

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: ☒ 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

Capital Reserve (\$000s)

\$ 14,326
(2016)

- 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)

Capital Reserve (\$000s)

\$ 327,014
(2016)

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