

Calgary Heritage Authority Reserve

Operating Reserve (\$000s)

\$ 1,772
(2017)

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. **This is the value of the initial funding and establishing endowment principal amount for this reserve's predecessor, the Calgary Heritage Authority Legacy Endowment Fund; refer to Funding Sources for additional information.**

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.

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

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

Special Reporting Requirements: None.

Current Activity (\$000s):

| | <u>2017</u> | <u>2016</u> | <u>2015</u> | <u>2014</u> | <u>2013</u> |
|----------------------------|--------------|--------------|--------------|--------------|--------------|
| Opening balance | 1,765 | 1,770 | 1,736 | 1,698 | 1,664 |
| Investment Income | 55 | 40 | 43 | 38 | 34 |
| Contribution to operations | (48) | (45) | (9) | - | - |
| Closing balance | <u>1,772</u> | <u>1,765</u> | <u>1,770</u> | <u>1,736</u> | <u>1,698</u> |

Closing balance consists of:

| | <u>2017</u> | <u>2016</u> | <u>2015</u> | <u>2014</u> | <u>2013</u> |
|--------------------------|--------------|--------------|--------------|--------------|--------------|
| Principal | 1,338 | 1,338 | 1,338 | 1,338 | 1,338 |
| Accumulated net interest | 434 | 427 | 432 | 398 | 360 |
| Closing balance | <u>1,772</u> | <u>1,765</u> | <u>1,770</u> | <u>1,736</u> | <u>1,698</u> |

Source Contacts: **Business Unit –** Calgary Growth Strategies
Financial Lead – S. Mackenzie, Finance Lead
Operational Lead – J. Mueller, Manager, City Planning and Policy Services

Review Schedule: Last Review: 2015 Next Review: 2018

Children's Reserve Fund

Operating Reserve (\$000s)

\$ 4,723
(2017)

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.~~ As per purpose and conditions.

Related Budget Program: Operating Program: #421 Calgary Neighbourhoods

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

Special Reporting Requirements: None.

Current Activity (\$000s):

| | <u>2017</u> | <u>2016</u> | <u>2015</u> | <u>2014</u> | <u>2013</u> |
|---|--------------|--------------|--------------|--------------|--------------|
| Opening balance | 4,693 | 4,605 | 4,605 | 4,595 | 4,502 |
| Investment Income | 150 | 105 | 115 | 101 | 93 |
| Contribution to Recreation/Calgary Neighbourhoods | (120) | (17) | (115) | (91) | - |
| Closing balance | <u>4,723</u> | <u>4,693</u> | <u>4,605</u> | <u>4,605</u> | <u>4,595</u> |

Closing balance consists of:

| | <u>2017</u> | <u>2016</u> | <u>2015</u> | <u>2014</u> | <u>2013</u> |
|-----------------------------------|--------------|--------------|--------------|--------------|--------------|
| Principal Amount | 4,502 | 4,502 | 4,502 | 4,502 | 4,502 |
| Accumulated Net Investment Income | 221 | 191 | 103 | 103 | 93 |
| Closing balance | <u>4,723</u> | <u>4,693</u> | <u>4,605</u> | <u>4,605</u> | <u>4,595</u> |

Source Contacts: **Business Unit – Calgary Neighbourhoods**
 Financial Lead – J. Salazar, Finance Lead
 Operational Lead – ~~K. Black~~ M. Hulsker, Director

Review Schedule: Last Review: 2015 Next Review: 2018

ENMAX Dividend Stabilization Reserve\$ 20,000
(2017)

Operating Reserve (\$000s)

Authorization: NM 2012-05**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.**Related Budget Program:** Operating Program: #860 General Revenue**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 X No**Special Reporting Requirements:** None.**Current Activity (\$000s):**

| | <u>2017</u> | <u>2016</u> | <u>2015</u> | <u>2014</u> | <u>2013</u> |
|-------------------------------|---------------|---------------|---------------|---------------|---------------|
| Opening balance | 20,000 | 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>20,000</u> | <u>16,450</u> | <u>10,100</u> |

Source Contacts: **Business Unit –** **Corporate Revenue & Costs**
 Financial Lead – C. Fung, Corporate Finance Lead
 Operational Lead – **T. Nguyen J. Kwong**, Finance Manager

Review Schedule: Last Review: 2015 Next Review: 2018

Family & Community Support Service (“FCSS”) Stabilization Fund \$ 4,361
Operating Reserve (\$000s) (2017)

Authorization: CS95-21, ~~CS008~~, CPS98-12, CPS2003-26, FCS2004-22, CPS2009-09, CPS2011-19 and PFC 2015-0917.

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
- 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 ~~may~~ consult with community partners to determine the project’s impact and viability.

Restrictions: As per purpose.

Related Budget Program: Operating Program: #421 Calgary Neighbourhoods

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: X Yes No

Special Reporting Requirements: ~~None~~
~~Annual review by Community & Neighbourhood Services, as described under conditions.~~

Current Activity (\$000s):

| | <u>2017</u> | <u>2016</u> | <u>2015</u> | <u>2014</u> | <u>2013</u> |
|--------------------------------|-------------|-------------|-------------|-------------|-------------|
| Opening balance | 5,504 | 5,704 | 3,710 | 3,688 | 3,348 |
| Contributions from operations | 513 | 2,605 | 2,630 | 1,474 | 1,894 |
| Contributions to operations(1) | (1,805) | (2,897) | (636) | (1,452) | (1,554) |
| Investment income | 149 | 92 | - | - | - |
| Closing balance | 4,361 | 5,504 | 5,704 | 3,710 | 3,688 |

- (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. As per CPS2016-0827 Council approved \$1,000 to be accessed from the FCSS Stabilization Fund in 2017 for the purpose of funding organizations for one-time capacity building projects and emerging issues. An additional \$500 was withdrawn as per CPS2016-0397 for the purposes of maintaining contribution to the FCSS program budget. \$305 in 2016 approved funds were extended and paid in 2017.

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

Review Schedule: Last Review: 2015 Next Review: 2018

Fiscal Stability Reserve

Operating Reserve (\$000s)

\$ 573,721
(2017)

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~~ **were** made as required and operating surpluses ~~are~~ **were** 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; and
- 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.

Related Budget Programs: Operating Program: #856 Taxation
#860 General Revenue

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: X Yes No

Special Reporting Requirements: None.

Current Activity (\$000s):

| | <u>2017</u> | <u>2016</u> | <u>2015</u> (Restated) | <u>2014</u> | <u>2013</u> |
|---|-------------|-------------|---------------------------|-------------|-------------|
| Opening Balance | 556,561 | 547,811 | 443,371 | 365,460 | 294,985 |
| Surplus (Previous year) | - | - | - | - | 31,258 |
| Surplus (Current year) ⁽¹⁾ | 80,955 | 37,731 | 59,026 | 27,490 | 8,159 |
| Investment income | 16,651 | 12,319 | 11,465 | 8,504 | 6,855 |
| Net contribution (to) operations | (78,449) | (21,728) | (14,359) | (27,106) | (17,370) |
| Net contribution (to) from capital ⁽²⁾ | (7,824) | (1,382) | 4,892 | (16,310) | - |
| Funding contribution from operations ⁽³⁾ | 16,793 | 10,945 | 55,809 | 84,713 | 45,073 |
| Transfers (to)/from other reserves ⁽⁴⁾ | (10,966) | (29,135) | (12,393) | 620 | (3,500) |
| Closing balance ⁽⁵⁾ | 573,721 | 556,561 | 547,811 | 443,371 | 365,460 |

- (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) 2017: Contribution to capital consists of \$5,342 for City's resiliency projects and \$2,482 for Utilities flood expenditures.
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 is from the transfer of various unspent contingency funds, for example, the Property and Business Tax contingent fund unrequired Property Tax and Business Tax contingencies.~~
- (4) Transfer (to)/from other reserve:
2017: As per C2017-0370, transfer funds to Economic Development Investment Fund ("EDIF") of (\$10,000); transfer funds to various business units' through "FSR flow through reserves" (\$1,374); transfer of \$350 from Economic Development and Policy Co-ordination ("EDPC") year-end surplus to fund future Council Innovation Fund; transfer of \$58 from Budget Savings Account ("BSA") Reserve for 2016 over-contribution to BSA.
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). **Transfer (to) other reserves include a \$300 internal loan to facilitate the relocation of the McHugh House (C2014-0188).**
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).
- (5) Committed amounts in the closing balance total \$135,090 consisting of: \$26,960 one-time approved council items, \$107,630 of balance remaining for Flood Commitment, and \$500 of balance remaining for land-related matters (VR2017-0029). Closing balance ratio to tax supported gross expenditures (net of recoveries) after committed amounts is 11.2% before current year surplus and 13.8% including current year surplus. **The minimum level to be maintained in the reserve is \$159,475.**

Source Contacts:

Business Unit –
Financial Lead –
Operational Lead –

Finance

T. Nguyen, Finance Manager, Corporate Budget Office
C. Male, City Treasurer

Review Schedule:

Last Review:

2015

Next Review:

2018

Group Life Reserve

Externally Restricted Operating Reserve (\$000s)

\$ 1,725
(2017)

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% 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% of the Refund Billed Premium for the last complete policy year.

Related Budget Program: Operating Program: #787 Employee Benefits

Funding Sources: Operating Budget Program: #787 Employee Benefits

Investment income: X Yes No

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>2017</u> | <u>2016</u> | <u>2015</u> | <u>2014</u> | <u>2013</u> |
|------------------------------------|--------------|--------------|--------------|--------------|--------------|
| Opening balance | 1,685 | 1,580 | 1,494 | 1,338 | 1,253 |
| Investment income | 53 | 36 | 37 | 29 | 25 |
| Contributions from/(to) Operations | (13) | 69 | 49 | 127 | 60 |
| Closing balance | <u>1,725</u> | <u>1,685</u> | <u>1,580</u> | <u>1,494</u> | <u>1,338</u> |

Source Contacts:

| | |
|------------------------|--|
| Business Unit – | Finance |
| Financial Lead – | D. Christensen, Finance Leader, Benefits Finance |
| Operational Lead – | G. Wiebe, Finance Manager, Corporate Financial Reporting |

Review Schedule: Last Review: 2015 Next Review: 2018

Health, Safety and Wellness Reserve

Operating Reserve (\$000s)

\$ 18,813
(2017)

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 ~~Employee Benefits program general revenue~~. The Human Resources and Environment & Safety Management business units share responsibility for the HSW Reserve. Each business unit manages and reports 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.

Related Budget Program: Operating Program: #787 Employee Benefits

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~~ 75% of WCB rebates and dividends to The City are also transferred to the reserve.

Investment income: ____ Yes X No

Special Reporting Requirements: ~~None.~~
Environment & Safety to report semi-annually to the S.P.C. on Utilities and Corporate Services 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.

Current Activity (\$000s):

| | <u>2017</u> | <u>2016</u> | <u>2015</u> | <u>2014</u> | <u>2013</u> |
|--------------------------------|-------------|-------------|-------------|-------------|-------------|
| Opening balance | -15,984 | -13,271 | -10,975 | -7,566 | -7,166 |
| Contributions from operations: | | | | | |
| Employee benefits rate | —600 | —600 | —600 | —600 | —600 |
| WCB | -4,890 | -5,119 | -4,870 | -4,928 | -1,183 |
| Contributions to operations | -(2,661) | -(3,006) | -(3,174) | -(2,119) | -(1,383) |
| Closing balance | -18,813 | -15,984 | -13,271 | -10,975 | -7,566 |

| | <u>2017</u> | <u>2016</u> | <u>2015</u> | <u>2014</u> | <u>2013</u> |
|--------------------------------|-------------|-------------|-------------|-------------|-------------|
| Opening balance | 15,984 | 13,271 | 10,975 | 7,566 | 7,166 |
| Contributions from operations: | | | | | |
| Employee benefits rate | 600 | 600 | 600 | 600 | 600 |
| WCB Rebate | 636 | 600 | 573 | 548 | 600 |
| WCB Return on Investment | 4,255 | 4,519 | 4,296 | 4,381 | 583 |
| Contributions to operations | | | | | |
| Safety (ESM) | (1,779) | (1,977) | (1,776) | (940) | (638) |
| Health & Wellness (HR) | (882) | (1,030) | (1,397) | (1,179) | (746) |
| Closing balance | 18,813 | 15,984 | 13,271 | 10,975 | 7,566 |

Closing balance attributable to:

| | <u>2017</u> | <u>2016</u> | <u>2015</u> | <u>2014</u> | <u>2013</u> |
|------------------------|-------------|-------------|-------------|-------------|-------------|
| Safety (ESM) | 8,744 | 7,778 | 6,895 | 5,936 | 4,112 |
| Health & Wellness (HR) | 10,069 | 8,206 | 6,376 | 5,039 | 3,454 |
| Closing balance | 18,813 | 15,984 | 13,271 | 10,975 | 7,566 |

Source Contacts:

Business Unit –
Financial Lead –

Operational Lead

Human Resources

~~T. Nguyen, Acting Finance Manager~~ E. Galindo, Finance Lead
~~M. Lavalee L. Shikaze, Director~~

Business Unit –
Financial Lead –
Operational Lead –

Environment & Safety Management

F. Tse, Finance Lead
C. Collier, Director

Review Schedule:

Last Review:

2015

Next Review:

2018

Heritage Incentive Reserve

Operating Reserve (\$000s)

\$ 1,205
(2017)

| | |
|--|--|
| Authorization: | FB2002-27, FCS2004-15, FCS2004-20, PFC2012-0159 and PFC2015-0917. |
| Purpose: | <p>To fund the implementation of the Heritage Incentive Program which began in 2003.</p> <p>Grants are provided to non-city owned municipal historic resources to:</p> <ul style="list-style-type: none">• 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: | <p>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.</p> <p>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.</p> |
| Related Budget Program: | Operating Program: #610 Calgary Growth Strategies (formerly #610 City Wide Policy & Integration) |
| Funding Sources: | <p>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).</p> <p>Investment income: <u> X </u> Yes <u> X </u> No</p> |
| Special Reporting Requirements: | None. |

Current Activity (\$000s):

| | <u>2017</u> | <u>2016</u> | <u>2015</u> | <u>2014</u> | <u>2013</u> |
|-------------------------------|--------------|-------------|--------------|--------------|--------------|
| Opening balance | 965 | 1,087 | 1,369 | 1,283 | 1,185 |
| Contributions from operations | 525 | 225 | 225 | 225 | 225 |
| Contributions to operations | (285) | (347) | (507) | (139) | (127) |
| Closing balance | <u>1,205</u> | <u>965</u> | <u>1,087</u> | <u>1,369</u> | <u>1,283</u> |

Source Contacts: **Business Unit –** **Calgary Growth Strategies**
 Financial Lead – S. Mackenzie, Finance Lead
 Operational Lead – J. Mueller, Manager, City Planning & Policy Services

Review Schedule: Last Review: 2015 Next Review: 2018

Mall Programming Fund

Operating Reserve (\$000s)

| | |
|----|------------|
| \$ | 813 |
| | (2017) |

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.**Related Budget Program:** Operating Program: #651 Urban Strategy (formerly #612 Local Area Planning & Implementation)**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**Special Reporting Requirements:** None.**Current Activity (\$000s):**

| | <u>2017</u> | <u>2016</u> | <u>2015</u> | <u>2014</u> | <u>2013</u> |
|------------------------------------|-------------|-------------|-------------|-------------|-------------|
| Opening balance | 788 | 770 | 754 | 744 | 1,017 |
| Investment income | 25 | 18 | 18 | 16 | 18 |
| Contributions to capital financing | - | - | (5) | (6) | (291) |
| Contributions to operations | - | - | 3 | - | - |
| Closing balance | <u>813</u> | <u>788</u> | <u>770</u> | <u>754</u> | <u>744</u> |

Closing balance consists of:

| | <u>2017</u> | <u>2016</u> | <u>2015</u> | <u>2014</u> | <u>2013</u> |
|-----------------------------------|-------------|-------------|-------------|-------------|-------------|
| Principal Amount | 688 | 688 | 688 | 688 | 688 |
| Accumulated Net Investment Income | 125 | 100 | 82 | 66 | 56 |
| Closing balance | <u>813</u> | <u>788</u> | <u>770</u> | <u>754</u> | <u>744</u> |

Source Contacts:

| | |
|------------------------|--------------------------|
| Business Unit – | Urban Strategy |
| Financial Lead – | M. Fung, Finance Lead |
| Operational Lead – | J. Tang, Program Manager |

Review Schedule: Last Review: 2015 Next Review: 2018

Self-Insurance Reserve

Operating Reserve (\$000s)

\$ 7,000
(2017)

Authorization: FB86-130, FB94-26, FCS2010-19, PFC2012-0606 and PFC2015-0917.

Purpose: 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.

The City is self-insured pursuant to section 825 of the Insurance Act of Alberta for auto.

Outside insurance coverage exists for claims exceeding established self-insurance retention levels for:

- a) Auto and general liabilities
- b) Property – insured on statement of value approximately \$10,058,708

Conditions: To be compliant with regulatory requirements a minimum of \$2,000 with the Self-Insurance Reserve must be allocated specifically to address auto liabilities.

In order to self-insure auto liability, The Alberta Insurance Act requires The City to maintain a separate fund.

Interest is only earned up to the amount required to maintain a reserve balance of \$7,000.

Restrictions: The reserve only funds losses in excess of \$500.

Related Budget Programs: Operating Program: #858 Investment Income
#810 Law Program

Funding Sources: Contributions from operations, subject to Council's budget approval.

Investment income: X Yes No

Special Reporting Requirements: None.

Current Activity (\$000s):

| | <u>2017</u> | <u>2016</u> | <u>2015</u> | <u>2014</u> | <u>2013</u> |
|-----------------------------|-------------|-------------|-------------|-------------|-------------|
| Opening balance | 7,000 | 7,000 | 7,000 | 7,000 | 7,000 |
| Contributions to operations | - | - | - | - | - |
| Investment income | - | - | - | - | - |
| Closing balance | 7,000 | 7,000 | 7,000 | 7,000 | 7,000 |

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 Contacts: | Business Unit – Financial Lead – Operational Lead – | Law T. Topping, Finance Lead P. Corbeil, Manager, Risk Management & Claims |
| Review Schedule: | Last Review: | 2015 |
| | | Next Review: 2018 |

Snow and Ice Control (“SNIC”) Reserve

\$ 12,482
(2017)

Operating Reserve (\$000s)

Authorization: PFC2012-0045 and C2014-0863.

Purpose: Council directed Administration to establish a SNIC reserve during the 2012-2014 Business Plan and Budget debates. The reserve shall be used ~~exclusively~~ by ~~the Roads Business Units~~ business units to supplement ~~its~~ **their** annual SNIC budgets 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).

Calgary Transit’s contribution to this reserve may be used by Transit or Roads for eligible expenditures, in accordance with the Memorandum of Understanding between Calgary Transit and Roads dated 2018 October 1 and as defined in the Council Policy on Snow and Ice Control (LPT2011-57), to ensure the safety and mobility of Calgary Transit customers, pedestrians, cyclists and vehicles.

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

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

Restrictions: ~~As stated above.~~ Withdrawals from the Roads-funded portion of this reserve by business units other than Roads require approval by the Reserve Operational Lead.

Related Budget Program: Operating Program: #132 Roads
#110 Calgary Transit

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.

The reserve may be replenished from any surplus from Calgary Transit’s snow removal priority accessibility budget.

In situations where a full contribution from both the Roads and Calgary Transit budget surpluses would cause the reserve to exceed its maximum balance, Roads’ surplus shall be contributed to the reserve first.

Roads will work with Finance at the end of ~~March~~ April 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 X No

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>2017</u> | <u>2016</u> | <u>2015</u> | <u>2014</u> | <u>2013</u> |
|------------------------------------|---------------|---------------|--------------|-------------|--------------|
| Opening balance | 15,000 | 8,940 | - | 4,141 | 3,220 |
| Contributions from (to) operations | (3,437) | 1,060 | 2,050 | (4,141) | (2,579) |
| Contribution from Calgary Transit | 919 | - | 1,890 | - | - |
| Contribution from FSR | - | 5,000 | 5,000 | - | 3,500 |
| Closing balance | <u>12,482</u> | <u>15,000</u> | <u>8,940</u> | <u>-</u> | <u>4,141</u> |

Closing balance attributable to:

| | <u>2017</u> | <u>2016</u> | <u>2015</u> | <u>2014</u> | <u>2013</u> |
|-----------------|---------------|---------------|--------------|-------------|--------------|
| Roads | 12,482 | 15,000 | 8,940 | - | 4,141 |
| Calgary Transit | - | - | - | - | - |
| Closing balance | <u>12,482</u> | <u>15,000</u> | <u>8,940</u> | <u>-</u> | <u>4,141</u> |

Source Contacts: **Business Unit – Roads**
 Financial Lead – L. Wong, Finance Lead
 Operational Lead – B. Biensch, Maintenance Manager

Review Schedule: Last Review: 2015 Next Review: 2018

Asphalt and Crusher Plant Lifecycle Capital Reserve

Capital Reserve (000's)

\$ 6,443
(2017)

Authorization: FCS2010-10 and PFC2012-0606.

Purpose: To finance ~~future~~ capital expenditures relating to Roads – Plants Operations as budgeted through The City's annual capital budget process or a specific Council approval. ~~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 the 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 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 Program: Operating Program: #132 Roads
Capital Program: #128-136 Plants Capital

Funding Sources: ~~All or a portion of any Roads – plants & paving operating budget surplus, Proceeds from sale of surplus Roads – Plants assets, depreciation on plant assets and interest income , and any excess of Roads – Plants revenues or recoveries over expenditures after other fund transfers. Where the reserve has reached its maximum balance, or if the balance of the reserve is deemed sufficient by the Director of Roads to fund Plants upgrade work within the four-year business cycle, Roads may elect to withhold all or a portion of the contributions to this reserve.~~

Investment income: X Yes No

Special Reporting Requirements: None.

Current Activity (\$000s):

| | <u>2017</u> | <u>2016</u> | <u>2015</u> | <u>2014</u> | <u>2013</u> |
|------------------------------------|-------------|-------------|-------------|-------------|-------------|
| Opening balance | 7,500 | 6,367 | 5,363 | 7,500 | 6,459 |
| Investment Income | 156 | 107 | 60 | 119 | 76 |
| Contributions to capital financing | (1,213) | (910) | (1,056) | (2,256) | (2,272) |
| Contributions from operations | - | 1,936 | 2,000 | - | 3,237 |
| Closing balance | 6,443 | 7,500 | 6,367 | 5,363 | 7,500 |

Source Contacts: **Business Unit – Roads**
 Financial Lead – L. Wong, Finance Lead
 Operational Lead – ~~L. Spoljarich~~ R. Trastanetz, Senior Plants Leader

Review Schedule: Last Review: 2015 Next Review: 2018

Corporate Housing Reserve

Capital Reserve (\$000s)

\$ 30,383
(2017)

Authorization: FB99-62, CPS2002-57, LAS2000-206, CPS2004-55, FCS2004-58, ~~LPT2007-64~~, FCS2010-10, PFC2012-0606 and LAS2013-06. Grant Funding Agreement 2007, 2008-2009 and 2009-2010, One Window Project Agreement 2017-2019.

Purpose: To support the development of affordable rental, social and special needs housing infrastructure and operating costs associated with affordable housing initiatives.

Conditions: In accordance with the terms of reference established for the reserve, the reserve 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 partnership/joint venture.

Funds contributed by a grant will be managed and used in accordance with the terms of the applicable grant agreement.

Restrictions: External - \$ 13,451 Internal - \$ 6,300

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.

Related Budget Program: Operating Program: #495 Calgary Housing (previously #488 Land Servicing & Housing)
Capital Program: #489 Affordable Housing (previously #489 Public 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 (previously Land and Asset Strategy Committee – "LASC"); 5% of gross industrial land sales proceeds.
- 2) Lease revenues generated from the 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.
- 5) As approved in LA~~S~~2000-206, 20% of net eligible revenues generated from Real Estate & Development Services (previously Corporate Properties) Residential Portfolio be transferred annually to Corporate Housing Capital Reserve to fund municipally operated housing initiatives, and
- 6) Investment income.

Investment income: X Yes No

Special Reporting Requirements:

None.

Current Activity (\$000s):

| | <u>2017</u> | <u>2016</u> | <u>2015</u> | <u>2014</u> | <u>2013</u> |
|--|-------------|-------------|-------------|-------------|-------------|
| | | | (Restated) | | |
| Opening balance | 29,885 | 38,531 | 36,073 | 34,105 | 46,749 |
| Investment income | 754 | 645 | 762 | 597 | 784 |
| Contributions from operations ⁽⁴⁾ | 1,595 | 2,235 | 3,155 | 4,895 | 3,496 |
| Contributions to operations ⁽³⁾ | (1,026) | (8,242) | (403) | (647) | (1,554) |
| Contributions to debt repayment | (244) | (245) | (245) | (997) | (1,750) |
| Contributions to capital ⁽²⁾ | (2,539) | (3,335) | (2,690) | (1) | (13,620) |
| Transfer (to)/from Reserve ⁽¹⁾ | 1,957 | 296 | 1,879 | (1,879) | - |
| Closing balance | 30,383 | 29,885 | 38,531 | 36,073 | 34,105 |

- (1) 5% of the Industrial Land sale revenue was contributed from operations which amount to \$1,957 in 2017, \$297 in 2016, \$3,215 in 2014, and \$1,313 in 2013. 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: **2017:** Rosedale (\$174), Kingsland (\$699), Bridgeland (\$1,693), AH Pre-development (\$147); **2016:** Demolition at Louise Station (\$1,000), Kingsland (\$1,204), Bridgeland (\$1,080), AH Pre-development (\$51); **2015:** Construction with redesign of building and configuration for Kingsland (\$1,044) and demolition at Louise Station (\$1,646); **2014:** Completion of North Manchester (\$1); and **2013:** Construction of North Manchester (\$1,834), purchase of Bridges Site 155 units (\$11,558) and two housing projects (\$228).
- (3) Contributions to operation: **2017:** Includes funds used to fund the increased service around Implementation of The City of Calgary Corporate Affordable Housing Strategy (\$861); and **2016:** Includes funds transferred to Calgary Housing Company - purchase of East Village (\$8,000).

Source Contacts:

| | |
|------------------------|--|
| Business Unit – | Calgary Housing |
| Financial Lead – | M. Alarakyia, Finance Coordinator and S. MacFayden, Finance Manager |
| Operational Lead – | T. Goldstein, Manager |

Review Schedule: Last Review: 2015 Next Review: 2018

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

\$ 3,050
(2017)

- 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.~~ Unused capacity from a year may be accrued and carried forward for up to four years, including the year in which it was accrued.
- Restrictions:** Centre City is defined in the May 2007 Centre City Plan (page 33) and includes the Beltline.
- Related Budget Program:** Operating Program: #651 Urban Strategy (previously #612 Local Area Planning & Implementation)
Capital Programs: #152 Downtown Improvement
#126 – 176 Industrial Sidewalk Retrofit
- 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
- Special Reporting Requirements:** None.

Current Activity (\$000s):

| | <u>2017</u> | <u>2016</u> | <u>2015</u> | <u>2014</u> | <u>2013</u> |
|--------------------------------------|-------------|-------------|-------------|-------------|-------------|
| Opening balance | 3,684 | 3,629 | 3,372 | 3,207 | 3,033 |
| Investment income | 107 | 83 | 87 | 73 | 65 |
| Contribution from operations (P 651) | 121 | 255 | 178 | 142 | 211 |
| Contribution to capital | (362) | (283) | (8) | (50) | (102) |
| Transfer between reserves (1) | (500) | | | | |
| Closing balance | 3,050 | 3,684 | 3,629 | 3,372 | 3,207 |

Note 1: Transfer to the Reserve for Future Capital (RFC)

| Carry-forwards available: | <u>2017</u> | <u>2016</u> | <u>2015</u> | <u>2014</u> | <u>2013</u> |
|--|-------------|-------------|-------------|-------------|-------------|
| Opening carry-forward | 633 | 616 | 324 | 74 | (124) |
| Annual spending limit | 300 | 300 | 300 | 300 | 300 |
| Annual expenditures | (862) | (283) | (8) | (50) | (102) |
| Prior year carry-forward used | 362 | 283 | 8 | 37 | 139 |
| Carry-forward accrued for this year | (200) | 300 | 300 | 287 | 337 |
| Carry-forwards lapsed from prior years | - | - | - | - | - |
| Accrued year-end carry-forward | 71 | 633 | 616 | 324 | 74 |

Source Contacts: **Business Unit –** **Urban Strategy**
 Financial Lead – M. Fung, Finance Lead
 Operational Lead – J. Tang, Program Manager

Review Schedule: Last Review: 2015 Next Review: 2018

LED Street Light Re-Lamping Reserve

(formerly LED Traffic Signal Display Re-Lamping Reserve)

Capital Reserve (\$000s)

\$ 9,123
(2017)**Authorization:** TTP 2002-44, PFC 2012-0606 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 RoadsCapital Programs: ~~#128-131 Traffic Signals-LED Relamp~~
#128-100 LED Streetlights**Funding Sources:** Annual operating ~~contribution~~ budget surpluses from Roads – Street Lighting budget ~~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>2017</u> | <u>2016</u> | <u>2015</u> | <u>2014</u> | <u>2013</u> |
|------------------------------|--------------|--------------|--------------|--------------|--------------|
| Opening balance | 5,688 | 5,528 | 5,816 | 5,622 | 5,666 |
| Contribution from operations | 4,500 | 1,750 | 1,466 | 697 | 703 |
| Contribution to capital | (1,065) | (1,590) | (1,754) | (503) | (747) |
| Closing balance | <u>9,123</u> | <u>5,688</u> | <u>5,528</u> | <u>5,816</u> | <u>5,622</u> |

Source Contacts:

| | |
|------------------------|--------------------------------------|
| Business Unit – | Roads |
| Financial Lead – | L. Wong, Finance Lead |
| Operational Lead – | R. Seera, Traffic Operations Manager |

Review Schedule: Last Review: 2015 Next Review: 2018

Parking Land Acquisition Reserve

Capital Reserve (\$000s)

\$ 41,719
(2017)

Authorization: LPT2006-13, C2008-61, LAS2009-45, FCS2007-26, PFC2012-0606, C2013-0509, TT2013-0124, TT2016-0204 and TT2017-0044.

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.

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

Funding Sources: Prior to 2017, 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 was \$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. Beginning in 2017, the reserve will no longer receive funding and the reserve will be used for the purpose identified above until the funds are exhausted.

Investment income: X Yes No

Special Reporting Requirements: None.

Current Activity (\$000s):

| | <u>2017</u> | <u>2016</u> | <u>2015</u> | <u>2014</u> | <u>2013</u> |
|--|---------------|---------------|---------------|---------------|---------------|
| Opening balance | 40,772 | 38,215 | 32,657 | 24,688 | 19,991 |
| Contributions from Calgary Parking Authority | - | 3,876 | 5,928 | 7,639 | 4,276 |
| Contribution to Parking Revenue Reinvestment Reserve | (1,688) | - | - | - | - |
| Contribution from Revolving Fund for General Land Purchases ⁽¹⁾ | - | 2,441 | - | - | - |
| Contributions from/(to) capital financing | 1,327 | (4,636) | (1,180) | (248) | - |
| Investment income allocation | 1,308 | 876 | 810 | 578 | 421 |
| Closing balance | <u>41,719</u> | <u>40,772</u> | <u>38,215</u> | <u>32,657</u> | <u>24,688</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**
 Financial Lead – T. Johnson, Finance Lead

Business Unit – **Transportation Planning**
 Operational Lead – A. Sebjanic, Manager, Transportation Strategy

Review Schedule: Last Review: 2015 Next Review: 2018

Cash-in-Lieu Lifecycle Sustainment Reserve (PROPOSED)

Sustainment Reserve (\$000s)

\$ **41,719**
(2018)**Authorization:** TT2016-0204, TT2017-0044 and PFC2018-1125**Purpose:** The purpose of this reserve is to fund the lifecycle operating and capital needs for existing cash-in-lieu parking facilities managed by the Calgary Parking Authority.**Conditions:** As per purpose.**Restrictions:** Funds are to be used at the sole discretion of the Calgary Parking Authority to support their lifecycle activities for the cash-in-lieu parking facilities. Expenditures are approved by the Calgary Parking Authority through the approval of the budget by the Calgary Parking Committee.

For parking facilities that have both cash-in-lieu and other financing, this reserve may fund a percentage of work equal to the proportion of cash-in-lieu stalls to the total stalls within the facility.

Related Budget Programs: Operating Program: #104 Calgary Parking Authority

Capital Programs: #106 Calgary Parking Authority

Funding Sources: The balance in the Parking Land Acquisition Reserve of \$41,719 at December 31, 2017 was transferred to this newly created reserve to fund the purpose per Council direction in TT2016-0204.Investment income: X Yes No**Special Reporting Requirements:** None.**Current Activity (\$000s):**

| | <u>2018</u> | <u>2017</u> | <u>2016</u> | <u>2015</u> | <u>2014</u> |
|--|---------------|-------------|-------------|-------------|-------------|
| Opening balance | - | - | - | - | - |
| Transfer from Parking Land Acquisition Reserve | 41,719 | - | - | - | - |
| Investment income allocation | - | - | - | - | - |
| Closing balance | <u>41,719</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |

Source Contacts:

| | |
|------------------------|---|
| Business Unit – | Transportation Planning |
| Financial Lead – | L. Wong, Finance Lead |
| Operational Lead – | A. Sebjanic, Manager, Transportation Strategy |

| | |
|----------------------------|----------------------------------|
| Related Authority – | Calgary Parking Authority |
| Financial Lead – | J. Foulds, Controller |
| Operational Lead – | G. Furtado, General Manager |

Review Schedule: Last Review: N/A Next Review: 2020

Budget Savings Account Reserve

Combined Operating and Capital Reserve (\$000s)

\$ 157,334
(2017)

Authorization: PFC2015-0181, PFC2015-0959, PFC2016-0081, C2016-0544, C2016-0863, PFC2017-0223 (TT2017-0044) and C2017-0057.

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~~ **may** 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 to~~ **mitigate the impacts of** 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.

Related Budget Programs: Operating Program: All impacted City Business Units.
Capital Program: All impacted City Business Units.

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

Special Reporting Requirements: None.

Current Activity (\$000s):

| | <u>2017</u> | <u>2016</u> | <u>2015</u> | <u>2014</u> | <u>2013</u> |
|--|--------------------|--------------------|--------------------|--------------------|--------------------|
| Opening balance | 130,103 | 60,905 | - | - | - |
| Contributions from operations ⁽¹⁾ | 34,295 | 24,246 | 30,313 | - | - |
| Contributions from operations to CERF ⁽²⁾ | 45,000 | 58,800 | 30,000 | - | - |
| Contributions from capital ⁽³⁾ | - | 3,392 | 592 | - | - |
| Contributions to operations | (15,866) | (269) | - | - | - |
| Contributions to operations from CERF | (37,536) | (16,971) | - | - | - |
| Transfer from other operating reserves | 422 | - | - | - | - |
| Transfer from other capital reserves | 916 | - | - | - | - |
| Closing balance | 157,334 | 130,103 | 60,905 | - | - |

Breakdown of Closing Balance:

| | | | | | |
|-----------------------------------|----------------|----------------|---------------|----------|----------|
| Operating BSA ⁽⁴⁾ | 73,141 | 54,290 | 30,313 | - | - |
| Operating BSA-CERF ⁽⁵⁾ | 79,293 | 71,829 | 30,000 | - | - |
| Capital BSA | 4,900 | 3,984 | 592 | - | - |
| Closing Balance | 157,334 | 130,103 | 60,905 | - | - |

(1) Operating savings from various business units.

(2) 2017: Contribution for 2018 Municipal Non-Residential Phased Tax Program ("PTP").

2016: Contribution for 2017 PTP, Calgary Neighborhood Emergency Resilience and user fees freeze for Calgary Transit, Recreation and pet licensing.

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 total \$25,764 consisting of: \$764 for Calgary Transit Fleet Reliability, Janitorial and Outside Maintenance and Rail System Communications; and \$25,000 for Economic Development Investment Fund Reserve.

(5) Committed amounts in the closing balance total \$76,626 consisting of: \$25,225 for 2017 PTP, \$45,000 for 2018 PTP, \$1,200 for Calgary Economic Development Initiatives, \$4,569 for Affordable Housing Initiatives, and \$632 for User Fees Freeze.

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

Real Estate Services

Combined Operating & Capital Reserve (\$000s)

\$ 70,796
(2017)

Authorization: Notice of Motion 1997-May-26, CPS98-37, FCS2010-10, PFC2012-0606, PFC2013-0745, ~~and~~ PFC2014-0847 ~~and~~ PUD2016-0524.

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.

This Reserve contains the funds allocated to the Calgary General Hospital Legacy Fund, established by CPS98-37 as an endowment generated from the revenues generated by the use, redevelopment and sale of the Calgary General Hospital, Bow Valley Centre lands (“Bridges Project”).

Conditions: As per purpose.

Restrictions: Real Estate Services Reserve Funds are to be used as per the purpose outlined above.

Calgary General Hospital Legacy Fund monies are restricted by Terms of Reference set forth in CPS98-37 and PUD2016-0524. Funds shall be disbursed only for the continuation of the Bridges Project or, for healthy Calgary initiatives, with the recommendation of the Calgary General Hospital Legacy Review Committee and approval by City Council.

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 |

Funding Sources: Net proceeds of serviced land sales (Industrial, Business & Special Projects), proceeds of intra-city debt (principal and interest) and proceeds ~~of from-excess~~ commissions. In 1994 (and all subsequent years) the portion reinvested in land inventory is reclassified to Equity in Land Inventory.

Investment income⁽¹⁾: X Yes X No

(1) Interest income is allocated only to portions of the reserve balance that relate to the Calgary General Hospital Legacy Fund/Bridges Project. Other portions of this reserve are not allocated interest.

Special Reporting Requirements: None.

Current Activity (\$000s):
Real Estate Services Reserve

| | <u>2017</u> | <u>2016</u> | <u>2015</u> | <u>2014</u> | <u>2013</u> |
|--|-------------|-------------|-------------|-------------|-------------|
| Opening balance | 57,608 | 62,005 | 91,238 | 76,305 | 71,368 |
| Contributions from operations for land sales | 25,093 | 3,795 | 1,928 | 35,054 | 6,923 |
| Contributions from/(to) operations | 7,885 | 3,440 | (15,992) | 5,414 | (1,254) |
| Contributions (to)/from capital financing | (25,102) | (13,378) | (17,971) | (27,767) | (4,446) |
| Investment income | 199 | 145 | 148 | 96 | 92 |
| Transfer between reserves ⁽¹⁾ | (967) | 1,746 | 2,802 | 2,233 | 3,714 |
| Closing balance | 64,517 | 57,608 | 62,005 | 91,239 | 76,305 |

General Hospital Legacy Endowment Fund (Bridges Project)

| | <u>2017</u> | <u>2016</u> | <u>2015</u> | <u>2014</u> | <u>2013</u> |
|------------------------------------|-------------|-------------|-------------|-------------|-------------|
| Opening balance | 6,361 | 6,391 | 6,426 | 4,247 | 4,754 |
| Contributions from/(to) operations | - | (36) | - | 2,671 | (358) |
| Contributions (to)/from capital | (281) | (139) | (184) | (589) | (241) |
| Investment income | 199 | 145 | 149 | 97 | 92 |
| Closing balance | 6,279 | 6,361 | 6,391 | 6,426 | 4,247 |
| Total closing balance | 70,796 | 63,969 | 68,396 | 97,665 | 80,552 |

(1) Transfer from other reserves:

2017: Received a total of \$990 from the Revolving Fund Reserve for: General Land Purchase of \$131, repayment of pre-development expenses related to R.B. Bennett School site of \$347 and net proceeds for land sales to the Calgary Municipal Land Corporation of \$512. The balance of (\$967) also includes a transfer to the Corporate Housing Reserve of (\$1,957), which is equal to 5% of its gross industrial land sales proceeds.

2016: Received \$1,571 from Treasury 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 Treasury 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 Treasury 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 Treasury 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.

Source Contacts: **Business Unit –** **Real Estate and Development Services**
 Financial Lead – D. Stamper, Finance Lead
 Operational Leads – C. Blash, Manager

Review Schedule: Last Review: 2015 Next Review: 2018

Golf Course Reserve\$ 2,777
(2017)

Combined Operating and Capital Reserve (\$000s)

Authorization: CS91-64-02, FB92-64, CS95-07, FCS2004-22, FCS2011-13, PFC2014-0847 and PFC2017-1241.

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.

Private contributions of \$1,000 were received in 2017 and will be used towards upgrade and maintenance projects at the Shaganappi Golf Course.

Related Budget Programs: Operating Program: #426 Recreation
Capital Program: #505 Golf Courses

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

Special Reporting Requirements: None.

Current Activity (\$000s):

| | <u>2017</u> | <u>2016</u> | <u>2015</u> | <u>2014</u> | <u>2013</u> |
|-------------------------------|--------------|--------------|--------------|-------------|-------------|
| Opening balance | 1,712 | 1,126 | 529 | 327 | 148 |
| User surcharges | 138 | 147 | 161 | 183 | 166 |
| Investment income | 74 | 36 | 25 | 19 | 13 |
| Contributions from operations | 13 | 403 | 411 | - | 389 |
| Donation | 1,000 | - | - | - | - |
| Contribution to operations | (160) | - | - | - | - |
| Debenture repayments | - | - | - | - | (389) |
| Closing balance | <u>2,777</u> | <u>1,712</u> | <u>1,126</u> | <u>529</u> | <u>327</u> |

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

Review Schedule: Last Review: 2017 Next Review: 2020

Fleet Services Capital Reserve

Capital Reserve (\$000s)

\$ 10,933
(2017)

Authorization: Commissionaires Report, FCS2010-10, FCS2011-34 and PFC2014-0847 and C2017-1123.

Purpose: To finance future Fleet Services Capital Expenditures under Council's approval.

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

Restrictions: Funds are to be used only for the purposes outlined above

Related Budget Program: Capital Program: #871 Acquisitions

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

Investment income: ____ Yes X No

Special Reporting Requirements: None.

Current Activity (\$000s):

| | <u>2017</u> | <u>2016</u> | <u>2015</u> | <u>2014</u> | <u>2013</u> |
|---|---------------|---------------|---------------|--------------|-------------|
| Opening balance | 14,326 | 10,456 | 4,042 | - | - |
| Gain/(loss) on asset disposals | (178) | 961 | 1,496 | 278 | - |
| Contributions from operations | 1,685 | 2,909 | 4,918 | 3,764 | - |
| Contribution to Budget Savings Account ⁽¹⁾ | (4,900) | - | - | - | - |
| Closing balance | <u>10,933</u> | <u>14,326</u> | <u>10,456</u> | <u>4,042</u> | <u>-</u> |

(1) The contribution to the Capital Budget Savings Account is a one-time contribution, which was made as per the recommendations noted in the 2017 Triennial Reserve Review Report, C2017-1123.

Source Contacts:

| | |
|------------------------|--|
| Business Unit – | Fleet Services |
| Financial Lead – | E. Jarvo, Finance Lead |
| Operational Lead – | M. Belzile, Manager, Business Operations |

Review Schedule: Last Review: 2017 Next Review: 2020