purpose of the Community Sustainability Reserve is to provide interim support to assist community organizations in need of short term assistance to address operational shortfalls, as determined by Calgary Neighbourhoods. This Reserve is intended to assist organizations so that they may continue to operate and meet the needs of their community, and/or the citizens of Calgary at large. Funding is available to provide financial support, and if applicable, resources such as consultation support, in order to maximize the capacity and sustainability of an organization to contribute to inspiring neighbourhoods. Funding is provided for:

a. Stabilization and redevelopment assistance to organizations that encounter unexpected financial circumstances or have been dealing with organizational or governance issues for more than a year.

b. Professional consulting services support to organizations in any area that may impact sustainability to deliver improved programs and services to citizens, whether in crisis or not.

Conditions: In order to qualify for funding, Community Associations and social recreational organizations must have an active lease or license of occupation with The City through the Community Association or Social Recreation Leasing Policy.

CSPS011 – Lease/License of Occupation to Community Organizations.

Qualifying organizations must agree to work with Administration to develop and implement recommendations resulting from professional reviews, where possible and reasonable.

The maximum funding amount for operational use is \$200 over a 5 year period of time, and approved by the Director of Calgary Neighbourhoods. The maximum funding amount includes both stabilization and redevelopment assistance.

Restrictions: As per purpose and conditions.

Funding Sources: The Community Sustainability Reserve received a one-time transfer of \$580 from the Lifecycle Assistance and Energy Reserve (CPS2008-39) for operating purposes and \$3,000 from corporate in 2008 (C2008-76) for capital purposes. The purpose of the reserve was amended in 2016 so that the remaining reserve balance at Dec 31, 2015 of \$2,270 could only be used for operational purposes. Funds can only be used for capital projects if the funds were approved prior to the 2016 reserve purpose amendment.

Investment income: ___ yes x no

Related Budget Programs:

N/A

Special Reporting Requirements:

None

Current Activity (\$000s):

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Opening balance	2,270	2,443	2,678	3,151	3,580
Contributions to operations	-	-	-	(473)	(429)
Transfer between reserves	(147)	(173)	(235)	-	-
Closing balance	<u>2,123</u>	<u>2,270</u>	<u>2,443</u>	<u>2,678</u>	<u>3,151</u>

Source Contacts:

Business Unit – Calgary Neighbourhoods

Financial Lead – J. Salazar, Finance Lead

Operational Lead – J. Drucker, Manager, Neighbourhood Connections

Review Schedule:

Last Review: 2016

Next Review: 2019

Calgary Building Services¹ (CBS) and Calgary Community Standards (CCS) – Business Licence Sustainment Reserve

Combined Operating & Capital Reserve (\$000s)

\$ 106,363
(2016)

Authorization: FB2003-49, C2005-60, C2005-68, FCS2005-33, FCS2006-37, FCS2007-45, LPT2008-67, LPT2011-30, PFC2013-0745 and PFC2016-0796.

Purpose: This reserve has two separate purposes:

1. The CBS Reserve will be used to manage fluctuations in the level of activity in the development and building industry, supporting CBS's plan to be a sustainable self-supporting business unit without requiring mill-rate support.
2. The Calgary Community Standards (Business Licence) 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 reserves will be used for the following:

- a. Stabilize operating budgets
- b. Fund one-time operating expenditures
- c. Fund capital expenditures

Conditions:

1. Per report LPT2011-30 Council approved the recommendation to adjust the CBS Sustainment Reserve to a guideline maximum of \$60,000. Should the fund exceed the guideline maximum, the excess would be used as a contribution from reserve to CBS operations in the following year to soften any required user fees increase.
2. The CCS (Business Licence) Reserve – as per purpose.

Restrictions: As per purpose and conditions.

Funding Sources:

1. The CBS Reserve is funded by annual CBS operating surplus as of 2003 and future years.
2. The CCS (Business Licence) Reserve is funded by Business Licence annual operating surplus as of 2014 and future years

Investment income: x yes no

¹ The name for the Development & Building Approvals business unit was changed to Inspections & Permit Services in 2014 due to reorganization and subsequently changes to Calgary Building Services in 2016.

**Related Budget
Programs:**

Operating Programs: #004, Calgary Community Standards (formerly #004, Animal & Bylaw Services)
#611, Calgary Building Services (formerly #611, Inspections & Permit Services)

Capital Programs: #048, Calgary Community Standards, Bylaw Capital
#061, Capital Asset Acquisition
#063, Cash System Integration
#064, Working Space Initiatives
#065, Land Use Bylaw Implementation/Sustainment
#067, Business Technology Sustainment
#069, eService Portfolio

**Special Reporting
Requirements:**

None

Current Activity (\$000s):

<i>CBS Sustainment Reserve</i>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Opening balance	93,707	74,063	48,701	30,794	27,488
Investment income	2,131	2,056	1,351	826	682
Contributions from operations	10,158	23,492	27,927	20,080	6,826
Contributions to capital	(6,882)	(5,904)	(3,916)	(2,999)	(4,202)
Closing balance	99,114	93,707	74,063	48,701	30,794
<i>CCS Sustainment Reserve</i>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Opening balance	4,701	2,184	-	-	-
Investment income	146	92	26	-	-
Contributions from operations	2,439	2,425	2,158	-	-
Contributions to capital	(37)	-	-	-	-
Closing balance	7,249	4,701	2,184	-	-
Total Closing Balance	106,363	98,408	76,247	48,701	30,794

Source Contacts:

Business Unit – Calgary Building Services
Financial Lead – M. Fung, Finance Lead
Operational Lead – K. Griffiths, Director

Business Unit – Calgary Community Standards
Financial Lead – G. Drall, Finance Lead
Operational Lead – R. Hinse, Acting Director

Review Schedule:

Last Review: 2016

Next Review: 2019

Golf Course Levy Reserve

Combined Operating and Capital Reserve (\$000s)

Authorization: CS91-64-02, FB92-64, FCS2004-22, FCS2011-13 and PFC2014-0847

Purpose: To finance golf course capital projects and to fund any Golf Course operating deficit.

Conditions: As per purpose.

Restrictions: Funds are to be used as per the purpose outlined above.

Funding Sources: Surcharge on all golf passes and green fees and additional surplus transferred from operations.

Investment income: x yes no

Related Budget Programs:

Operating Program: #426 Recreation

Capital Program: #505 Golf Courses

Special Reporting Requirements: None

Current Activity (\$000s):

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Opening balance	1,126	529	327	148	111
User surcharges	147	161	183	166	-
Investment income	36	25	19	13	27
Contributions from operations	403	411	-	389	532
Contributions to capital	-	-	-	-	(30)
Debenture repayments	-	-	-	(389)	(492)
Closing balance	<u>1,712</u>	<u>1,126</u>	<u>529</u>	<u>327</u>	<u>148</u>

Source Contacts: **Business Unit – Calgary Recreation**
 Financial Lead – J. Au, Finance Lead
 Operational Lead – G. Steinraths, Manager, Golf Course Operations

Review Schedule: Last Review: 2014 Next Review: 2017

Livery Transport Services Sustainment Reserve

(formerly Livery Transport Services Reserve)

Combined Operating and Capital Reserve (\$000s)

\$ 3,737
(2016)

Authorization: FCS2004-22, FCS2010-10, PFC2013-0745 and PFC2016-0796. This reserve has been reported on annually since at least 1983.

Purpose: 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:

1. Stabilize the operating budget;
2. Fund one-time operating expenditures; and
3. Fund capital expenditures that directly support livery transport services

Conditions: As per purpose.

Restrictions: As per purpose.

Funding Sources: The Livery Transport Services' operating surpluses.

Investment income: ☒ yes ☐ no

Related Budget Programs:

Operating Program: #004 Calgary Community Standards (LTS)

Capital Program: #048 Calgary Community Standards (Bylaw Capital)

Special Reporting Requirements:

None

Current Activity (\$000s):

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Opening balance	4,076	4,539	3,722	3,127	2,633
Annual operating surplus (deficit)	(354)	(181)	901	668	910
Investment income	86	110	99	70	84
Contributions to capital	(71)	(392)	(183)	(143)	(500)
Closing balance	<u>3,737</u>	<u>4,076</u>	<u>4,539</u>	<u>3,722</u>	<u>3,127</u>

Source Contacts:

Business Unit – Calgary Community Standards

Financial Lead – G. Drall, Finance Lead

Operational Lead – M. Halat, Manager, North and East Region

Review Schedule:

Last Review: 2016

Next Review: 2019

Millican-Ogden Community Enhancement

Combined Operating & Capital Reserve (\$000s)

Authorization: C2005-80, E2010-20 and PFC2015-0917

PFC2015-0917 recommended that the reserve be closed and funds transferred back to the Fiscal Stability Reserve should a plan not be approved by the community association by the end of 2016. If a plan is in place, then recommended that Council close the reserve by no later than 2017 December 31.

Purpose: The reserve will be used to fund local improvements to enhance the Millican-Ogden community as identified in the Millican-Ogden Area Redevelopment Implementation Plan. The identified local improvements including community entrance signs, park amenities, pedestrian crossing enhancements; parks revitalization, Community Read-a-Board and other community improvement projects will allow for the implementation of the social development policies and improvement plans set forth in the Community Plan to address existing issues and needs in Millican-Ogden.

Conditions: As per purpose**Restrictions:** Funds are to be used as per the purpose and conditions outlined above.**Funding Sources:** One time funding from the Fiscal Stability ReserveInvestment income: ____ yes x no**Related Budget Programs:**

Operating Program: #612 Community Planning (Previously #616 Land Use Planning & Policy)

Special Reporting Requirements:

None

Current Activity (\$000s):

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Opening balance	132	171	171	171	271
Transfers to operations	(127)	(39)	-	-	(100)
Closing balance	<u>5</u>	<u>132</u>	<u>171</u>	<u>171</u>	<u>171</u>

Source Contacts:

Business Unit – Community Planning
 Financial Lead – M. Fung, Finance Lead
 Operational Lead – D. Hamilton, Director

Review Schedule:

Last Review: 2015

Next Review: 2018

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Parks Endowment and Sustainment Reserve

Externally Restricted Combined Operating and Capital Reserve (\$000s)

\$ 3,118
(2016)

Authorization: FB95-75, PFC2013-0745 and MRER2014-06.

Purpose: This 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.

Conditions: As per purpose.

Restrictions: Endowment funds:
The City entered into various donation agreements with third parties that restricts the withdrawal of the principal of the donation and provides for the expenditure of investment income only. These donations were provided to The City for the ongoing maintenance and sustainment costs of specific named Parks sites. Investment income earned on these endowment funds is transferred to reduce budget requests based on an as needed basis to support the ongoing commitment of the sponsor for the sustainment of the site.

The three endowment funds are:

- Petro-Canada endowment - the investment income is available for maintenance/lifecycle of Wildland Parks; fund balance is \$220 (2015 - \$215),
- Variety Park Endowment Fund - the fund is available for the maintenance and lifecycle for the spray park features and infrastructure. Fund balance is \$138 (2015 - \$135),
- Olympic Plaza endowment - the fund is available for lifecycle maintenance and upgrades to Olympic Plaza. Fund balance is \$138 (2015 - \$135).

Other donation funds:

The City receives various donations, sponsorships and funds from third parties that restrict the use of these funds (both interest and principal) for the ongoing sustainment and education costs related to specific sites. Reserve funds are transferred to the budget of the specific named parks on an as needed basis to support the sustainment and/or the specific arrangement of the donation.

Donations funds consist of:

- Clearwater Land Exchange \$476 (2015 - \$0)
- Inglewood Bird Sanctuary Outdoor Learning Centre \$323 (2015 - \$400).
- Earl Grey Golf Club \$290 (2015 - \$282).
- First Capital Holdings Land Exchange 936-16 Ave SW \$257 (2015 - \$251).
- Weaselhead Land Exchange \$189 (2015 - \$0)
- Ogden Park upgrades \$151 (2015 - \$0)
- Borden Donation \$112 (2015 - \$110)
- Playfields \$105 (2015 - \$58)
- Birth Place Forest \$101 (2015 - \$98)
- Remaining balance \$618 (2015 - \$644) is made up of miscellaneous individual contributions under \$100.

Funding Sources: Contributions/payments received from various parties.

Investment income: x yes no

**Related Budget
Programs:**

Operating Program: #445 Parks

Capital Program: #500 Parks and Natural Areas

**Special Reporting
Requirements:**

None

Current Activity (\$000s):

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Opening balance	2,328	1,291	1,184	1,408	1,334
Investment income	61	44	29	28	31
Contributions from operations	603	931	686	455	403
Contributions to capital	(86)	(78)	(20)	-	-
Contributions to operations	(446)	(324)	(588)	(707)	(360)
Contributions between reserves	658	464	-	-	-
Closing balance	<u>3,118</u>	<u>2,328</u>	<u>1,291</u>	<u>1,184</u>	<u>1,408</u>

Source Contact:

Business Unit – Calgary Parks

Financial Lead – T. LePrieur, Finance Lead

Operational Lead – N. Bernard, Manager; North and West Region; K. Parker, Manager, Strategic Services

Review Schedule:

Last Review: 2016

Next Review: 2019

Perpetual Care of the Municipal Cemetery System Reserve**\$ 15,905**

Combined Operating & Capital Reserve (\$000s)

(2016)**Authorization:** CS96-59-02, CPS96-77, FCS2004-31, CPS2004-71 and PFC2016-0796**Purpose:** To fund operational activities associated with the perpetual maintenance of municipal cemeteries. This reserve will allow for future perpetual care of the municipal cemetery system. Perpetual care includes mowing, trimming, irrigation and repair of graves, as well as general maintenance of the structures and buildings within the cemeteries.**Conditions:** 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.**Restrictions:** As per purpose and conditions.**Funding Sources:** Forty percent (40%) of the funds received by The City from the sale of cemetery plots, mausoleum crypts, columbarium niches, grave monuments and cemetery products shall be deposited into the Fund.Investment income: x yes no**Related Budget Programs:**

Operating Program: #445 Parks

Capital Program: #504 Cemeteries

Special Reporting Requirements:

None

Current Activity (\$000s):

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Opening balance	13,949	12,549	10,359	8,635	7,873
Investment income	347	335	258	193	186
Contributions from operations	2,551	2,663	3,180	2,416	1,746
Contributions to operations	(771)	(1,246)	(1,024)	(795)	(962)
Transfers to capital	(171)	(352)	(224)	(90)	(208)
Closing balance	<u>15,905</u>	<u>13,949</u>	<u>12,549</u>	<u>10,359</u>	<u>8,635</u>

Source Contacts:**Business Unit – Calgary Parks**

Financial Lead – T. LePrieur, Finance Lead

Operational Lead – N. Bernard, Manager, North and West Region

Review Schedule:

Last Review: 2016

Next Review: 2019

Public Art Reserve

Combined Operating & Capital Reserve (\$000s)

Authorization: FCS2010-28, PFC2013-0745, PFC2014-254, ALT2014-0153, ALT2014-0909 and PFC2016-0796

Purpose: Per ALT2014-0909, the purpose of the Public Art Reserve is lifecycle and conservation, maintenance and programming, and pooling for iconic art pieces.

Conditions: As per purpose.

Restrictions: As per purpose and conditions.

Funding Sources: The annual amount transferred to the Public Art Reserve is approved by ALT before each multi-year budget cycle and is based on a calculation in accordance with the Corporate Public Art Policy.

Investment income: ☐ yes ☒ no

Related Budget Programs:

Operating Program: #426 Recreation

Special Reporting Requirements:

None

Current Activity (\$000s):

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Opening balance	4,093	3,272	2,607	1,885	156
Contributions from operations	26	-	-	15	39
Contributions to operations	(290)	(454)	(124)	-	(597)
Transfer between reserves	1,276	1,275	789	707	2,287
Closing balance	<u>5,105</u>	<u>4,093</u>	<u>3,272</u>	<u>2,607</u>	<u>1,885</u>

Source Contacts:**Business Unit – Calgary Recreation**

Financial Lead – J. Au, Finance Lead

Operational Lead – S. Iley, Manager, Arts and Culture

Review Schedule:

Last Review: 2016

Next Review: 2019

Real Estate Services

Combined Operating & Capital Reserve (\$000s)

Authorization: FCS2010-10, PFC2012-0606, PFC 2013-0745 and PFC2014-0847**Purpose:** To finance land acquisitions and development of land holdings to advance economic development and diversification objectives by ensuring an available supply of "shovel ready" industrial land through the development of industrial/business parks; and to advance achievement of other municipal objectives through land improvement of City owned Transit Oriented Development areas and other Council directed special projects.**Conditions:** As per purpose.**Restrictions:** Funds are to be used as per the purpose outlined above.**Funding Sources:** Net proceeds of serviced land sales (Industrial, Business & Special projects), proceeds of intra-city debt (principal and interest) and proceeds from excess commissions. In 1994 (and all subsequent years) the portion reinvested in land inventory is reclassified to Equity in Land Inventory.Investment income: ____ yes x no**Related Budget
Programs:**

Operating Program: #488 Land Servicing & Housing

Capital Programs: #696 Commercial Land Developments;
#697 Land Developments;
#699 Land For Future Developments;
#703 Transit Oriented Development;
#704 School Sites;
#705 Mixed Use Redevelopment**Special Reporting
Requirements:**

None

Current Activity (\$000s):

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Opening balance	68,396	97,664	80,552	76,122	78,809
Contributions from operations for land sales	3,795	1,928	35,054	6,923	9,228
Contributions (to)/from operations	3,404	(15,991)	8,085	(1,612)	(5,632)
Transfer between reserves (1)	1,746	2,802	2,233	3,714	5,267
Investment income	145	148	96	92	114
Contributions to capital financing	(13,517)	(18,155)	(28,356)	(4,687)	(11,664)
Closing balance	63,969	68,396	97,664	80,552	76,122

(1) Transfer from other reserves:

2016: Received \$1,571 from Corporate and \$472 from the Revolving Fund Reserve for General Land Purchases servicing and repayment of pre-development expenses related to R.B. Bennett School site. The balance also includes a transfer to Corporate Housing Reserve of (\$297), equal to 5% of gross Industrial Sales.

2015: Received \$2,296 from Corporate and \$506 from the Revolving Fund Reserve for general land servicing and repayment of pre-development expenses related to R.B. Bennett School site.

2014: Received \$2,068 from Corporate and \$103 from the Revolving Fund Reserve for general land servicing. The balance also includes \$62 from Civic Partners for the redevelopment of Block 40.

2013: Received \$2,527 from Corporate and \$992 from the Revolving Fund Reserve for East Hills Debt interest and general land servicing. The balance also includes \$195 from Civic Partners for the redevelopment of Block 40.

2012: Received \$669 from the Revolving Fund Reserve for East Hills Debt interest and general land servicing. Received \$2,274 from Corporate and \$2,269 from Water Services. The balance also includes \$4,091 from Civic Partnership (relating to the sale of library) for the redevelopment of Block 40 and (\$4,036) for land exchange between Real Estate & Development Services & Facility Management.

Source Contact

Business Unit – Real Estate and Development Services

Financial Lead – S. Thompson, Finance Lead

Operational Lead – C. Blash, Manager, Development Services

Review Schedule:

Last Review: 2015

Next Review: 2018

Utility Sustainment Reserve

Combined Operating & Capital Reserve (\$000s)

\$ 133,033
(2016)**Authorization:** FCS2011-32 and PFC2013-0745**Purpose:** This reserve has been set up to provide both an operating contingency to offset revenue fluctuations and to manage cash flow, ensuring funds are available to meet both operating and capital requirements, capital financing needs associated with capital expenditures.**Conditions:** As per purpose.**Restrictions:** A target balance for sustainment funds set at 10% of utility revenues.
Funds set aside for capital projects dependant on planned capital projects.**Funding Sources:** Utility rate revenues at planned contributions levels and annual operating budget variances.

Portion of Acreage assessments to be spent in future years.

Investment income: x yes no**Related Budget Programs:**

Operating Program: #270 Utilities (Water Resources and Water Services)

Capital Programs: Various capital programs

Special Reporting Requirements:

None

Current Activity (\$000s):

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Opening balance	83,257	49,153	44,076	52,226	18,982
Investment income	2,774	2,091	1,034	971	469
Contribution from operations	200,219	156,849	100,738	70,589	40,139
Contributions to capital financing	(151,428)	(122,557)	(96,695)	(79,710)	(5,095)
Transfer from Fiscal Stability Reserve	310	-	-	-	-
Transfer to Real Estate Services Reserve	(2,099)	(2,279)	-	-	-
Closing balance	<u>133,033</u>	<u>83,257</u>	<u>49,153</u>	<u>44,076</u>	<u>54,495</u>

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Sustainment Funds	14,462	6,889	5,008	4,467	3,676
Offsite Levy Funds	85,257	59,438	29,061	23,209	16,556
Future Year Capital Funds	33,314	16,930	15,084	16,400	31,994
Total Reserve	<u>133,033</u>	<u>83,257</u>	<u>49,153</u>	<u>44,076</u>	<u>52,226</u>

Source Contacts**Business Unit – Utilities**

Financial Lead – B. Jia, Finance Lead

Operational Leads – R. Spackman, Director, Water Resources; D. Limacher, Acting General Manager, Utilities and Environmental Protection

Review Schedule: Last Review: 2016 Next Review: 2019

Waste and Recycling Sustainment Reserve

Combined Operating & Capital Reserve (\$000s)

Authorization: FCS2011-33, PFC2013-0745 and PFC2016-0796**Purpose:** This reserve provides both an operating contingency to offset revenue fluctuations and to manage cash flow, by ensuring funds are available to meet both operating and capital requirements, capital financing needs associated with capital expenditures, as well as setting funds aside for the long-term landfill care and closure care landfill liability.**Conditions:** As per purpose.**Restrictions:** Funds are to be used as per the purpose outlined above.
A target balance for sustainment purposes of 10% of current year's annual revenues has to be maintained.**Funding Sources:** User fees and annual operating budget variances generated from self-supported programs.Investment income: x yes no**Related Budget Programs:**Operating Program: #252 Waste & Recycling Services
Capital Programs: #256 Landfill/Treatment Infrastructure
#257 Diversion Infrastructure
#258 Facilities & Equipment**Special Reporting Requirements:**

None

Current Activity (\$000s):

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Opening balance	48,809	41,968	33,808	41,911	58,162
Contributions from operations	5,809	12,951	23,330	21,463	19,386
Investment income	2,575	2,705	2,221	1,982	2,199
Contributions from other sources (PAYG)	-	-	1,295	445	1,760
Contributions to capital financing	(6,844)	(6,330)	(15,310)	(26,951)	(18,892)
Contributions to operations (Landfill Closure Liability & Fleet Business Model)	(2,330)	(2,485)	(2,773)	(4,600)	(20,500)
Transfer to Public Art Reserve	-	-	(603)	(442)	(204)
Closing balance	<u>48,019</u>	<u>48,809</u>	<u>41,968</u>	<u>33,808</u>	<u>41,911</u>
Funds set aside for Sustainment purposes	8,947	9,660	10,278	9,657	8,804
Diversion	18,323	16,103	15,054	16,426	20,355
Landfill	338	7,271	6,002	1,185	6,294
Cash Requirement for Future Year Capital	<u>20,411</u>	<u>15,775</u>	<u>10,634</u>	<u>6,540</u>	<u>6,458</u>
Closing balance	<u>48,019</u>	<u>48,809</u>	<u>41,968</u>	<u>33,808</u>	<u>41,911</u>

Source Contacts: **Business Unit – Waste & Recycling Services**
Financial Lead – L. Peng, Finance Lead
Operational Lead – R. Valdarchi, Director**Review Schedule:** Last Review: 2016 Next Review: 2019

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LONG TERM LIABILITIES

Capital Deposits

Employee Benefit Obligations

Acreage Assessments

Capital Deposit (\$000s)

\$ 402,170
(2016)

Purpose: To finance capital only, as authorized through Council approval of capital budgets. The funds are normally utilized as soon as possible after receipt. There is no obligation for specific project spending for Water Resources and Water Services, since underground and utility works are completed before commencement of site development. For Roads, The City's only obligation is to provide the services for future Road projects. For Fire, the funds are intended for fire infrastructure projects for new growth areas only. For Civic Partners, Recreation and Parks, the funds are intended to cover the capital construction, servicing and land costs of recreation facilities, and the New Central Library costs. The funds are intended for infrastructure projects for new growth areas only.

Conditions: Budget programs:
- Funds are to be used in capital financing.

Restrictions: Third party agreements:
- Obligation to provide capital in the future.

Funding Sources: Under the terms of development agreements, an assessment per acre is levied for expressways and freeways, and for drainage mains and trunks to service new areas. Charges are also levied for storm redevelopment in older areas and for emergency response stations, recreation facilities, and libraries to serve new development. Prior to 2001, acreage assessments were also collected for Waterworks and Wastewater.
Investment Income Treatment:
- Transportation Units – investment income is added to the capital deposit balance.
- Water Resources and Water Services, Fire, Parks, Recreation and Civic Partners, Calgary Police Services, Calgary Approvals Coordination – investment income is not added to the capital deposit balance.

Related Budget Programs: Various programs

Special Reporting Requirements: None

Current Balances: (\$000s)

	<u>2016</u>	<u>2015</u> (Restated)	<u>2014</u>	<u>2013</u>	<u>2012</u>
Water Resources and Services	7,904	7,576	30,246	24,671	22,123
Roads	6,207	5,301	4,404	3,380	1,450
Transit	19,613	17,631	14,889	13,680	15,007
Parks & Recreation	83,331	80,287	58,478	85,775	80,471
Transportation Infrastructure	222,342	183,060	157,876	141,553	138,387
Civic Partners	19,603	19,495	16,453	14,092	11,993
Calgary Approvals Coordination	86	-	-	-	-
Fire	61,004	50,375	45,104	38,298	41,640
Calgary Police Services	30,899	24,986	21,233	18,251	15,863
Community & Neighbourhood Services	-	-	30,746	-	-
Interdepartmental charge elimination	(48,819)	(49,702)	(37,740)	(23,214)	(22,432)
Total	<u>402,170</u>	<u>339,009</u>	<u>341,689</u>	<u>316,486</u>	<u>304,502</u>

Source Contacts:

Business Unit:

Water Resources and Services
Roads
Transit and Transportation Infrastructure
Parks
Recreation
Civic Partners
Calgary Approvals Coordination
Fire
Calgary Police Services
Calgary Neighbourhoods

Financial Leads:

B. Jia, Finance Lead
L.Wong, Finance Lead
T. Johnson, Finance Lead
T. Le Prieur, Finance Lead
J. Au, Finance Lead
J. Salazar, Finance Lead
E. Coyle, Finance Lead
A. Szaflarski, Finance Lead
B. Hutchins, Finance Manager
J. Salazar, Finance Lead

Alberta Municipal Infrastructure Program (AMIP) Agreement\$ -
(2016)

Capital Deposit (\$000s)

Purpose: The Province of Alberta, through the AMIP, provides financial assistance to municipalities for Core Capital Infrastructure projects to maintain or enhance economic, social and cultural opportunity and well being, while protecting and improving the quality of the environment.

Conditions: City Council and the Minister of Infrastructure and Transportation must approve the projects. All AMIP eligible projects should be completed and AMIP fund available has to be spent by December 31, 2015. The fund is now fully expended.

Restrictions: Projects must be deemed eligible as described in the AMIP Memorandum of Agreement dated 2005 May 4th signed by the Minister of Infrastructure and Transportation and the Mayor of The City.

Funding Sources: The AMIP is a per capita funding program. The City has received \$905,000 over the five year period starting in 2005 and ending in 2009/2010.

Investment income: x yes no

Related Budget Programs:

Capital Programs throughout The City

Special Reporting Requirements:

None

Current Activity (\$000s):

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Opening balance	-	11,699	25,969	45,351	105,402
Contributions from Province	-	-	-	-	-
Investment income	-	155	475	770	1,253
Contributions to capital	-	(11,854)	(14,745)	(20,152)	(61,304)
Closing balance	-	-	11,699	25,969	45,351

Source Contacts:

Business Unit – Corporate Revenue & Costs

Financial and Operational Lead – C. Fung, Corporate Finance Lead

Cash in Lieu of Parking Fund

Capital Deposit (\$000s)

\$ 15,098
(2016)

- Purpose:** To provide parking structures or acquire land for parking.
- Conditions:** The deposits, including interest, are refundable if the developer subsequently provides the parking facilities.
- Restrictions:** Third party agreements:
- Obligation to use the funds for construction of parking facilities or land acquisitions outside the central business district.
- Funding Sources:** Cash payments received by the Calgary Parking Authority, under terms of development agreements, in lieu of the developer providing sufficient parking stalls.
- Investment income: ☒ yes ☐ no

Related Budget Programs:

Operating Program: #104 Calgary Parking Authority
Capital Program: #106 Calgary Parking Authority

Special Reporting Requirements:

None

Current Activity (\$000s):

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Opening balance	14,697	8,882	5,783	5,219	4,004
Contributions from developers (1)	-	5,501	2,858	397	982
Investment income	401	314	241	167	233
Closing balance	<u>15,098</u>	<u>14,697</u>	<u>8,882</u>	<u>5,783</u>	<u>5,219</u>

(1) Contributions from developers:

2016: No new deposits.

2015: New deposit in 2015 a) HSBC (apartment building 326 units 100-124 7th Ave SW) 128 stalls in lieu of commercial parking (\$5,081), b) N3 Condos Development, cash-in-lieu of residential visitor parking \$420 lump-sum. Will be used in East Village new parkade construction.

2014: New deposit in 2014 a) Widewaters Group Inc. 43 stalls at the downtown rate \$39.7 obligation of release of development permit (\$1,707), DP2012=5376 711-4 St NE, b) Genco Holdings Ltd. 29 stalls at the downtown rate \$39.7 obligation of release of development permit (\$1,151). DP2012-3832 634-6 Ave SW (downtown business district offices, retail store).

2013: New deposit in 2013 for La Caille Sixth Avenue Inc. 10 stalls at the downtown rate \$39.7 obligation of release of development permit (\$397).

2012: New deposit in 2012 for Eighth Avenue Place – tower 2 new floors DP2011-3444. Received in January 2012 from Haines Canada Management Company (Marten Rhead, Gibbs Gage). Payment for cash-in-lieu of parking equivalent for 27 stalls at the downtown rate \$36.36 obligation of release of development permit.

Source Contacts:

Related Authority – Calgary Parking Authority

Financial Lead – J. Hackett, Controller

Operational Lead – M. Derbyshire, General Manager

Eau Claire Improvement Fund

Capital Deposit (\$000s)

\$ 829
(2016)

- Purpose:** To provide capital funds for upgraded street level improvements in the Eau Claire community.
- Conditions:** The fund is for improvements to public lands and for public benefits only. The Executive Office must approve expenditures.
- Restrictions:** Third party agreements:
- Obligation to provide capital in the future.
- Funding Sources:** All commercial development that requires a density bonus in Land Use Districts 20Z95, 21Z95, 22Z95 and 54Z95. Special contributions from the 'C' and 'B' blocks are also made to the fund prior to release of a Development Plan for these blocks.
- Investment income: ☒ yes ☐ no
- Related Budget Programs:** Capital Programs: #616, City Centre Initiatives
- Special Reporting Requirements:** None

Current Activity (\$000s):

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Opening balance	2,296	931	975	955	934
Investment income	33	42	21	20	21
Contributions from operations	-	1,333	-	-	-
Financing capital projects	(1,500)	(10)	(65)	-	-
Closing balance	<u>829</u>	<u>2,296</u>	<u>931</u>	<u>975</u>	<u>955</u>

Source Contacts: **Business Unit – Community Planning**
Financial Lead – M. Fung, Finance Lead
Operational Lead – B. Barrington, Program Manager

Federal Gas Tax Fund

Capital Deposit (\$000s)

\$ 76,132
(2016)

Purpose: The Federal Gas Tax Fund (formerly known as New Deal for cities and communities) is a program sponsored by the Federal Government commencing in 2005 to assist municipalities in addressing their sustainable municipal capital infrastructure needs. The program is supported through the allocation to Alberta Municipalities of a portion of the federal gasoline tax. Funding under this program is subject to the province receiving the funding from the federal government.

Conditions: City Council and the Minister of Infrastructure and Transportation must approve the projects.

Restrictions: Projects must be deemed eligible as described in the Memorandum of Agreement dated 2005 June 30th signed by the Minister of Infrastructure and Transportation and the Mayor of The City. Subsequently, this agreement was revised in October 2014 and signed by Minister of Municipal Affairs and the Mayor of The City.

Funding Sources: In the Federal Government's Budget 2008 document, the Gas Tax Fund was made a permanent measure to allow municipalities to better plan and finance their long-term infrastructure needs. Starting 2014 a new funding agreement with more flexible eligibility criteria was put in place.

Investment income: x yes no

**Related Budget
Programs:**

Capital Programs throughout The City

**Special Reporting
Requirements:**

None

Current Activity (\$000s):

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Opening balance	67,079	-	32,769	44,377	25,658
Contribution from federal government	66,362	125,128	-	59,378	79,555
Investment income	1,486	1,288	221	785	833
Contributions to capital	(58,795)	(59,337)	(32,990)	(71,771)	(61,669)
Closing balance	<u>76,132</u>	<u>67,079</u>	<u>-</u>	<u>32,769</u>	<u>44,377</u>

Source Contacts:

Business Unit – Corporate Revenue & Costs

Financial and Operational Lead – C. Fung, Corporate Finance Lead

Basic Municipal Transportation Grant

Capital Deposit (\$000s)

\$ -
(2016)

Purpose: To establish a 'City Transportation Fund' to finance eligible expenditures incurred or to be incurred on Capital Transportation Projects under the Transportation Infrastructure Investment Program (TIIP). Effective April 1, 2014 the Basic Municipal Transportation Grant (BMTG) is combined with Municipal Sustainability Initiative (MSI) and the purpose of the grant is the same as the MSI. The BMTG under the previous agreement is fully expended and will be reported as part of MSI.

Conditions: City Council and the Alberta Municipal Affairs must approve projects.

Restrictions: Projects must be deemed eligible as described in the Memorandum of Agreement dated March 13, 2000 signed by the Minister of Infrastructure and the Executive Officer of The City.

Funding Sources: The City's BMTG allocation by the Province of Alberta is calculated based on The City's share being 55% of 43% of the prior year's provincial taxable fuel sales volumes at 5 cents per litre as per provincial fuel deliveries provided by Alberta Treasury Board and Finance.

Investment income: x yes ___ no

Related Budget Programs:

Capital Programs throughout The City

Special Reporting Requirements:

None

Current Activity (\$000s):

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Opening balance	8,817	259,873	134,742	131,561	105,839
Contributions from Province	-	-	192,415	106,900	90,000
Investment income	-	3,989	4,793	3,636	2,943
Contributions to capital	(8,762)	(131,645)	(72,077)	(107,355)	(67,221)
Contributions other sources	(55)	(123,400)	-	-	-
Closing balance	-	8,817	259,873	134,742	131,561

Source Contacts:

Business Unit – Corporate Revenue & Costs

Financial and Operational Lead – C. Fung, Corporate Finance Lead

Infrastructure Canada – Alberta Program (ICAP)

Capital Deposit (\$000s)

\$ -
(2016)

Purpose: To improve urban municipal infrastructure. The ICAP objectives include improving Canadians' quality of life through investments that enhance the quality of Canada's environment, support long-term economic growth, improve community infrastructure and build infrastructure through best technologies, new approaches and best practices.

Conditions: The program's first priority is Green Municipal Infrastructure, such as water and wastewater systems, water management, and solid waste management. Secondary priorities include infrastructure supporting local transportation, culture and recreation, tourism, high speed internet access for local public institutions and affordable housing.

Restrictions: All projects must meet the program requirements. Interest earned on the provincial contributions can only be used for transportation projects and must be approved by the Minister of Alberta Transportation.

Funding Sources: Cost sharing arrangement between Infrastructure Canada (Federal Government, Province of Alberta and The City). The Province prepaid their 1/3 share in 2001.

Investment income: ☐ yes ☒ no

Related Budget Programs: Various Programs throughout number of business units.

Special Reporting Requirements: None

Current Activity (\$000s):

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Opening balance	-	173	173	173	173
Contributions from:					
Provincial government	-	-	-	-	-
Federal government	-	-	-	-	-
Investment income	-	-	-	-	-
Contributions to capital	-	(173)	-	-	-
Transferred to other BU	-	-	-	-	-
Closing balance	-	-	173	173	173

Source Contacts: **Business Unit – Roads**
Financial Lead - L. Wong, Finance Lead
Operational Lead - T. McLeod, Director

Miscellaneous Capital Deposits

\$ 241,435
(2016)

Capital Deposit (\$000s)

Purpose:	To finance capital only, as authorized through Council approval of capital budgets.
Conditions:	<p>Under City policy, a prepayment (deposit) may be requested from third parties before provision of services (including water and sewer connections, sidewalks, paving, grading and gravelling).</p> <p>Portions of Roads, Transit, Water Resources and Water Services, Fire, Parks, Recreation, Civic Partners, Environmental Safety Management and Facility Management deposit balances constitute unused Provincial/Federal capital grant funds that are to be spent on a cost-shared basis.</p> <p>The deposits are refundable if the projects for which they were designated are not undertaken. The City may have an obligation to pay interest on any deposits refunded.</p>
Restrictions:	Third party agreements: Obligation to undertake specific capital projects or deposits must be refunded.
Funding Sources:	<p>A prepayment (deposit) by third parties in provision of services (including water and sewer connections, sidewalks, paving, grading and gravelling); and portions of Roads, Transit, and Water Resources and Water Services, Fire, Parks, Recreation, Civic Partners, Environmental Safety Management and Facility Management deposit balances constitute unused Provincial/Federal capital grant funds that are to be spent on a cost-shared basis.</p> <p>Investment income:</p> <p>Units with no Investment Income Allocation: Calgary Growth Strategies (formerly CPI/DBA), Calgary Approvals Coordination, Parks, Recreation, Fire, Calgary Community Standards (formerly PSC), Facility Management (formerly Corporate Properties), Corporate Analytics & Innovation (formerly Infrastructure and Information Services), Environmental and Safety Management.</p> <p>Units with an Investment Income Allocation: Community Planning (formerly LPI), Urban Strategy, Calgary Transit, Transportation Infrastructure, Roads, Water Resources and Water Services,</p>
Related Budget Programs:	Various Programs
Special Reporting Requirements:	None

Current Balances (\$000s):

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
		(Restated)			
Roads	53,474	53,282	49,743	51,445	43,130
Transit	9,046	9,146	9,555	10,014	6,530
Community Planning (1)	3,744	13,291	9,801	10,886	9,310
Urban Strategy	9,698	-	-	-	-
Calgary Growth Strategies (2)	-	1,808	5,678	5,371	4,921
Calgary Approvals Coordination	5,085	-	-	-	-
Transportation Infrastructure	51,915	26,155	22,092	22,059	19,716
Corporate Analytics & Innovation	322	322	436	609	609
Parks & Recreation	42,559	55,338	48,232	39,777	40,776
Water Resources & Water Services	5,158	5,092	4,268	4,578	4,802
Facility Management	173	173	173	173	273
Environmental and Safety Management	-	272	2,000	2,000	2,000
Corp Revenue and Costs	54,416	35,601	33,940	112,665	-
Fire & CCS	9,350	9,276	8,266	6,791	5,309
Community & Neighbourhood Services	-	-	1,035	1,000	-
Interdepartmental Charge Elimination	(8,914)	(9,329)	(9,810)	(10,410)	(8,920)
	<u>236,026</u>	<u>200,427</u>	<u>185,409</u>	<u>256,958</u>	<u>128,456</u>
Related Authorities:					
Calgary Housing Company	5,409	9,259	9,614	9,614	9,614
Calgary Arts Development Authority Ltd.	-	-	6	1,358	-
Calgary Economic Development Ltd.	-	-	5,037	-	-
	<u>5,409</u>	<u>9,259</u>	<u>14,657</u>	<u>10,972</u>	<u>9,614</u>
Closing balance	<u>241,435</u>	<u>209,686</u>	<u>200,066</u>	<u>267,930</u>	<u>138,070</u>

- (1) As a result of the PDA re-organization that occurred in 2016, Local Area Planning & Implementation was dissolved and all balances prior to 2016 related to Local Area Planning & Implementation was transferred to Community Planning.
- (2) As a result of the PDA re-organization that occurred in 2016, City Wide Policy & Integration was dissolved and all balances prior to 2016 related to City Wide Policy & Integration was transferred to Calgary Growth Strategies.

Source Contacts:

Business Unit:

Roads
Transit and Transportation Infrastructure
Community Planning and Urban Strategies
Calgary Growth Strategies and Calgary Approvals Coordination
Corporate Analytics & Innovation
Parks & Recreation
Water Resources and Services
Facility Management
Environmental and Safety Management
Corporate Revenue and Costs
Fire & Calgary Community Standards
Calgary Neighbourhoods

Financial Leads:

L.Wong, Finance Lead
T. Johnson, Finance Lead
M. Fung, Finance Lead
E. Coyle, Finance Lead
E. Jarvo, Finance Lead
T. Le Prieur, Finance Lead, Parks
J. Au, Finance Lead, Recreation and S. MacFayden, Finance Manager, CS
B. Jia, Finance Lead
C. Myres, Finance Lead
F. Tse, Finance Lead
C. Fung, Corporate Finance Lead
A. Szaflarski, Finance Lead
G. Drall, Finance Lead
J. Salazar, Finance Lead

Municipal Sustainability Initiative (MSI)

Capital Deposit (\$000s)

\$ 259,942
(2016)

Purpose: The Province of Alberta announced the MSI Program on April 24, 2007 as a ten year program to be phased in over four years. The Program provides municipalities with sustainable funding to assist them in meeting the challenges of growth and enhancing their long-term sustainability.

Conditions: City Council and the Minister of Municipal Affairs must approve the projects.

Restrictions: Capital projects must be deemed eligible as described in the MSI Capital Project Funding Program Guidelines (effective January 1, 2008) Schedule 1 and Revised Schedule as amended subsequently on June 3, 2014.

Operating Projects must be accepted by the Minister.

Funding Sources: Majority of the MSI funding is allocated by a formula incorporating: 48 per cent on a per capita basis; 48 per cent on education property tax requisitions and 4 per cent based on kilometres of local roads.

Investment income: x yes no

Related Budget Programs:

Various Programs

Special Reporting Requirements:

None

Current Activity (\$000s):

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Opening balance	362,375	99,264	132,973	4,387	1,698
Investment income	7,455	5,027	3,652	1,480	1,232
Contributions from other sources	-	283,400	100,000		
Contributions from Province	373,850	392,748	252,944	254,155	256,926
Debt repayment	(220,000)	(270,000)	(240,000)	-	-
Contributions to capital	(263,738)	(148,064)	(150,305)	(127,049)	(255,469)
Closing balance	<u>259,942</u>	<u>362,375</u>	<u>99,264</u>	<u>132,973</u>	<u>4,387</u>

Source Contacts:

Business Unit – Corporate Revenue & Costs

Financial and Operational Lead – C. Fung, Corporate Finance Lead

Plus 15 Cash in Lieu Fund

Capital Deposit (\$000s)

\$ 24,665
(2016)

Purpose: To expand or improve the existing Plus 15 System.

Conditions: Capital budget:

- Expenditure approved through the capital budgeting process.
- Once received, the monies are not tied to any one location or project.
- Unless specifically stated in a Development Agreement, deposits are not refundable.

Restrictions: Third party agreements:

- Obligation to undertake Plus 15 construction in future.

Funding Sources: Monies received from developers paid, either in-lieu of the construction of a Plus 15 bridge, and/or as a direct contribution to the Fund required of all new developments by Bonus Standard A2(b) in the CM-2 Downtown Business District.

Interest is allocated to the Fund to ensure that inflation from rising construction costs does not undermine the ability of the Fund to expand the Plus15 System.

Investment income: x yes no

Related Budget Programs:

Operating Program: #612 Community Planning (formerly #612 Local Area Planning & Implementation)

Capital Program: Various

Special Reporting Requirements:

None

Current Activity (\$000s):

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Opening balance	24,364	23,999	22,937	22,884	24,624
Investment income	515	647	511	476	534
Transfer to Facility Management	(214)	(1,299)	(606)	(132)	(1,086)
Transfer to Capital P856/P656-03W	-	-	-	(3,268)	(1,199)
Contributions from operations	-	1,017	1,157	2,977	11
Closing balance	<u>24,665</u>	<u>24,364</u>	<u>23,999</u>	<u>22,937</u>	<u>22,884</u>

Source Contacts:

Business Unit – Community Planning
Financial Lead – M. Fung, Finance Lead
Operational Lead – T. Matthias, Director

Defined Benefit Pension Plans (Registered & Non Registered)\$ **86,738**Employee Benefit Obligation Previously Funded and to be Funded in Future Years
(\$000s)

(2016)

Purpose: Estimated liability for future pension plan benefits. The City has various pension plans earned by employees and expected to be provided to them when they are no longer in active service. These future benefits are estimated and accrued for existing employees as they are earned. The City's contributions are made in compliance with the funding requirements pursuant to the most recent actuarial valuation for funding purposes. The valuation is carried out by an independent actuary and is based on a number of demographic and economic assumptions. More information on each of these plans is available in Note 13 of the 2016 consolidated financial statements contained in The City's 2016 Annual Report.

Conditions: As per purpose.

Restrictions: Funds to be used for purpose as described above.

Funding Sources: Operating Budget Program 787, Employee Benefits.

Related Budget Programs: Operating Program: #787 Employee Benefits

Special Reporting Requirements: None

Current Balances (\$000s):

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Funded					
Registered defined benefit pension (1)	51,714	46,772	39,366	33,064	23,609
Non-reg. defined benefit pension (2)	35,024	32,118	28,787	26,809	20,081
Total	86,738	78,890	68,153	59,873	43,690

(1) Includes The Calgary Firefighters' Supplementary Pension Plan, The City of Calgary Supplementary Pension Plan, Pension Plan for Elected Officials of The City of Calgary and Calgary Police Supplementary Pension Plan.

(2) Includes the City of Calgary Overcap Pension Plans, The City of Calgary Executive Pension Plan and Supplementary Pension Plan for Elected Officials of The City of Calgary and individual contractual pension obligations.

Source Contacts: **Business Unit – Finance**
Financial Lead – C. Zimmer, Finance Leader, Pensions Finance
Operational Lead – C. An, Finance Manager, Corporate Financial Reporting

Funded Vacation and Overtime Liability

Employee Benefit Obligation Previously Funded (\$000s)

\$ 217,074
(2016)

Purpose: Employee union and association agreements permit civic employees to defer a certain portion of their unused vacation and overtime to future years.

Conditions: This liability is recognized on the statement of financial position, with annual earned and deferred amounts being accrued to the current year's operating budget.

Restrictions: For purpose as described above.

Funding Sources: Operating Budget Program 787, Employee Benefits, City Business Units (for banked overtime), Calgary Police Service, and consolidated related authorities.

Related Budget Programs: Operating Budget Program 787, Employee Benefits, City Business Units (for banked overtime), Calgary Police Service, and consolidated related authorities.

Special Reporting Requirements: None

Current Balances (\$000s):

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
(Note 1)					
Deputy City Manager's Office	13,930	11,478	11,947	11,633	11,126
Chief Financial Office	24,801	23,387	21,339	21,239	20,902
Community Services	38,605	37,695	33,387	31,858	31,225
Corporate Administration	6,662	6,124	5,782	5,981	5,342
Planning & Development	8,474	8,289	7,312	8,141	7,865
Transportation	39,218	37,839	33,866	33,742	33,040
Utilities & Environmental Protection	25,526	25,007	22,734	21,809	20,235
Calgary Police Service	54,849	54,049	53,757	49,211	45,770
RAWW Days	671	594	1,951	2,018	1,938
	<u>212,736</u>	<u>204,462</u>	<u>192,075</u>	<u>185,632</u>	<u>177,443</u>

Related Authorities

Calgary Parking Authority	887	682	472	491	531
Calgary Housing Company	1,813	1,723	1,567	1,510	1,362
Calgary TELUS Convention Centre	355	391	376	403	335
Calgary Municipal Land Corporation	61	45	28	31	25
Calgary Public Library	1,123	1,060	929	931	899
Attainable Homes Calgary Corporation	10	28	13	15	11
Calgary Economic Development Ltd.	89	89	91	82	82
	<u>4,338</u>	<u>4,018</u>	<u>3,476</u>	<u>3,463</u>	<u>3,245</u>
	<u>217,074</u>	<u>208,480</u>	<u>195,551</u>	<u>189,095</u>	<u>180,688</u>

Note 1: Current year figures have been categorized consistent with the re-organization that occurred in 2016. Prior year categorizations have been revised for comparability.

Source Contacts: **Business Unit – Finance**
Financial Lead – D. Christensen, Finance Leader, Benefits Finance
Operational Lead – C. An, Finance Manager, Corporate Financial Reporting

Other Retirement Benefits Liability

\$ 176,341
(2016)

Funded and to be Funded in Future Years (\$000s)

Purpose: The City sponsors extended health, dental and life insurance benefits to qualifying retirees and their surviving spouses from the date of retirement to the age of 65. The City and the retirees share equally in the cost of benefits. The City also sponsors a non-contributory retiring allowance of up to seven (7) weeks of salary for qualifying retirees as well as supplementary compensation benefits. The liability is determined through actuarial valuations that are prepared at least once every three years as per section 3250 of Public Sector Accounting Standards (PSAS). Additional information is available in Note 13 of the 2016 consolidated financial statements contained in the City's 2016 Annual Report.

Conditions: As per purpose

Restrictions: Funds to be used for purpose as described above.

Funding Sources: Operating Budget Program 787, Employee Benefits

Related Budget Programs: Operating Program: #787 Employee Benefits

Special Reporting Requirements: None

Current Balances:

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Post Retirement Benefits (funded)	176,341	167,879	160,036	149,941	137,514
	<u>176,341</u>	<u>167,879</u>	<u>160,036</u>	<u>149,941</u>	<u>137,514</u>

Source Contacts: **Business Unit – Finance**
Financial Lead – D. Christensen, Finance Leader, Benefits Finance
Operational Lead – C. An, Finance Manager, Corporate Financial Reporting

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SUPPLEMENTARY SCHEDULES

2016 RESERVE SUPPLEMENTARY SCHEDULE

Note: Values may be slightly adjusted from values disclosed in individual reserve tables. These changes were made to facilitate balancing of the 2016 supplementary schedule.

	Operating/ Capital/ Sustainment	Jan.1/16 Opening Balance	Contribution To Operations	Contribution From Operations	Transfer to Capital Fund	Transfer Between Reserves	Corp financing (investment income)	Other	Dec. 31/16 Closing Balance
Community Strategies & Neighbourhood Services									
Children's Reserve Fund	o	(4,605)	17	-	-	-	(105)	-	(4,693)
Community Sustainability Reserve	s	(2,270)	-	-	-	147	-	-	(2,123)
FCSS Stabilization Fund	o	(5,704)	-	(2,605)	-	2,897	(92)	-	(5,504)
Fire & Public Safety Communication Centre									
911 Communications Centre Capital Financing Reserve	c	(18,577)	-	(6,769)	1,205	-	-	-	(24,141)
Parks and Recreation									
Golf Course Levy Reserve	s	(1,126)	-	(550)	-	-	(36)	-	(1,712)
Legacy Parks Reserve	c	(18,450)	-	-	11,107	(2,880)	(335)	-	(10,558)
Artificial Turf Field Lifecycle Reserve	c	(2,221)	-	(908)	173	-	(59)	-	(3,015)
Community Investment Reserve	c	(152,379)	-	(50,919)	108,454	(1,500)	(5,860)	-	(102,204)
Parks Endowment and Sustainment Reserve	s	(2,328)	446	(603)	86	(658)	(61)	-	(3,118)
Perpetual Care of the Municipal Cemetery System Reserve	s	(13,949)	771	(2,551)	171	-	(347)	-	(15,905)
Public Art Reserve	s	(4,093)	290	(26)	-	(1,276)	-	-	(5,105)
Societies & Related Authorities									
Parks Foundation Reserve	o	(2,395)	159	-	-	-	(140)	-	(2,376)
TELUS Convention Centre Reserve	c	(213)	-	(180)	151	-	-	-	(242)
Corporate Services									
Health, Safety and Wellness Reserve	o	(13,271)	3,006	(5,719)	-	-	-	-	(15,984)
Information Technology Reserve	c	(18,658)	-	(13,577)	11,700	-	(211)	-	(20,746)
Fleet Services Capital Reserve	c	(10,456)	-	(3,870)	-	-	-	-	(14,326)
Corporate Revenue & Costs									
Debt Servicing Reserve	c	(52,570)	48,050	(94,752)	-	47,879	(1,177)	-	(52,570)
ENMAX Dividend Stabilization Reserve	o	(20,000)	-	-	-	-	-	-	(20,000)
Fiscal Stability Reserve	o	(547,811)	19,725	(12,243)	1,382	29,135	(12,319)	(34,430)	(556,561)
Group Life Reserve	o	(1,580)	-	(69)	-	-	(36)	-	(1,685)
Lifecycle Maintenance and Upgrade Reserve	c	(149,391)	-	(42,459)	158,445	(82,717)	-	-	(116,122)
Tax Loss Provision Reserve	o	(37,398)	-	-	-	-	-	-	(37,398)
Self Insurance Reserve	o	(7,000)	-	-	-	-	-	-	(7,000)
Budget Savings Account Reserve	s	(60,905)	17,240	(83,046)	(3,392)	-	-	-	(130,103)
Land Use Planning & Policy & Development Approvals									
Calgary Heritage Authority Reserve	o	(1,770)	45	-	-	-	(40)	-	(1,765)
CBS Sustainment Fund	s	(93,707)	-	(10,158)	6,882	-	(2,131)	-	(99,114)
CCS Sustainment Fund	s	(4,701)	-	(2,439)	37	-	(146)	-	(7,249)
Millican-Ogden Community Enhancement	s	(132)	127	-	-	-	-	-	(5)
Downtown Improvement Fund	c	(3,629)	-	(255)	283	-	(83)	-	(3,684)
Heritage Incentive Reserve	o	(1,087)	347	(225)	-	-	-	-	(965)
Mall Programming Fund	o	(770)	-	-	-	-	(18)	-	(788)

2016 RESERVE SUPPLEMENTARY SCHEDULE										
Note: Values may be slightly adjusted from values disclosed in individual reserve tables. These changes were made to facilitate balancing of the 2016 supplementary schedule.										
	Operating / Capital Sustainm ent	Jan. 1/16 Opening Balance	Contribution To Operations	Contribution From Operations	Transfer to Capital Fund	Transfer to Equity in Land Inventory	Transfer Between Reserves	Corp financing (investment income)	Other	Dec. 31/16 Closing Balance
Roads & Transportation Planning										
Asphalt and Crusher Plant Lifecycle Capital Reserve	c	(6,367)	-	(1,936)	910	-	-	(107)	-	(7,500)
LED Street Light Re-Lamping Reserve	c	(5,528)	-	(1,750)	1,590	-	-	-	-	(5,688)
Livery Transport Services Reserve	s	(4,076)	-	-	71	-	-	(86)	354	(3,737)
Parking Land Acquisition Reserve	c	(38,215)	-	(3,876)	4,636	-	(2,441)	(876)	-	(40,772)
Snow and Ice Control Reserve	o	(8,940)	-	(1,060)	-	-	(5,000)	-	-	(15,000)
Real Estate & Development Services										
Real Estate Services	s	(68,396)	-	(7,199)	13,517	-	(1,746)	(145)	-	(63,969)
Corporate Housing Reserve	c	(38,504)	8,487	(2,262)	3,335	-	(296)	(645)	-	(29,885)
Drainage										
Waste & Recycling Sustainment Reserve	s	(48,809)	2,330	(5,809)	6,844	-	-	(2,575)	-	(48,019)
Utility Sustainment Reserve	s	(83,257)	-	(199,835)	151,044	-	1,789	(2,774)	-	(133,033)
Utility Sustainment Adjustment									(2,098)	(2,098)
Calgary Police Service										
Calgary Police Service Capital Reserve	c	(34,349)	-	(16,837)	10,945	-	-	(13)	-	(40,254)
Calgary Police Service Helicopter Maintenance Reserve	o	(3,024)	1,442	(808)	-	-	-	-	-	(2,390)
Calgary Police Service Court Fine Revenue Operating Reserve	o	(4,000)	-	-	-	-	-	-	-	(4,000)
Calgary Housing Company	s	(27,426)	-	-	-	-	-	-	(22)	(27,448)
Calgary Public Library	s	(993)	-	-	-	-	-	-	-	(993)
Calgary Arts Development Authority Ltd.	s	(245)	-	-	-	-	-	-	(24)	(269)
Corporate Housing Internal Sale Elim (1)	c	4,964	-	-	-	-	-	-	-	4,964
Real Estate Services Internal Sale Elim (1)	c	299	-	-	-	-	-	-	27	326
Reserve for Future Capital	c	(354,190)	-	(63,727)	119,403	-	(28,500)	-	-	(327,014)
Unappropriated Surplus		59,026	37,731	(59,026)	-	-	-	-	-	37,731
Total per 2016 Annual Financial Report		(1,915,176)	140,213	(698,048)	608,979	-	(45,167)	(30,417)	(36,193)	(1,975,809)

(1) Note: these are internal sale elimination entries.