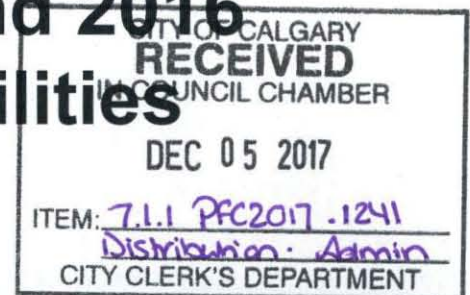


2017 Triennial Reserve Review Report and 2016 Report on Reserves and Long Term Liabilities

2017 December 5
C2017-1123



2016 Report on Reserves and Long Term Liabilities

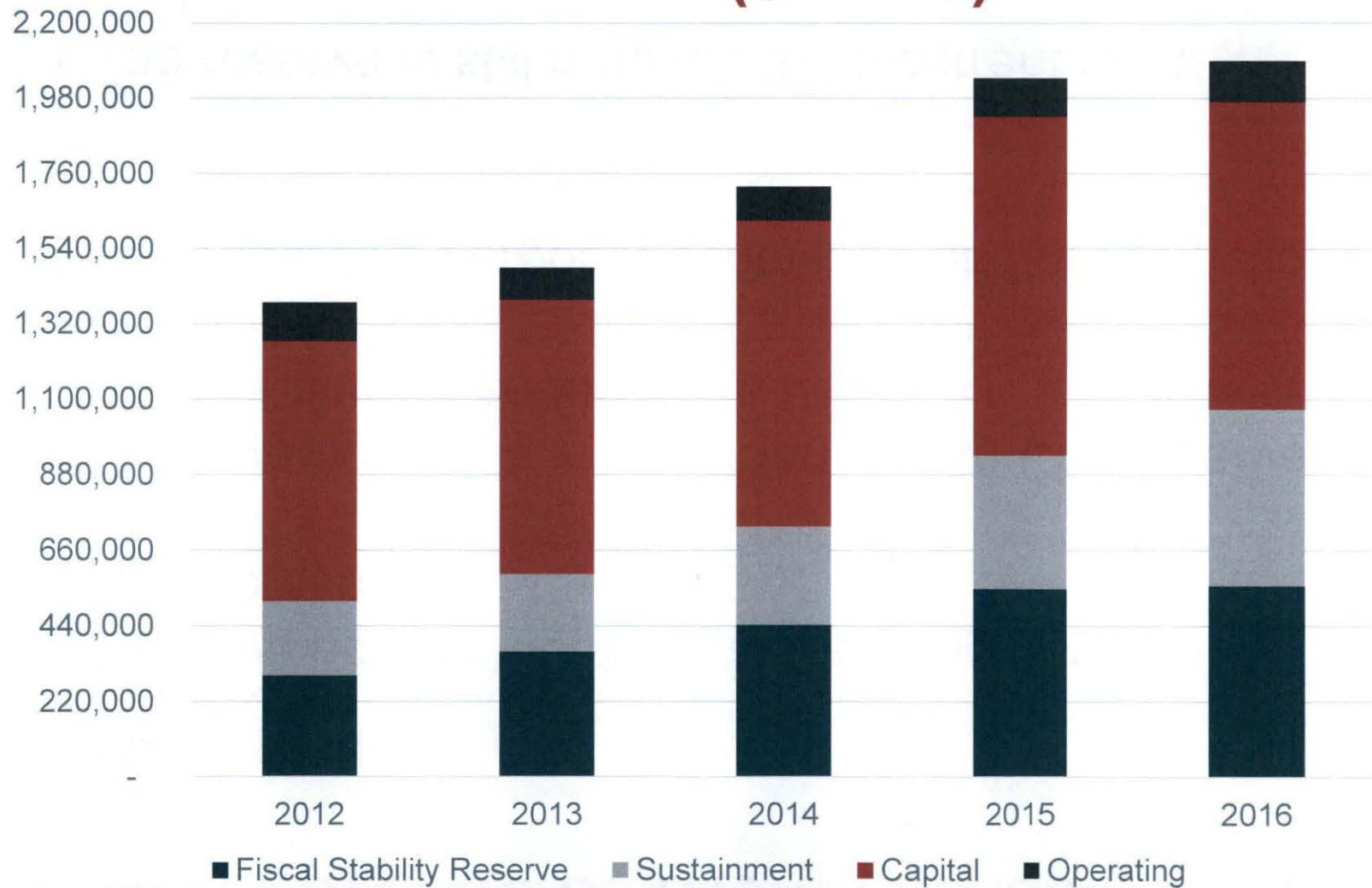


The Importance of Reserves:

- Feature of most large cities in Canada and the US
- Reserves are part of prudent fiscal management
- Allows for funds to be spent over time by matching funding sources with underlying expenditures
- Allows greater predictability
- Allows flexibility to react to unexpected budget shortfalls or significant unexpected issues
- Key component of The City's credit rating review
- Long Range Financial Plan strategies include ensuring ready access to funds for unforeseen & urgent needs



Reserves, December 31, 2016 (\$000's)





Purpose of Triennial Reserve Review

To ensure that:

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

Reserves Reviewed in 2017

Reserve Name	Reserve Type	Balance as of 2016, December 31 (in thousands)
Calgary Police Service Court Fine Revenue Operating Reserve	Operating	\$4,000
Calgary Police Service Helicopter Maintenance Reserve	Operating	\$2,390
911 Communications Centre Capital Financing Reserve	Capital	\$24,141
Calgary Police Service Capital Reserve	Capital	\$40,254
Fleet Services Capital Reserve	Capital	\$14,326
Information Technology Reserve	Capital	\$20,746
Lifecycle Maintenance and Upgrade Reserve	Capital	\$116,122
Reserve for Future Capital (RFC)	Capital	\$327,014
Golf Course Levy Reserve	Sustainment (operating & capital)	\$1,712
		\$550,705

Review Findings

- Reserves are being administered as intended
- Reserves are in accordance with City reserve policies and procedures
 - Some clerical changes are recommended to improve clarity of the Report on Reserves and Long Term Liabilities
- The reserves' purposes, conditions and/or restrictions are still relevant
 - Instances where a reserve's purpose, conditions and/or restrictions are recommended for update
- No reserve recommended for closure

Summary of Recommendations

Reserve Name	Attachment 11.2 Page Number	Balance 2016 (in thousands)	Clerical Changes to Reserves	Substantive Changes to Reserves
Calgary Police Service Court Fine Revenue Operating Reserve	1	\$4,000		
Calgary Police Service Helicopter Maintenance Reserve	2	\$2,390		
911 Communications Centre Capital Financing Reserve	3	\$24,141	★	★
Calgary Police Service Capital Reserve	4	\$40,254	★	
Fleet Services Capital Reserve	6	\$14,326	★	★
Information Technology Reserve	7	\$20,746	★	★
Lifecycle Maintenance and Upgrade Reserve	9	\$116,122	★	
Reserve for Future Capital (RFC)	11	\$327,014	★	★
Golf Course Levy Reserve	13	\$1,712	★	★

Notes:

Clerical changes are changes in the presentation of information on the reserves template, including the addition of previously-omitted authorizing documents, that do not require a substantive change.

Substantive changes are revisions to the reserve's purpose, conditions, restrictions and funding sources, and to the approval of one-time transfers to or from the reserve.



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	



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

Administration recommends that Council:

1. Approve changes to reserves recommended by the 2017 Triennial Reserves Review as outlined in attachment 11.1 and 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
4. Receive for information the 2016 Report on Reserves and Long-Term Liabilities in attachment 11.5



Calgary



End