

Reserve Template – Request to Create a New Reserve (\$000s)

Reserve Name Major Capital Project Reserve (MCP)

Purpose of New Reserve

To provide a funding source for four Long Term capital projects which includes BMO Centre expansion, Event Centre, one phase of Arts Common, and Multi-Sport Field House as per Council's direction (VR2019-0013).

To fund repayable internal loans for the BMO Centre expansion project as per Council's direction (C2019-0349).

Type of Reserve

Capital reserve

Expected Time Period

The expected time period is dependent on project timelines and use of funds. There is no defined time period at this time.

Specific project or on-going program

The reserve is part of the financial strategy approved by Council for the four Long Term capital projects which are:

- BMO Centre expansion
- Event Centre
- One phase of Arts Common
- Multi-Sport Field House

Anticipated funding Sources

On 2019 March 4, Council approved the funding sources to the MCP.

The amounts have been updated to reflect year end financial statement close

- Uncommitted balance (\$304,724) from the Fiscal Stability Reserve (FSR)
 - Uncommitted balance (18,652) from the Lifecycle Maintenance and Upgrade Reserve
 - Uncommitted balance (\$37,440) from the Budget Savings Account Reserve
 - Uncommitted balance (\$37,398) from the Tax Loss Provision Reserve
- Total \$398,214**

Repayment of BMO Centre expansion internal loan principal and interest.

Future funding sources into the fund other than investment income earned on the reserve balance will be based on Council's direction and approval. MCP will earn and retain interest according to City procedures.

Calculations Associated with Funding Source(s) (if required)

N/A

List Budget Programs Affected

Capital programs in various business units and related authorities
Operating Programs: #840 Capital financing costs

Anticipated Target Balance for the Reserve

Balance required to manage cash flows related to the four Long Term capital projects.

Other Reporting Requirements

Project specific. At this time, there are no other reporting requirements for the reserve.

List and explain any Condition(s) and/or Restrictions

Conditions: None
Restrictions: None

Consequence of not creating the reserve

This reserve is created as part of the approved financial strategy per VR019-0013 for the four Long Term capital projects. The creation of the reserve and related investment income earned is critical to the success of the approved financial strategy.

Reserve Review Guideline

Review frequency: minimum every three years

List Key operating and financial contacts responsible (for information purposes only).

Business Unit – Finance
Financial Lead(s) – City Treasurer
Operational Lead(s) – Chief Financial Officer