

THE CITY OF CALGARY
REPORT ON
RESERVES AND LONG TERM LIABILITIES
2017

July 2018

**THE CITY OF CALGARY
RESERVES AND LONG TERM LIABILITIES
AS AT DECEMBER 31, 2013 - 2017
(\$000's)**

	Page	2017	2016	2015	2014	2013
				(Restated)		
<u>Operating Reserves</u>						
Calgary Heritage Authority Reserve	6	1,772	1,765	1,770	1,736	1,698
Calgary Police Service Court Fine Revenue Operating Reserve	7	4,000	4,000	4,000	4,000	4,000
Calgary Police Service Helicopter Maintenance	8	2,352	2,390	3,024	3,000	2,706
Children's Reserve Fund	9	4,723	4,693	4,605	4,605	4,595
Civic Partners Review Reserve	Closed 10	-	-	-	-	-
ENMAX Dividend Stabilization Reserve	12	20,000	20,000	20,000	16,450	10,100
Family & Community Support Service (FCSS) Stabilization Fund	14	4,361	5,504	5,704	3,710	3,688
Fiscal Stability Reserve	16	573,721	556,561	547,811	443,371	365,460
Group Life Reserve	18	1,725	1,685	1,580	1,494	1,338
Health, Safety and Wellness Reserve	19	18,813	15,984	13,271	10,975	7,566
Heritage Incentive Reserve	20	1,205	965	1,087	1,369	1,283
Mall Programming Fund	22	813	788	770	754	744
Parking Revenue Reinvestment Reserve	23	2,133	-	-	-	-
Parks Foundation Reserve	24	2,407	2,376	2,395	2,257	2,114
Self - Insurance Reserve	26	7,000	7,000	7,000	7,000	7,000
Snow and Ice Control (SNIC) Reserve	28	12,482	15,000	8,940	-	4,141
Tax Loss Provision Reserve	29	37,398	37,398	37,398	37,398	39,823
Unappropriated Surplus	Closed 30	-	-	-	-	-
		694,905	676,109	659,355	538,119	456,256

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	Page	2017	2016	2015	2014	2013
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Capital Reserves						
911 Communications Centre Capital Financing Reserve	31	26,243	24,141	18,577	11,830	8,821
Artificial Turf Field Lifecycle Reserve	32	3,271	3,015	2,221	1,548	1,047
Asphalt and Crusher Plant Lifecycle Capital Reserve	33	6,443	7,500	6,367	5,363	7,500
Calgary Police Service Capital Reserve	34	40,209	40,254	34,349	30,978	28,362
Community Investment Reserve	36	39,407	102,204	152,379	168,302	151,077
Corporate Housing Reserve	38	30,383	29,885	38,504	36,073	34,105
Debt Servicing Reserve	40	52,570	52,570	52,570	52,570	52,570
Downtown Improvement Fund	42	3,050	3,684	3,629	3,372	3,207
Fleet Services Capital Reserve	43	10,933	14,326	10,456	4,042	-
Information Technology Reserve	44	27,711	20,746	18,658	18,189	15,867
LED Street Light Re-Lamping Reserve	46	9,123	5,688	5,528	5,816	5,622
Legacy Parks Reserve	48	7,195	10,558	18,450	23,033	19,738
Lifecycle Maintenance and Upgrade Reserve	50	174,747	116,122	149,391	97,251	125,729
Parking Land Acquisition Reserve	52	41,719	40,772	38,215	32,657	24,688
Reserve for Future Capital	54	308,440	327,014	354,190	318,286	269,629
Revolving Fund Reserve for General Land Purchases	56	102,118	101,073	86,881	84,505	52,347
TELUS Convention Centre Reserve	58	20	242	213	253	200
		883,582	899,794	990,578	894,068	800,509
Sustainment Reserves						
(combined operating & capital reserves)						
Budget Savings Account	60	157,334	130,103	60,905	-	-
Community Sustainability Reserve	62	2,119	2,123	2,270	2,443	2,678
CBS and CCS - Business License Sustainment Reserve	64	96,335	106,363	98,408	76,247	48,701
Economic Development Investment Fund	66	55,000	-	-	-	-
Golf Course Levy Reserve	68	2,777	1,712	1,126	529	327
Livery Transport Services	69	4,145	3,737	4,076	4,539	3,722
Millican-Ogden Community Enhancement	70	-	5	132	171	171
Parks Endowment and Sustainment Reserve	72	4,494	3,118	2,328	1,291	1,184
Perpetual Care of the Municipal Cemetery System Reserve	74	18,221	15,905	13,949	12,549	10,359
Public Art Reserve	75	5,883	5,105	4,093	3,272	2,607
Real Estate Services	76	70,796	63,969	68,396	97,664	80,552
Utility Sustainment Reserve	78	142,392	133,033	83,257	49,153	44,076
Waste and Recycling Sustainment Reserve	79	64,802	48,019	48,809	41,968	33,808
		624,298	513,192	387,749	289,826	228,185
Total Reserves		2,202,785	2,089,095	2,037,682	1,722,013	1,484,950
Amounts included in the Reserve Report but recorded in other funds (Operating or Capital Fund) or consolidated for financial reporting purposes						
Less:						
Unappropriated Surplus (Current year surplus)		(80,955)	(37,731)	(59,026)	(27,490)	(8,159)
Livery Transport Services surplus		-	-	-	-	-
Revolving Fund for General Land Purchases		(102,118)	(101,073)	(86,881)	(84,505)	(52,347)
CMLC Internally Restricted (Real Estate Services)		(4,964)	(4,964)	(4,964)	(6,750)	(6,752)
AHCC Internal Sale (Corporate Housing Reserve)		-	(326)	(299)	(323)	(2,203)
Amounts not included in the Reserve Report but recorded in the Reserve Fund for financial reporting purposes						
Attainable Homes Calgary Corporation operating fund		500	-	-	-	-
Calgary Arts Development Authority Ltd. operating fund		459	269	245	169	173
Calgary Housing Company surplus (deficit)		27,348	27,448	27,426	22,589	17,010
Calgary Public Library operating fund		993	993	993	573	1,672
Utility Sustainment Adjustment (offset with capital deposits)		-	2,098	-	-	-
Reserves per financial statements		2,044,048	1,975,809	1,915,176	1,626,276	1,434,344

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(\$000's)

	Page	2017	2016	2015 (Restated)	2014	2013
<u>Long Term Liabilities</u>						
<u>Capital Deposits</u>						
Alberta Municipal Infrastructure Program (AMIP) Agreement	82	-	-	-	11,699	25,969
Basic Municipal Transportation Grant	83	-	-	8,817	259,873	134,742
Cash in Lieu of Parking Fund	84	15,686	15,098	14,697	8,882	5,783
Eau Claire Improvement Fund	85	856	829	2,296	931	975
Federal Gas Tax Fund	86	36,488	76,132	67,079	-	32,769
Infrastructure Canada - Alberta Program (ICAP)	87	-	-	-	173	173
Miscellaneous Capital Deposits	88	243,508	241,435	209,686	200,066	267,930
Municipal Sustainability Initiative (MSI)	90	129,872	259,942	362,375	99,264	132,973
Off-site Levies	92	375,243	402,170	339,009	341,689	316,486
Plus 15 Cash in Lieu Fund	94	25,248	24,665	24,364	23,999	22,937
Total Capital Deposits		826,901	1,020,271	1,028,323	946,576	940,737
Utility Sustainment Adjustment (offset with reserves)		-	(2,098)	-	-	-
Capital Deposits per financial statements		826,901	1,018,173	1,028,323	946,576	940,737
<u>Employee Benefit Obligations</u>						
Defined Benefit Pension Plans (Registered & Non-Registered)	95	90,614	86,738	78,890	68,153	59,873
Funded Vacation and Overtime Liability	96	220,021	217,074	208,480	195,551	189,095
Other Retirement Benefits Liability	98	183,235	176,341	167,879	160,036	149,941
		493,870	480,153	455,249	423,740	398,909
<u>Supplementary Schedules</u>						
Reserves Continuity	101					

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

Calgary Heritage Authority Reserve

\$ 1,772
(2017)

Operating Reserve (\$000s)

Authorization: PFC2012-0159 and PFC2015-0917.

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

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

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

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: 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>

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

Calgary Police Service Court Fine Revenue Operating Reserve

\$ 4,000
(2017)

Operating Reserve (\$000s)

Authorization: PFC2013-0084

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

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

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

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

Related Budget Program: Operating Program: #070 Calgary Police Service

Funding Sources: Police operating budget.

Investment income: 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	4,000	4,000	4,000	4,000	4,000
Contributions from operations	-	-	-	-	-
Closing balance	<u>4,000</u>	<u>4,000</u>	<u>4,000</u>	<u>4,000</u>	<u>4,000</u>

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

Review Schedule: Last Review: 2017 Next Review: 2020

Calgary Police Service Helicopter Maintenance Reserve

\$ 2,352
(2017)

Operating Reserve (\$000s)

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.

Related Budget Program: Operating Program: #070 Calgary Police Service

Funding Sources: Police operating funds

Investment income: 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	2,390	3,024	3,000	2,706	2,905
Contributions from operations	809	808	809	808	809
Contributions to operations	(847)	(1,442)	(785)	(514)	(1,008)
Closing balance	<u>2,352</u>	<u>2,390</u>	<u>3,024</u>	<u>3,000</u>	<u>2,706</u>

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

Review Schedule: Last Review: 2017 Next Review: 2020

Children's Reserve Fund\$ 4,723
(2017)

Operating Reserve (\$000s)

Authorization: C2000-07, FCS2004-22, CPS2008-87, FCS2010-19, FCS2011-34, PFC2012-0606 and PFC2015-0917.**Purpose:** To support access for low-income families and their children (up to 18 years of age) or directly for low income children, to programs which will enhance their social well-being (including arts, recreation and sports programs).**Conditions:** Administration may use up to 100% of the annual interest earned to help fund operating programs for children and youth. Interest earned not used in a year can be carried forward into future years.**Restrictions:** None.**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	4,723	4,693	4,605	4,605	4,595

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

Review Schedule: Last Review: 2015 Next Review: 2018

Civic Partners Review Reserve - CLOSED

Operating Reserve (\$000s)

\$ -
(2017)

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

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

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

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

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

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

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

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

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

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

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

Related Budget Program: Operating Program: #426 Recreation

Funding Sources: Investment income: 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	-	-	-	-	65
Transfer to operations	-	-	-	-	(65)
Closing balance	-	-	-	-	-

Source Contacts: Financial Lead – Finance Lead, Calgary Recreation
Operational Lead – Manager, Office of Partnerships

Review Schedule: Not applicable – reserve closed

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 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	20,000	20,000	20,000	16,450	10,100

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

Review Schedule: Last Review: 2015 Next Review: 2018

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Family & Community Support Service (“FCSS”) Stabilization Fund \$ 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 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: 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	<u>4,361</u>	<u>5,504</u>	<u>5,704</u>	<u>3,710</u>	<u>3,688</u>

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

Review Schedule: Last Review: 2015 Next Review: 2018

Fiscal Stability Reserve

\$	<u>573,721</u>
	(2017)

Operating Reserve (\$000s)

Authorization: Mill Rate bylaw 20M79, C2005-04 and FCS2007-45.**Purpose:** Prior to January 2005, the reserve was used to stabilize tax increases from year to year in order to balance operating budgets without large tax increases; planned contributions from the reserve are made as required and operating surpluses are returned to the reserve. After January 2005, the reserve has been mandated to serve the following purposes:

- A contingency fund for operational emergencies, urgent or contingency capital expenditures, and to compensate for unplanned revenue reductions with significant financial impacts; 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: 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	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⁾	<u>573,721</u>	<u>556,561</u>	<u>547,811</u>	<u>443,371</u>	<u>365,460</u>

- (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.
- (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).
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 – Finance**
 Financial Lead – T. Nguyen, Finance Manager, Corporate Budget Office
 Operational Lead – C. Male, City Treasurer

Review Schedule: Last Review: 2015 Next Review: 2018

Group Life Reserve\$ 1,725
(2017)

Externally Restricted Operating Reserve (\$000s)

Authorization: FB95-92, Group Policy No. 127 and PFC2012-0606.**Purpose:** To satisfy contractual obligations under the Group Life benefit contract between The City and Great West Life (“GWL”).**Conditions:** As per purpose.**Restrictions:** Under the terms of the contract, The City must maintain a reserve balance comprised of two activities: 1) Incurred but Not Reported (“IBNR”) for claims incurred by employees in the current year but not reimbursed by the plan until the following year. The IBNR portion of the reserve is equal to 12% 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 BenefitsInvestment 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	1,725	1,685	1,580	1,494	1,338

Source Contacts:	Business Unit – Financial Lead – Operational Lead –	Finance D. Christensen, Finance Leader, Benefits Finance G. Wiebe, Finance Manager, Corporate Financial Reporting
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Review Schedule: Last Review: 2015 Next Review: 2018

Health, Safety and Wellness Reserve\$ 18,813
(2017)

Operating Reserve (\$000s)

Authorization: FB94-126, FB98-64, FCS2006-32 and FCS2010-10.**Purpose:** To fund preventive and proactive health, safety and wellness programs as part of The City's ongoing commitment to the safety, health and wellness of employees.**Conditions:** Environment & Safety to report annually to the S.P.C. on Utilities and Environment on safety compliance and performance. Human Resources provides an annual report to the Human Resources Client Council ("HRCC") on health and wellness expenditures and outcomes.

Future Workers Compensation Board ("WCB") rebates and dividends will be allocated 75% to the Health, Safety and Wellness (HSW) Reserve and 25% to general revenue. The Human Resources and Environment & Safety Management business units share responsibility for the HSW Reserve. Each business unit manages and 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 of WCB rebates to The City are also transferred to the reserve.Investment income: 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	15,984	13,271	10,975	7,566	7,166
Contributons 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	<u>18,813</u>	<u>15,984</u>	<u>13,271</u>	<u>10,975</u>	<u>7,566</u>

Source Contacts: **Business Unit – Finance**
 Financial Lead – E. Galindo, Finance Lead
 Operational Lead – L. Shikaze, Director, Human Resources

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

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

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

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

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

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

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

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

Investment income: Yes 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	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 Genra/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: 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>

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

Parking Revenue Reinvestment Reserve

\$ 2,133
(2017)

Operating Reserve (\$000s)

Authorization: PFC2017-0223

Purpose: To hold monies generated from surplus returns from Calgary Parking Authority (“CPA”) parking revenues to The City. The money is to be used for investment in public realm improvements and services in paid parking areas. The intent of the policy is to improve infrastructure in paid parking areas to improve streetscapes, urban design and improve the success of the area. It provides a line of sight between the collection of paid parking and area reinvestment. The complete policy is defined in section 5.3 of Council Policy TP017.

Conditions: The funds should be restricted to uses that support public realm improvements only. These are generally identified in Attachment 3 of Report TT2017-0044. Funds are internally restricted but the reserve may fund other improvements at The City’s discretion. Projects will be proposed by the business areas generating revenues and by The City. The projects will be approved jointly.

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

Related Budget Program: Operating Program: #617 Transportation Planning

Funding Sources: 50% of the surplus amount above approved budget from CPA net revenue contributions to The City. Council Policy TP017, section 5.3, provides the complete policy detailing the calculations.

Investment income: 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	-	-	-	-	-
Contributions from CPA	2,168	-	-	-	-
Contributions to operations	(35)	-	-	-	-
Closing balance	<u>2,133</u>	-	-	-	-

Source Contacts: **Business Unit – Transportation Planning**
 Financial Lead – L. Wong, Finance Lead
 Operational Lead – A. Sebjanic, Acting Manager, Transportation Strategy

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

Parks Foundation Reserve\$ 2,407
(2017)

Operating Reserve (\$000s)

Authorization: CS90-17-01, FB99-48, FCS2004-22, Memorandum of Agreement – April 15, 2004, FCS2007-09 and PFC2016-0796.**Purpose:** Create an Endowment fund and use the investment income to fund the administrative costs of Parks Foundation Calgary – a City of Calgary Civic Partner and to eliminate the annual contribution from The City to Parks Foundation Calgary’s operating budget.**Conditions:** Should Parks Foundation Calgary remove the funds from the Endowment Fund, except as outlined in the Restrictions below, The City will request the return of the funds in the Parks Foundation Calgary’s Operating Endowment Fund.**Restrictions:** Only investment earnings as outlined in the Memorandum of Agreement may be withdrawn to be used for administrative services of Parks Foundation Calgary.**Related Budget Program:** Operating Program: #449 Civic Partners (Liaison: Community Services)**Funding Sources:** The City contributed \$200 to the operating endowment for every \$300 Parks Foundation Calgary raised for capital endowment, up to a maximum contribution by The City of \$2,000, which was reached in 1998.Investment income: X Yes No**Special Reporting Requirements:** None.**Current Activity (\$000s):**

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Opening balance	2,376	2,395	2,257	2,114	2,099
Investment income	173	140	213	218	90
Contributions to operations	(142)	(159)	(75)	(75)	(75)
Closing balance	2,407	2,376	2,395	2,257	2,114

Source Contacts:	Business Unit –	Calgary Parks
	Financial Lead –	T. LePrieur, Finance Lead
	Operational Lead –	A. Charlton, Director

Review Schedule: Last Review: 2016 Next Review: 2019

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Self-Insurance Reserve

Operating Reserve (\$000s)

\$ 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	<u>7,000</u>	<u>7,000</u>	<u>7,000</u>	<u>7,000</u>	<u>7,000</u>

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

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

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

Source Contacts: **Business Unit –** **Law**
Financial Lead – T. Topping, Finance Lead
Operational 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 Unit to supplement its annual SNIC budget in order to maintain Council’s approved SNIC policy during years with above average severity (the number of snow events and a combination of snow, temperature and wind). The eligible expenditures are those activities as defined in the Council Policy on Snow and Ice Control (LPT2011-57).

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

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

Restrictions: As stated above.

Related Budget Program: Operating Program: #132 Roads

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

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

Investment income: Yes No

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>

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

Tax Loss Provision Reserve\$ 37,398
(2017)

Operating Reserve (\$000s)

Authorization: FCS2007-45, PFC2013-0812 and PFC2016-0796.**Purpose:** In the event of a substantial unanticipated adverse outcome from Assessment complaints and appeals, this reserve has been established to provide for such losses.**Conditions:** The level (balance) of the Tax Loss Provision Reserve shall be determined by the Chief Financial Officer with input from the Tax Provision Steering Committee. The level of the Tax Loss Provision Reserve shall not exceed the level of the current year tax provision contingency balance.**Restrictions:** Contributions and withdrawals relating to specific tax loss related circumstances are authorized by the Chief Financial Officer. Any other contributions or withdrawals require Council approval.**Related Budget Program:** Operating Program: #856 Taxation**Funding Sources:** Initial funding source in 2007 is \$27,000 transferred from the Assessment and Tax Contingency Provision Liability fund. Future required contributions are from operations.Investment income: Yes 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	37,398	37,398	37,398	39,823	39,823
Contributions from operations	-	-	-	-	-
Contributions to from other sources(1)	-	-	-	(2,425)	-
Closing balance	37,398	37,398	37,398	37,398	39,823

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

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

Unappropriated Surplus - CLOSED\$ -
(2017)

Operating Reserve (\$000s)

Authorization: FCS2010-19 and PFC2013-0745⁽¹⁾.**Purpose:** Under Council policy, the current year's tax supported operating surplus is transferred to the Fiscal Stability Reserve (formerly Mill Rate Stabilization Reserve) in the following year.**Conditions:** As per purpose.**Restrictions:** The balance of this reserve is transferred to the Fiscal Stability Reserve in the following year.**Related Budget Program:** Operating Program: #860 General Revenue**Funding Sources:** The current year's net tax supported operating result.Investment income: 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	-	-	-	-	31,258
Surplus ⁽¹⁾	-	-	-	-	-
Transfer to Fiscal Stability Reserve	-	-	-	-	(31,258)
Surplus	-	-	-	-	-

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

Source Contacts: Financial and Operational Lead – Manager, Corporate Budget Office**Review Schedule:** Not applicable – reserve closed

911 Communications Centre Capital Financing Reserve

\$ 26,243
(2017)

Capital Reserve (\$000s)

Authorization: GP98-21, FCS2004-59, FCS2010-10, CPS2014-0255, PFC2014-0847 and C2017-1123.

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

Conditions: As per purpose.

Restrictions: Funds to be used as per purpose.

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

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

Funding Sources: A portion of revenue generated from the monthly fee charged to citizens on both landlines and wireless phones.

Investment income: 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	24,141	18,577	11,830	8,821	6,612
Contributions from operations ⁽¹⁾	5,149	6,769	8,300	3,498	2,611
Contributions to capital financing	(3,047)	(1,205)	(1,553)	(489)	(402)
Closing balance	<u>26,243</u>	<u>24,141</u>	<u>18,577</u>	<u>11,830</u>	<u>8,821</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, Acting Commander

Review Schedule: Last Review: 2017 Next Review: 2020

Artificial Turf Field Lifecycle Reserve

\$ 3,271
(2016)

Capital Reserve (\$000s)

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

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

Conditions: As per purpose.

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

Related Budget Program: Capital Program: #507 Recreation, Facilities

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

Investment income: Yes No

Special Reporting Requirements: Administration will be closely monitoring field revenues, expenses and the annual reserve balances and report back to Council if the yearend reserve balance deviates by 25% from projection in any year. Any significant modifications in contribution amounts will be identified through the annual budget process as necessary.

Current Activity (\$000s):

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Opening balance	3,015	2,221	1,548	1,047	2,108
Contributions from operations	668	908	628	476	298
Investment income	97	59	45	25	40
Contribution (to)/from capital	(509)	(173)	-	-	3,601
Transfer to Reserve for Future Capital	-	-	-	-	(5,000)
Closing balance	<u>3,271</u>	<u>3,015</u>	<u>2,221</u>	<u>1,548</u>	<u>1,047</u>

Source Contacts: **Business Unit – Calgary Recreation**
 Financial Lead – R. Turley, Finance Lead
 Operational Lead – M. Payne, Manager, Capital Development and
 A. Iamartino, Manager, W. Region

Review Schedule: Last Review: 2016 Next Review: 2019

Asphalt and Crusher Plant Lifecycle Capital Reserve

\$ 6,443
(2017)

Capital Reserve (000's)

Authorization: FCS2010-10 and PFC2012-0606.

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

Conditions: Funds must be used to finance capital expenditures relating to Roads - Plant Operations only.

As per report FCS2004-22, in 2004 this reserve will reflect only the funds available for capital improvement and not 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 assets, depreciation on plant assets and interest income.

Investment income: 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	<u>6,443</u>	<u>7,500</u>	<u>6,367</u>	<u>5,363</u>	<u>7,500</u>

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

Review Schedule: Last Review: 2015 Next Review: 2018

Calgary Police Service Capital Reserve

\$ 40,209
(2017)

Capital Reserve (\$000s)

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

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

Purpose:

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

Conditions: As per purpose.

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

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

Related Budget Program:

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

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

Special Reporting Requirements: None.

Current Activity (000's): Vehicles

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Opening Balance	22,329	22,319	18,531	18,066	17,293
Contributions from operations	4,314	5,750	9,483	6,760	7,190
Contributions to capital financing	(6,624)	(5,740)	(5,695)	(6,295)	(6,417)
Closing Balance	<u>20,019</u>	<u>22,329</u>	<u>22,319</u>	<u>18,531</u>	<u>18,066</u>

Current Activity (000's): AFIS

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Opening Balance	851	819	783	751	718
Contributions from operations	17	13	16	15	17
Investment Income (AFIS only)	30	19	20	17	16
Closing Balance	<u>898</u>	<u>851</u>	<u>819</u>	<u>783</u>	<u>751</u>

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

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Opening Balance	9,238	2,500	2,500	2,430	2,500
Contributions from operations	-	8,272	2,500	2,499	2,325
Contributions to capital financing	(1,188)	(1,534)	(2,500)	(2,429)	(2,395)
Closing Balance ⁽¹⁾	<u>8,050</u>	<u>9,238</u>	<u>2,500</u>	<u>2,500</u>	<u>2,430</u>

(1) Per FCS2004-22, a maximum amount of \$2,500 to be held in the reserve (at December 31). The 2016 and 2017 balances are in excess of this maximum because of an additional transfer (C2016-0632) approved by Council in 2016. There are plans in place approved by the Police Commission to have the funds expended by Q1 2019.

Current Activity (000's): Red Light Camera

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Opening Balance	7,836	8,711	9,164	7,115	5,412
Contributions from operations	4,033	2,796	3,230	3,119	2,917
Contributions to capital financing	(627)	(3,671)	(3,683)	(1,070)	(1,214)
Closing Balance	<u>11,242</u>	<u>7,836</u>	<u>8,711</u>	<u>9,164</u>	<u>7,115</u>
Consolidated Closing Balance ⁽²⁾	<u>40,209</u>	<u>40,254</u>	<u>34,349</u>	<u>30,978</u>	<u>28,362</u>

(2) Per FCS2011-34, the above balances were consolidated and the above values represent a consolidation of reserve balances from prior years for illustrative purposes only. The reserves consolidated into this are Red Light Camera Funds and the Calgary Police Service Pay-As-You-Go Reserve.

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

Review Schedule: Last Review: 2017 Next Review: 2020

Community Investment Reserve

Capital Reserve (\$000s)

\$ 39,407
(2017)

Authorization: C2004-60, NM2004-17, CPS 2005-24, NM2006-05, LAS2008-101, CPS2011-39, FCS2011-18, LAS2011-59, PFC2012-0248, C2014-0863, CPS2015-0647, PFC2016-0796, and PFC2017-0615.

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

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

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

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

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

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

PFC2017-0615 directed \$240 from the Community Investment Reserve to fund Memorial Park Library maintenance and upgrade.

Purpose:

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

Conditions: As per purpose.

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

Related Budget Program: Numerous Community Services Capital Programs

Funding Sources:

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

Investment income: 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	102,204	152,379	168,302	151,077	112,223
Contributions from Federal GST rebate	8,919	8,919	8,919	8,919	8,919
Contribution to capital projects - GST ⁽¹⁾	(6,741)	(8,196)	(30,321)	(14,101)	(717)
Contribution from Reserve for Future Capital - GST	1,500	1,500	1,500	1,500	1,500
Contributions from VTR	42,000	42,000	42,000	42,000	42,000
Contribution to capital projects - VTR ⁽¹⁾	(111,823)	(100,258)	(45,340)	(27,697)	(16,909)
Investment income ⁽²⁾	3,348	5,860	7,369	6,604	4,181
Contribution to program costs	-	-	(50)	-	(120)
Closing Balance ⁽³⁾	<u>39,407</u>	<u>102,204</u>	<u>152,379</u>	<u>168,302</u>	<u>151,077</u>

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

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

(3) Committed amounts included in the closing balance total \$39,407 for future projects.

Source Contacts: **Business Unit –** **Civic Partners**
 Financial Lead – S. MacFayden, Finance Manager
 Operational Lead – K. Black, Director

Review Schedule: Last Review: 2016 Next Review: 2019

Corporate Housing Reserve

\$ 30,383
(2017)

Capital Reserve (\$000s)

Authorization: FB99-62, CPS2002-57, LAS2000-206, CPS2004-55, LPT2007-61, FCS2010-10, PFC2012-0606 and LAS2013-06.

Purpose: To support the development of affordable rental, social and special 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.

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 LAS2000-206, 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: 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	38,504	36,073	34,105	46,749
Investment income	754	645	762	597	784
Contributions from operations ⁽¹⁾	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⁾	(2,713)	(3,335)	(2,690)	(1)	(13,620)
Transfer (to)/from Reserve ⁽¹⁾	2,132	323	1,852	(1,879)	-
Closing balance	<u>30,383</u>	<u>29,885</u>	<u>38,504</u>	<u>36,073</u>	<u>34,105</u>

- (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

Debt Servicing Reserve**\$ 52,570**

(2017)

Capital Reserve (\$000s)

Authorization: FCS2004-22 combined three reserves Sinking Fund (C98-18), Major Project Reserve (C96-15, C98-93) and Transportation Capital Reserve (C98-16), FCS2006-42, UE2007-07, C2007-14, FCS2008-28 and PFC2016-0796.

Purpose: For principal and interest payments of tax-supported debt.

FCS2008-28, Contribute to Lifecycle Maintenance and Upgrade Reserve ("LMUR") and Pay-As-You-Go ("PAYG").

On C2007-14 for Calgary Municipal Land Corporation ("CMLC") – for operating expenditures up to \$10,000.

Conditions: As per purpose.

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

Related Budget Program: Capital Program: #840 Capital Financing Costs

Funding Sources: Allocation of 84% of annual debt charge savings.

Investment income: 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	52,570	52,570	52,570	52,570	67,769
Investment income	1,863	1,177	1,340	1,207	1,473
Contributions (to)/from from operations:					
Debt Charge Savings	94,752	94,752	94,752	94,752	94,752
Principal Payment	(34,634)	(36,733)	(38,505)	(39,374)	(54,506)
Interest Payment	(9,660)	(11,317)	(13,059)	(14,875)	(16,918)
Contributions to other Reserves:					
Contribution to LMUR ⁽¹⁾	(22,321)	(17,879)	(14,528)	(11,710)	(10,000)
Contribution to PAYG ⁽²⁾	(30,000)	(30,000)	(30,000)	(30,000)	(30,000)
Closing Balance	<u>52,570</u>	<u>52,570</u>	<u>52,570</u>	<u>52,570</u>	<u>52,570</u>

(1) As per report FCS2006-42 and FCS2008-28, the amounts transferred to LMUR are:

- fixed amount of \$10,000 annually: 2007 to 2017
- funding not committed to tax supported debt: \$12,321 for 2017, \$7,879 for 2016, \$4,528 for 2015, \$1,710 for 2014, and none in 2013.

(2) As per report FCS2008-28 contribution to PAYG from Debt Servicing Reserve of \$10,000 in 2009, escalating by \$5,000 per year to \$30,000 by 2013.

Source Contacts: **Business Unit – Finance**
 Financial and
 Operational Lead – K. Ohlhauser, Budget Officer

Review Schedule: Last Review: 2016 Next Review: 2019

Downtown Improvement Fund
Excluding Stephen Avenue Heritage Area Society Fund

\$ 3,050
(2017)

Capital Reserve (\$000s)

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

Purpose: The Downtown Improvement Fund assists in the implementation of public improvement projects in the Centre City. Reserve funds may be used to help fund operating maintenance costs of specialty assets in the Centre City.

Conditions: Funds are to be used for high priority downtown improvement projects through the capital budget process. The annual maximum the reserve may fund is \$300 plus any accrued carry-forward capital spending from previous years.

Restrictions: Centre City is defined in the May 2007 Centre City Plan (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	(862)	(283)	(8)	(50)	(102)
Closing balance	<u>3,050</u>	<u>3,684</u>	<u>3,629</u>	<u>3,372</u>	<u>3,207</u>

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

Review Schedule: Last Review: 2015 Next Review: 2018

Fleet Services Capital Reserve\$ 10,933
(2017)

Capital Reserve (\$000s)

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	10,933	14,326	10,456	4,042	-

(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 – Financial Lead – Operational Lead –	Fleet Services E. Jarvo, Finance Lead M. Belzile, Manager, Business Operations
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Review Schedule: Last Review: 2017 Next Review: 2020

Information Technology Reserve

\$ 27,711
(2017)

Capital Reserve (\$000s)

Authorization: FB96-101, C98-74, FCS2007-45, FCS2010-10, FCS2011-34, PFC2014-0847 and C2017-1123.

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. The target balance for the lifecycle portion of the reserve is between two times and two and a half times the three year average forecast of capital spending for hardware lifecycle replacement.

Restrictions: Funds are to be used only for the purpose.

Related Budget Programs: Capital Programs: #803 IT Development Projects
#741 Information Technology Infrastructure
#751 Fibre Network

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: Yes (Fibre Optics only) No

Special Reporting Requirements: None.

Current Activity (\$000s): IT Initiatives

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Opening balance	7,018	4,754	2,002	1,660	1,627
Contributions from operations	60	2,886	2,918	145	-
Proceeds from asset disposal	-	164	127	162	-
Investment Income	225	122	67	35	33
Contribution to Capital	-	(908)	(360)	-	-
Closing balance	<u>7,303</u>	<u>7,018</u>	<u>4,754</u>	<u>2,002</u>	<u>1,660</u>

Current Activity (\$000s): IT Projects Pool

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Opening balance	3,902	5,138	6,898	4,772	4,166
Contributions from operations	5,000	3,000	2,000	5,000	5,000
Contribution to Capital	(3,963)	(4,236)	(3,760)	(2,874)	(4,394)
Closing balance	<u>4,939</u>	<u>3,902</u>	<u>5,138</u>	<u>6,898</u>	<u>4,772</u>

Current Activity (\$000s): Corporate Telecom - Fibre Optics

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Opening balance	3,210	3,160	2,777	2,268	2,167
Contributions from operations	1,306	3,300	1,322	1,273	846
Investment Income	98	53	68	51	(786)
Contribution to Capital	(820)	(3,303)	(1,007)	(815)	41
Closing balance	<u>3,794</u>	<u>3,210</u>	<u>3,160</u>	<u>2,777</u>	<u>2,268</u>

Current Activity (\$000s): Hardware Replacement

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Opening balance	4,894	4,014	3,094	4,285	5,778
Contributions from operations	3,160	2,827	2,760	2,150	1,665
Contribution to Capital	(1,737)	(1,947)	(1,840)	(3,341)	(3,158)
Closing balance	<u>6,317</u>	<u>4,894</u>	<u>4,014</u>	<u>3,094</u>	<u>4,285</u>

Current Activity (\$000s): Enterprise Software Growth

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Opening balance	1,722	1,592	3,418	2,882	1,418
Contributions from operations	4,985	1,400	1,371	1,119	1,422
Investment Income	51	36	74	69	42
Contribution to Capital	(1,400)	(1,306)	(3,271)	(652)	-
Closing balance	<u>5,358</u>	<u>1,722</u>	<u>1,592</u>	<u>3,418</u>	<u>2,882</u>

Consolidated Closing Balance

2017	20,746	18,658	18,189	15,867
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Source Contacts:**Business Unit –**

Financial Lead –

Operational Lead –

Information Technology

E. Galindo, Finance Lead and

T. Nguyen, Finance Manager

H. Reed-Fenske, Director

Review Schedule:

Last Review:

2017

Next Review:

2020

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 Roads
 Capital Programs: #128-131 Traffic Signals-LED Relamp
 #128-100 LED Streetlights

Funding Sources: Annual operating contribution based on energy savings as a result of the streetlight LED replacement program.

Investment income: ___ Yes X No

Special Reporting Requirements: None.

Current Activity (\$000s):

	<u>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

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Legacy Parks Reserve

Capital Reserve (\$000s)

\$ 7,195
(2017)

Authorization: LPC2003-17, NM2003-36, NM2003-40, C2003-67, C2006-62, NM2007-35, C2008-76, LPC2008-02, CPS2009-36, M2010-08, NM2012-05, LPC2012-0809, LPC2013-0428, LPC2014-0172, LPC2014-0823 and LPC2016-0626.

Purpose: To create new park space and enhance existing parks for the benefit of Calgarians, now and in the future.

Conditions: Allocation of funds are as follows:

- \$30,000 to fund the purchase and development of lands to comprise three new regional parks.
- \$20,000 to fund upgrading and/or development of parks within The City limits.
- Per C2006-62, Council approved an additional \$10,400 to fund the purchase of Bears paw District.
- Per LPC2008-02, Council approved an additional \$75,000 of new funding to fund Legacy Parks projects.
- Per CPS 2009-36, reallocated \$7,000 of funds from Legacy to Devonian Gardens Redevelopment.
- Per NM2012-05, Council approved \$75,000 of new funding to fund Legacy Parks projects.
- Per LPC2012-0809 Council approved \$200 one-time operating budget (expenditures) from 2013 to 2017 for Parks Foundation Calgary, offset by a corresponding increase of \$200 operating budget (revenue) in General Revenue (Program 860) to be funded by the Legacy Parks Reserve.
- Per LPC2014-0823 Council approved specific projects to be funded by \$75,000 from NM2012-05.
- Per LPC2016-0626, the Legacy projects underway were reprioritized and strategically phased and high priority projects were identified.

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

Related Budget Programs: Capital Programs: #499 Legacy Parks (2016 and prior only)
#500 Parks (previously known as Parks and Natural Areas)

Funding Sources: C2008-76 changed the funding to ENMAX dividends in excess of \$43,000. As per NM2012-05, ENMAX dividend in excess of \$47,000 be directed to ENMAX Legacy Parks fund for the next approximately 5 years, with the exception of 50% of any excess dividend, to a maximum of \$20,000, be set aside in a new reserve as a contingency fund for any shortfall in the ENMAX dividends below \$47,000.

Investment income: Yes No

Special Reporting Requirements: Per LPC2013-0428, The Legacy Parks Fund Steering Committee reports directly to Council annually through the SPC on Community Services.

Current Activity (\$000s):

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Opening balance	10,558	18,450	23,033	19,738	13,332
Contributions from operations	800	-	4,950	6,150	9,900
Investment income	255	335	449	435	287
Contributions to capital	(4,418)	(11,107)	(9,982)	(3,290)	(3,781)
Contribution from Reserve for Future Capital	-	2,880	-	-	-
Closing balance	<u>7,195</u>	<u>10,558</u>	<u>18,450</u>	<u>23,033</u>	<u>19,738</u>

Source Contacts: **Business Unit –** **Calgary Parks**
 Financial Lead – T. LePrieur, Finance Lead
 Operational Lead – D. Marter, Manager

Review Schedule: Last Review: 2016 Next Review: 2019

Lifecycle Maintenance and Upgrade Reserve

\$ 174,747
(2017)

Capital Reserve (\$000s)

Authorization: C2002-82, CPS2005-03, FCS2006-42, FCS2008-28, FCS2011-34, M2012-0828, C2013-0330, C2013-0668, NM2015-33 and C2017-1123.

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 (FCS2011-34).
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 Property Tax Room to be used as per Council approval (M2012-0828, C2013-0330 and C2017-0288).

Related Budget Programs: Operating Program: #840 Capital Financing Costs
Capital Programs: Capital programs in various business units.

Funding Sources: Funding Sources include:

- 2.6% of annual property taxes (FCS2008-28);
- \$10,000/year from Debt Servicing Reserve (FCS2008-028), provided no new tax-supported debt is issued and funds are not required for the interest payments for Municipal Sustainability Initiative related bridge financing;
- The Debt Servicing Reserve will be reviewed annually and any available funding not committed for tax supported debt will be transferred to the LMUR (FCS2006-42);
- Net proceeds from sale of surplus transit and fire assets, and funds received from AHS (FCS2011-34);
- Net proceeds from sale of surplus transit asset (FCS2011-34);
- Tax Room funds (M2012-0828, C2013-0330 and C2017-0288); and
- Transfer of \$475 on 2014 from City Clerk Operating Budget to LMUR to fund capital projects (C2014-0608).

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>
Lifecycle Maintenance & Upgrade					
Opening balance	98,111	106,372	97,251	125,729	102,075
Contributions from operations ⁽¹⁾	45,128	42,031	37,859	36,071	33,051
Contributions from Debt Servicing Reserve	22,321	17,879	14,528	11,710	10,000
Contributions from Property Tax Room ⁽²⁾	10,231	10,231	10,231	10,231	62,346
Contributions to capital	(55,457)	(81,323)	(53,883)	(87,558)	(81,830)
Transfer (to)/from Budget Saving Account ⁽³⁾	150	-	(150)		
Transfer from Misc Capital - Fire ⁽⁴⁾	2,139	1,940	393	151	12
Transfer from Misc Capital - Transit ⁽⁴⁾	192	981	143	917	75
Closing balance	<u>122,815</u>	<u>98,111</u>	<u>106,372</u>	<u>97,251</u>	<u>125,729</u>
Green Line Fund					
Opening balance	18,011	43,019	-	-	-
Contributions from Property Tax Room ^{(2),(5)}	52,115	52,115	52,115	-	-
Contributions to capital	(18,194)	(77,123)	(9,096)	-	-
Closing balance	<u>51,932</u>	<u>18,011</u>	<u>43,019</u>	<u>-</u>	<u>-</u>
Total Reserve					
Closing balance ⁽⁶⁾	<u>174,747</u>	<u>116,122</u>	<u>149,391</u>	<u>97,251</u>	<u>125,729</u>

- (1) 2.6% of annual property taxes
- (2) As per report M2012-0828 and C2013-0330, the Property Tax Room funds are transferred to 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. In 2017, amounts were transferred back from the capital Budget Savings Account to the LMUR due to changes in project funding sources.
- (4) As per report FCS2011-34, the Misc. Capital Fire and Transit reserves are transferred into LMUR.
- (5) C2013-0668 and NM2015-33 dedicated \$52,115 from 2015 to 2044 to be used toward the Green Line Fund.
- (6) Committed amounts included in the closing balance total \$122,893 for future projects.

Source Contacts: **Business Unit – Finance**
 Financial and
 Operational Lead – K. Ohlhauser, Budget Officer

Review Schedule: Last Review: 2017 Next Review: 2020

Parking Land Acquisition Reserve

\$ 41,719
(2017)

Capital Reserve (\$000s)

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: 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

Reserve for Future Capital (“RFC”)**\$ 308,440**
(2017)

Capital Reserve (\$000s)

Authorization: C85-66, C96-15, NM2004-17, FCS2004-62, FCS2006-42, FCS2008-24, FCS2008-28, LPT2008-38, CPS2010-24, FCS2010-27, CPS2010-41, FCS2011-34, LAS2011-66 (LAS2015-17), LAS2012-23, C2014-0744, C2014-0863, GP2015-0485 and C2017-1123.**Purpose:**
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, project 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:**
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).**Related Budget Programs:**
Operating Programs: #840 Capital Financing Costs
#694 Facility Management
Capital Programs: Capital programs are identified in various business units.**Funding Sources:** Funding sources include:
1. FM lease/sales revenue and space provision funds for new employees (FCS2010-27)
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 operations. Funding increase every 4-year planning period with population and non-residential construction inflation (FCS2008-028)
5. Transfer of Provincial Disaster Recovery reimbursement of 2013 Flood operating costs to RFC to fund resiliency capital projects (C2014-0774)
6. Heritage Building Preservation fund, one-time \$35,000 allocation of 2014 operating surplus to restore and preserve city-owned heritage buildings (C2014-0863)
7. Other funding sources as directed by Council.Investment income: Yes No**Special Reporting Requirements:** None.

Current Activity (\$000s):

	2017	2016	2015	2014	2013
Opening balance	327,014	354,190	318,286	269,629	271,888
Net contribution from operations	68,026	62,726	80,575	155,979	78,539
Transfer from DSR	30,000	30,000	30,000	30,000	30,000
Contribution from Parking Authority	1,000	1,000	1,000	1,000	1,000
Contribution to capital financing	(116,100)	(119,402)	(74,171)	(136,822)	(107,225)
Contribution to debt prepayment	-	-	-	-	(3,073)
Contribution to Community Investment Reserve	(1,500)	(1,500)	(1,500)	(1,500)	(1,500)
Closing balance ⁽¹⁾	308,440	327,014	354,190	318,286	269,629
Represented By:					
Allocated					
RFC Flow Through ⁽²⁾	35,084	32,436	31,383	23,141	17,781
Committed PAYG not spent	128,657	130,932	145,893	123,634	138,773
Committed RFC not spent	71,376	90,441	102,414	68,601	48,164
Unallocated					
RFC - contingency ⁽³⁾	73,323	73,205	74,500	102,910	64,911
	308,440	327,014	354,190	318,286	269,629

- (1) Committed amounts included in the closing balance net of budgeted contributions is \$200,033 (\$128,657 for PAYG and \$71,376 for RFC).
- (2) Flow though funds include specific amounts committed to major projects typically spanning multiple years. In 2017, these funds primarily relate to 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. The target balance for the end of 2017 was \$107,530.

Source Contacts:

Business Unit – Finance
 Financial Lead – K. Ohlhauser, Budget Officer

Business Unit – Facility Management
 Financial Lead – K. Campbell, Finance Lead
 Operational Lead – D. Bell, Director

Business Unit – Transportation Infrastructure
 Financial Lead – T. Johnson, Finance Lead
 Operational Lead – K. Fromherz, Director

Review Schedule: Last Review: 2017 Next Review: 2020

Revolving Fund Reserve for General Land Purchases

\$ 102,118
(2017)

Capital Reserve (000's)

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

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

Conditions: As per purpose.

Restrictions: None.

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

Capital Program: #695 Land Acquisitions – Other Civic Departments

Funding Sources: Initial funding in 1998 was as follows:
- \$5,306 from Real Estate Retained Earnings.
- \$2,500 from non-transportation project funding from the \$40,200 set aside for non-transportation capital projects in excess of the Envelope.

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

Investment income: X Yes No

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

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

Current Activity (\$000s):

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Opening Balance	101,073	86,881	84,505	52,347	58,654
Investment Income	2,917	2,086	2,031	1,317	1,089
Contributions from land sales	71,318	32,854	29,394	35,869	12,711
Contributions from operations	4,175	7,720	1,048	1,739	2,181
Contributions (to)/from capital	(16,136)	(23,296)	(10,760)	(3,005)	(17,447)
Contributions to other reserves	(61,229)	(5,141)	(18,931)	-	(1,429)
Net transfers to restricted reserve ⁽¹⁾	-	(31)	(406)	(3,762)	(3,412)
Closing Balance	102,118	101,073	86,881	84,505	52,347

(1) Transfers to restricted reserves:

Funds are restricted sales of land sold to the Calgary Municipal Land Corporation ("CMLC") and the Attainable Homes Calgary Corporation ("AHCC"). Sales set up as receivables. Receipt of funds will be the earlier of a) ten years from the advancement date, or b) in the event that CMLC/AHCC had disposed of the property, or any portion thereof, the date CMLC/AHCC receives proceeds of the sale to the third party. These funds are restricted until receipt of the funds from CMLC/AHCC is deposited. Total funds outstanding equal \$6,816.

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

Review Schedule: Last Review: 2016 Next Review: 2019

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

\$ 20
(2017)

Authorization: C97-83 and C2000-70.

Purpose: In 1985 the reserve was created to finance carpeting and other major replacement items with a useful life of five years or less. Commissioners' Report C97-83 amended the use of this reserve for capital purchases regardless of their useful life.

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

Restrictions: Expenditures are approved by the Calgary Convention Centre Authority.

Related Budget Programs: Operating Program: #449 Civic Partners, Convention Centre
Capital Program: #626 Calgary Convention Centre

Funding Sources: Annual contribution of \$180 from City operations.
Investment income: 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	242	213	253	200	200
Contributions from operations	180	180	180	180	180
Contributions to capital	(402)	(151)	(220)	(127)	(180)
Closing balance ⁽¹⁾	20	242	213	253	200

(1) In 2017, the combined balance of this reserve (\$20) and the TELUS Convention Centre's operating reserve (\$5,064) exceeded the minimum balance of \$200.

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

Review Schedule: Last Review: 2016 Next Review: 2019

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Budget Savings Account Reserve\$ 157,334
(2017)

Combined Operating and Capital Reserve (\$000s)

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

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

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 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	<u>157,334</u>	<u>130,103</u>	<u>60,905</u>	<u>-</u>	<u>-</u>

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	<u>4,900</u>	<u>3,984</u>	<u>592</u>	<u>-</u>	<u>-</u>
Closing Balance	<u>157,334</u>	<u>130,103</u>	<u>60,905</u>	<u>-</u>	<u>-</u>

(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

Community Sustainability Reserve
Combined Operating & Capital Reserve (\$000s)

\$ 2,119
(2017)

Authorization: CPS2008-39, C2008-76, CPS2009-06, FCS2009-26, FCS2010-28, PFC2013-0745, PFC2016-0796 and C2017-1123.

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

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

Conditions: In order to qualify for funding, Community Associations and social recreational organizations must have an active lease or license of occupation with The City through the Community Association or Social Recreation Leasing Policy CSPS011 – Lease/License of Occupation to Community Organizations.

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

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

Restrictions: As per purpose and conditions.

Related Budget Programs: N/A

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

Investment income: Yes 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	2,123	2,270	2,443	2,678	3,151
Contributions to operations	-	-	-	-	(473)
Transfer between reserves	(4)	(147)	(173)	(235)	-
Closing balance	<u>2,119</u>	<u>2,123</u>	<u>2,270</u>	<u>2,443</u>	<u>2,678</u>

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

Review Schedule: Last Review: 2016 Next Review: 2019

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

\$ 96,335
(2017)

Combined Operating & Capital Reserve (\$000s)

Authorization: FB2003-49, C2005-60, C2005-68, FCS2005-33, FCS2006-37, FCS2007-45, LPT2008-67, LPT2011-30, PFC2013-0745, PFC2016-0796 and PFC2017-1081.

Purpose: The reserve will be used to manage fluctuations in the level of activity in the development and building industry, supporting CBS’s plan to be a sustainable self-supporting business unit without requiring mill-rate support.

The reserve will have the following specific uses:

1. Stabilize the operating budget
2. Fund one-time operating expenditures
3. Fund the capital expenditures

Conditions: Per report LPT2011-30, Council approved the recommendation to adjust the CBS Sustainment Reserve Fund to a guideline maximum of \$60,000. Should the fund exceed the guideline maximum, the excess would be used as a contribution from reserve to CBS operations in the following year to soften any required user fees increase.

Restrictions: As per purpose and conditions.

Related Budget Programs: Operating Program: #611 Calgary Building Services
Capital Programs: #048 Bylaw Capital
#061 Capital Asset Acquisition
#063 Cash System Integration
#064 Working Space Initiatives
#065 Land Use Bylaw Implementation/Sustainment
#067 Business Technology Sustainment
#069 eService Portfolio

Funding Sources: Annual CBS operating surplus as of 2003 and future years.

Investment income: Yes No

Special Reporting Requirements: None.

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

Current Activity (\$000s):**CBS Sustainment Reserve**

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Opening balance	99,114	93,707	74,063	48,701	30,794
Investment income	3,159	2,131	2,056	1,351	826
Contributions from operations	11,901	10,158	23,492	27,927	20,080
Contributions to capital	(7,422)	(6,882)	(5,904)	(3,916)	(2,999)
Transfer to Economic Development Investment Fund ⁽¹⁾	(20,000)	-	-	-	-
Closing balance	<u>86,752</u>	<u>99,114</u>	<u>93,707</u>	<u>74,063</u>	<u>48,701</u>

CCS Sustainment Reserve

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Opening balance	7,249	4,701	2,184	-	-
Contributions from operations	2,103	2,439	2,425	2,158	-
Investment income	299	146	92	26	-
Contributions to capital	(68)	(37)	-	-	-
Closing balance	<u>9,583</u>	<u>7,249</u>	<u>4,701</u>	<u>2,184</u>	<u>-</u>
Total Closing Balance	<u>96,335</u>	<u>106,363</u>	<u>98,408</u>	<u>76,247</u>	<u>48,701</u>

(1) In 2018, an additional \$20,000 will be transferred to the Economic Development Investment Fund as per Council's decision made on December 18, 2017.

Source Contacts:

Business Unit –
Financial Lead –
Operational Lead –

Calgary Building Services

M. Fung, Finance Lead
K. Griffiths, Director

Business Unit –
Financial Lead –
Operational Lead –

Calgary Community Standards

G. Drall, Finance Lead
R. Hinse, Director

Review Schedule:

Last Review: 2016 Next Review: 2019

Economic Development Investment Funds (“EDIF”)

Combined Operating & Capital Reserve (\$000s)

\$ 55,000
(2017)

Authorization: C2017-0370 and PFC2017-1081.

Purpose: The EDIF represents a commitment by municipal government to invest in catalyst projects to strengthen the local economy. The purpose of the EDIF is to help keep Calgarians working, invest in infrastructure, and increase the effectiveness of local government.

The goals of the EDIF include, but are not limited to:

- Help create the right conditions for growth
- Diversify the local economy
- Leverage municipal funds for additional private and public sector investments
- Create employment lands and stimulate employment
- Create a return on investment (both direct and indirect)
- Support The City’s downtown office vacancy challenges
- Increase The City’s property tax assessment base

Conditions: As per above.

Restrictions: The EDIF, in alignment with the Government of Alberta’s Municipal Government Act and C2017-0370, will not be used to provide:

- Municipal tax relief;
- Loans; and
- Communications, marketing, or public relations.

Related Budget Programs: Operating Program: #775 City Manager’s Office

Funding Sources: The EDIF received initial funding from the Fiscal Stability Reserve (\$10,000), Calgary Building Services (“CBS”) and Calgary Community Services (“CCS”) – Business License Sustainment Reserve (\$20,000), and Corporate Programs (\$25,000). In 2018, additional funding will be received from the CBS and CCS – Business License Sustainment Reserve (\$20,000) and the Budget Savings Account (\$25,000).

Investment income: 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	-	-	-	-	-
Contributions from other sources	55,000	-	-	-	-
Closing balance	<u>55,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

Source Contacts:

Business Unit –
Financial Lead –
Operational Lead –

City Manager’s Office
T. Nguyen, Finance Manager
H. Domzal, Chief of Staff

Review Schedule:

Last Review: N/A Next Review: 2020

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

Livery Transport Services Sustainment Reserve

(formerly Livery Transport Services Reserve)

Combined Operating and Capital Reserve (\$000s)

\$ 4,145
(2017)

Authorization: FCS2004-22, FCS2010-10, PFC2013-0745 and PFC2016-0796.

Purpose: To stabilize livery fees and financing which would benefit the industry while achieving a balanced budget without tax rate support.

The reserve is used by Livery Transport Services to:

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

Conditions: As per purpose.

Restrictions: As per purpose.

Related Budget Programs: Operating Program: #004 Calgary Community Standards (LTS)
Capital Program: #048 Calgary Community Standards (Bylaw Capital)

Funding Sources: The Livery Transport Services' operating surpluses.

Investment income: 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	3,737	4,076	4,539	3,722	3,127
Annual operating surplus (deficit)	373	(354)	(181)	901	668
Investment income	119	86	110	99	70
Contributions to capital	(84)	(71)	(392)	(183)	(143)
Closing balance	<u>4,145</u>	<u>3,737</u>	<u>4,076</u>	<u>4,539</u>	<u>3,722</u>

Source Contacts: **Business Unit – Calgary Community Standards**
Financial Lead – G. Drall, Finance Lead
Operational Lead – M. Halat, Manager

Review Schedule: Last Review: 2016 Next Review: 2019

Millican-Ogden Community Enhancement – CLOSED

Combined Operating & Capital Reserve (\$000s)

\$ -
(2017)

Authorization: C2005-80, E2012-20 and PFC2015-0917.

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

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

Conditions: As per purpose.

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

Related Budget Programs: Operating Program: #612 Community Planning (previously #616 Land Use Planning & Policy)

Funding Sources: One time funding from the Fiscal Stability Reserve.

Investment income: 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	5	132	171	171	171
Transfers to operations	(5)	(127)	(39)	-	-
Closing balance	-	5	132	171	171

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

Review Schedule: Last Review: 2015 Next Review: 2018

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Parks Endowment and Sustainment Reserve

Combined Operating & Capital Reserve (\$000s)

\$ 4,494
(2017)

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

Purpose: This reserve is a temporary repository for contributions to the development and operations of City Parks from businesses, foundations, grants, individuals and internal revenues. The fund will be used to develop, enhance or maintain Parks operations specific to the funding agreements.

Conditions: As per purpose.

Restrictions: Endowment funds:

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

The three endowment funds are:

- Petro-Canada endowment - the investment income is available for maintenance/lifecycle of Wildland Parks; fund balance is \$213 (2016 - \$220),
- Variety Park Endowment Fund - the fund is available for the maintenance and lifecycle for the spray park features and infrastructure. Fund balance is \$143 (2016 - \$138),
- Olympic Plaza endowment - the fund is available for lifecycle maintenance and upgrades to Olympic Plaza. Fund balance is \$143 (2016 - \$138).

Other donation funds:

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

Donation funds consist of:

- Clearwater Land Exchange \$378 (2016 - \$476)
- Ralph Klein Park Playground \$375 (2016 - \$0)
- Copperfield Sportsfield \$336 (2016 - \$0)
- First Capital Holdings Land Exchange 936-16 Ave SW \$267 (2016 - \$257)
- Playfields \$152 (2016 - \$105)
- Borden Donation \$117 (2016 - \$112)
- Play Project - \$112 (2016 - \$45)
- Weaselhead Land Exchange \$109 (2016 - \$189)
- Birth Place Forest \$104 (2016 - \$101)
- Caring for Our Watersheds \$100 (2016 - \$89)
- Remaining balance of \$519 (2016 - \$1,248) is made up of miscellaneous individual contributions under \$100.

Related Budget Programs: Operating Program: #445 Parks
 Capital Program: #500 Parks (previously known as Parks and Natural Areas)

Funding Sources: Contributions/payments received from various parties.
 Investment income: 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	3,118	2,328	1,291	1,184	1,408
Investment income	131	61	44	29	28
Contributions from operations	1,309	603	931	686	455
Contributions to capital	(1,016)	(86)	(78)	(20)	-
Contributions to operations	(473)	(446)	(324)	(588)	(707)
Contributions between reserves	1,425	658	464	-	-
Closing balance	<u>4,494</u>	<u>3,118</u>	<u>2,328</u>	<u>1,291</u>	<u>1,184</u>

Source Contacts: **Business Unit – Calgary Parks**
 Financial Lead – T. LePrieur, Finance Lead
 Operational Leads – N. Bernard, Manager and K. Parker, Manager

Review Schedule: Last Review: 2016 Next Review: 2019

Perpetual Care of the Municipal Cemetery System Reserve

\$ 18,221
(2017)

Combined Operating & Capital Reserve (\$000s)

Authorization: CS96-59-02, CPS96-77, FCS2004-31, CPS2004-71 and PFC2016-0796.

Purpose: To fund operational activities associated with the perpetual maintenance of municipal cemeteries. This reserve will allow for future perpetual care of the municipal cemetery system. Perpetual care includes mowing, trimming, irrigation and repair of graves, as well as general maintenance of the structures and buildings within the cemeteries.

Conditions: Beginning in 2005, the fund may be accessed to cover annual operating deficits, capital lifecycle maintenance and upgrades, and the costs of land acquisition and development associated with Municipal Cemeteries.

Restrictions: As per purpose and conditions.

Related Budget Programs: Operating Program: #445 Parks
Capital Program: #504 Cemeteries

Funding Sources: Forty percent (40%) of the funds received by The City from the sale of cemetery plots, mausoleum crypts, columbarium niches, grave monuments and cemetery products shall be deposited into the Fund.

Investment income: X Yes No

Special Reporting Requirements: None.

Current Activity (\$000s):

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Opening balance	15,905	13,949	12,549	10,359	8,635
Investment income	552	347	335	258	193
Contributions from (to) operations	2,520	1,780	1,417	2,156	1,621
Transfers to capital	(756)	(171)	(352)	(224)	(90)
Closing balance	<u>18,221</u>	<u>15,905</u>	<u>13,949</u>	<u>12,549</u>	<u>10,359</u>

Source Contacts: **Business Unit – Calgary Parks**
Financial Lead – T. LePrieur, Finance Lead
Operational Leads – D. Marter, Manager

Review Schedule: Last Review: 2016 Next Review: 2019

Public Art Reserve\$ 5,883
(2017)

Combined Operating & Capital Reserve (\$000s)

Authorization: FCS2010-28, PFC2013-0745, PFC2014-254, ALT2014-0153, ALT2014-0909, PFC2016-0796 and PFC2017-1241.**Purpose:** Per ALT2014-0909, the purpose of the Public Art Reserve is lifecycle and conservation, maintenance and programming, and pooling for iconic art pieces.**Conditions:** As per purpose.**Restrictions:** As per purpose and conditions.**Related Budget Program:** Operating Program: #426 Recreation**Funding Sources:** The annual amount transferred to the Public Art Reserve is approved by ALT before each multi-year budget cycle and is based on a calculation in accordance with the Corporate Public Art Policy.Investment income: Yes No**Special Reporting Requirements:** None.**Current Activity (\$000s):**

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Opening balance	5,105	4,093	3,272	2,607	1,885
Contributions from operations	203	26	-	-	15
Contributions to operations	(700)	(290)	(454)	(124)	-
Transfer between reserves	1,275	1,276	1,275	789	707
Closing balance	<u>5,883</u>	<u>5,105</u>	<u>4,093</u>	<u>3,272</u>	<u>2,607</u>

Source Contacts: **Business Unit – Calgary Recreation**
 Financial Lead – R. Turley, Finance Lead
 Operational Leads – S. Iley, Manager, Arts and Culture

Review Schedule: Last Review: 2016 Next Review: 2019

Real Estate Services

\$ 70,796
(2017)

Combined Operating & Capital Reserve (\$000s)

Authorization: FCS2010-10, PFC2012-0606, PFC2013-0745 and PFC2014-0847.

Purpose: To finance land acquisitions and development of land holdings to advance economic development and diversification objectives by ensuring an available supply of “shovel ready” industrial land through the development of industrial/business parks; and to advance achievement of other municipal objectives through land improvement of City owned Transit Oriented Development areas and other Council directed special projects.

Conditions: As per purpose.

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

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 from excess commissions. In 1994 (and all subsequent years) the portion reinvested in land inventory is reclassified to Equity in Land Inventory.

Investment income: Yes 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	63,969	68,396	97,664	80,552	76,122
Contributions from operations for land sales	25,093	3,795	1,928	35,054	6,923
Contributions from/(to) operations	7,885	3,404	(15,991)	8,085	(1,612)
Contributions (to)/from capital financing	(25,383)	(13,517)	(18,155)	(28,356)	(4,687)
Investment income	199	145	148	96	92
Transfer between reserves ⁽¹⁾	(967)	1,746	2,802	2,233	3,714
Closing balance	<u>70,796</u>	<u>63,969</u>	<u>68,396</u>	<u>97,664</u>	<u>80,552</u>

(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

Utility Sustainment Reserve\$ 142,392
(2017)

Combined Operating & Capital Reserve (\$000s)

Authorization: FCS2011-32 and PFC2013-0745.**Purpose:** This reserve has been set up to provide both an operating contingency to offset revenue fluctuations and to manage cash flow, ensuring funds are available to meet both operating and capital requirements, capital financing needs associated with capital expenditures.**Conditions:** As per purpose.**Restrictions:** A target balance for sustainment funds set at 10% of utility revenues. Funds set aside for capital projects dependent on planned capital projects.**Related Budget Programs:** Operating Program: #270 Utilities (Water Resources and Water Services)

Capital Programs: Various capital programs.

Funding Sources: Utility rate revenues at planned contribution levels and annual operating budget variances.

Portion of offsite levies to be spent in future years.

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	133,033	83,257	49,153	44,076	52,226
Investment income	4,469	2,774	2,091	1,034	971
Contribution from operations	213,619	200,219	156,849	100,738	70,589
Contributions to capital financing	(211,211)	(151,428)	(122,557)	(96,695)	(79,710)
Transfer from Fiscal Stability Reserve	2,482	310	-	-	-
Transfer to Real Estate Services Reserve	-	(2,099)	(2,279)	-	-
Closing balance	<u>142,392</u>	<u>133,033</u>	<u>83,257</u>	<u>49,153</u>	<u>44,076</u>

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Sustainment Funds	10,133	14,462	6,889	5,008	4,467
Offsite Levy Funds	60,615	85,257	59,438	29,061	23,209
Future Year Capital Funds	71,644	33,314	16,930	15,084	16,400
Total Reserve	<u>142,392</u>	<u>133,033</u>	<u>83,257</u>	<u>49,153</u>	<u>44,076</u>

Source Contacts:

Business Unit – Financial Lead – Operational Leads –	Utilities B. Jia, Finance Lead R. Spackman, Director, Water Resources and D. Limacher, Director, Water Services
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Review Schedule: Last Review: 2016 Next Review: 2019

Waste and Recycling Sustainment Reserve\$ 64,802
(2017)

Combined Operating & Capital Reserve (\$000s)

Authorization: FCS2011-33, PFC2013-0745 and PFC2016-0796.**Purpose:** This reserve has been set up to provide both an operating contingency to offset revenue fluctuations and to manage cash flow, ensuring funds are available to meet both operating and capital requirements, capital financing needs associated with capital expenditures, as well as setting funds aside for the long-term landfill care and closure care landfill liability.**Conditions:** As per purpose.**Restrictions:** Funds are to be used as per the purpose outlined above. A target balance for sustainment purposes of 10% of current year's annual revenue is to be maintained.**Related Budget Programs:** Operating Program: #252 Waste & Recycling Services
Capital Programs: #256 Landfill/Treatment Infrastructure
#257 Diversion Infrastructure
#258 Facilities & Equipment**Funding Sources:** User fees at planned contribution levels and annual operating budget variances generated from self-supported programs.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	48,019	48,809	41,968	33,808	41,911
Contributions from operations	28,282	5,809	12,951	23,330	21,463
Investment income	3,974	2,575	2,705	2,221	1,982
Contributions from other sources (Pay-As-You-Go)	2,262	-	-	1,295	445
Contributions to capital financing	(13,758)	(6,844)	(6,330)	(15,310)	(26,951)
Contributions to operations (Landfill Closure Liability & Fleet Business Model)	(3,977)	(2,330)	(2,485)	(2,773)	(4,600)
Transfer to Public Art Reserve	-	-	-	(603)	(442)
Closing balance	<u>64,802</u>	<u>48,019</u>	<u>48,809</u>	<u>41,968</u>	<u>33,808</u>
Funds set aside for Sustainment purposes	10,630	8,947	9,660	10,278	9,657
Diversion	19,152	18,323	16,103	15,054	16,426
Landfill	7,205	338	7,271	6,002	1,185
Cash Requirement for Future Year Capital	<u>27,815</u>	<u>20,411</u>	<u>15,775</u>	<u>10,634</u>	<u>6,540</u>
Closing balance	<u>64,802</u>	<u>48,019</u>	<u>48,809</u>	<u>41,968</u>	<u>33,808</u>

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

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LONG TERM LIABILITIES

Capital Deposits

Employee Benefit Obligations

Alberta Municipal Infrastructure Program (“AMIP”) Agreement

\$ -
(2017)

Capital Deposit (\$000s)

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

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

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

Related Budget Programs: Capital Programs throughout The City.

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

Investment income: Yes No

Special Reporting Requirements: None.

Current Balance (\$000s):

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Opening balance	-	-	11,699	25,969	45,351
Contributions from Province	-	-	-	-	-
Investment income	-	-	155	475	770
Contributions to capital	-	-	(11,854)	(14,745)	(20,152)
Closing balance	-	-	-	11,699	25,969

Source Contacts: **Business Unit – Finance**
 Financial and
 Operational Lead – C. Fung, Corporate Finance Lead

Basic Municipal Transportation Grant

\$ -
(2017)

Capital Deposit (\$000s)

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

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

Restrictions: Projects must be deemed eligible as described in the Memorandum of Agreement dated 2000 March 13 and subsequently amended on 2013 March 20 and signed by the Minister of Transportation and Executive Officer of The City.

Related Budget Programs: Capital Programs throughout The City.

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

Investment income: X Yes No

Special Reporting Requirements: None.

Current Balance (\$000s):

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Opening balance	-	8,817	259,873	134,742	131,561
Contributions from Province	-	-	-	192,415	106,900
Investment income	-	-	3,989	4,793	3,636
Contributions to capital	-	(8,762)	(131,645)	(72,077)	(107,355)
Contributions other sources	-	(55)	(123,400)	-	-
Closing balance	-	-	8,817	259,873	134,742

Source Contacts: **Business Unit – Finance**
 Financial and
 Operational Lead – C. Fung, Corporate Finance Lead

Cash in Lieu of Parking Fund\$ 15,686
(2017)

Capital Deposit (\$000s)

Purpose: To provide parking structures or acquire land for parking.**Conditions:** The deposits, including interest, are refundable if the developer subsequently provides the parking facilities.**Restrictions:** Third party agreements:
- Obligation to use the funds for construction of parking facilities or land acquisitions outside the central business district.**Related Budget Programs:** Operating Program: #104 Calgary Parking Authority
Capital Program: #106 Calgary Parking Authority**Funding Sources:** Cash payments received by the Calgary Parking Authority, under terms of development agreements, in lieu of the developer providing sufficient parking stalls.Investment income: X Yes No**Special Reporting Requirements:** None.**Current Balance (\$000s):**

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Opening balance	15,098	14,697	8,882	5,783	5,219
Contributions from developers ⁽¹⁾	-	-	5,501	2,858	397
Investment income	588	401	314	241	167
Closing balance	15,686	15,098	14,697	8,882	5,783

(1) Contribution from developers:

- a) 2015: New deposits: HSBC (apartment building 326 units 100-124 7th Ave SW. 128 stalls in lieu of commercial parking \$5,081. b) N3 Condos Development, cash-in-lieu of residential visitor parking \$420 lump sum. Will be used in East Village new parkade construction.
- b) 2014: New deposits: a) Widewaters Group Inc. 43 stalls at the downtown rate \$39.7 obligation of release of development permit (\$1,707), DP2012=5376 711-4 St NE, b) Genco Holdings Ltd. 29 stalls at the downtown rate \$39.7 obligation of release of development permit (\$1,151). DP2012-3832 634-6 Ave SW (downtown business district offices, retail store).
- c) 2013: New deposit: La Caille Sixth Avenue Inc. 10 stalls at the downtown rate \$39.7 obligation of release of development permit (\$397).
- d) 2012: New deposit in 2012 for Eighth Avenue Place – tower 2 new floors DP2011-3444. Received in January 2012 from Haines Canada Management Company (Marten Rhead, Gibbs Gage). Payment for cash-in-lieu of parking equivalent for 27 stalls at the downtown rate \$36.36 obligation of release of development permit

Source Contacts: **Related Authority – Calgary Parking Authority**
 Financial Lead – J. Foulds, Controller
 Operational Lead – S. Triggs, Acting General Manager

Eau Claire Improvement Fund\$ 856
(2017)

Capital Deposit (\$000s)

Purpose: To provide capital funds for upgraded street level improvements in the Eau Claire community.**Conditions:** The fund is for improvements to public lands and for public benefits only. The Executive Office must approve expenditures.**Restrictions:** Third party agreements:
- Obligation to provide capital in the future.**Related Budget Programs:** Capital Program: #616 Centre City Initiatives**Funding Sources:** All commercial development that requires a density bonus in Land Use District 20Z95, 21Z95, 22Z95 and 54Z95. Special contributions from the 'C' and 'B' blocks are also made to the fund prior to release of a Development Plan for these blocks.Investment income: X Yes No**Special Reporting Requirements:** None.**Current Balance (\$000s):**

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Opening balance	829	2,296	931	975	955
Investment income	27	33	42	21	20
Contributions from operations	-	-	1,333	-	-
Financing capital projects	-	(1,500)	(10)	(65)	-
Closing balance	856	829	2,296	931	975

Source Contacts:	Business Unit – Financial Lead – Operational Lead –	Urban Strategy M. Fung, Finance Lead B. Barrington, Program Manager
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Federal Gas Tax Fund\$ 36,488
(2017)

Capital Deposit (\$000s)

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

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

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

Related Budget Programs: Capital Programs throughout The City.

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

Investment income: X Yes No

Special Reporting Requirements: None.

Current Balance (\$000s):

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Opening balance	76,132	67,079	-	32,769	44,377
Contribution from federal government	66,809	66,362	125,128	-	59,378
Contributions to capital financing	(107,779)	(58,795)	(59,337)	(32,990)	(71,771)
Investment income	1,326	1,486	1,288	221	785
Closing balance	36,488	76,132	67,079	-	32,769

Source Contacts: **Business Unit – Finance**
 Financial and
 Operational Lead – C. Fung, Corporate Finance Lead

Infrastructure Canada – Alberta Program (“ICAP”)\$ -
(2017)

Capital Deposit (\$000s)

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

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

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

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

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

Investment income: Yes No

Special Reporting Requirements: None.

Current Balance (\$000s):

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Opening balance	-	-	173	173	173
Contributions to capital	-	-	(173)	-	-
Closing balance	-	-	-	173	173

Source Contacts:

Business Unit –	Roads
Financial Lead –	L. Wong, Finance Lead
Operational Lead –	T. McLeod, Director

Miscellaneous Capital Deposits

\$ 243,508
(2017)

Capital Deposit (\$000s)

Purpose: To finance capital only, as authorized through Council approval of capital budgets.

Conditions: Under City policy, a prepayment (deposit) may be requested from third parties before provision of services (including water and sewer connections, sidewalks, paving, grading and gravelling).

Portions of Roads, Transit, Water Resources and Water Services, Fire, Parks, Recreation, Civic Partners, Environmental and Safety Management and Facility Management deposit balances constitute unused Provincial/Federal capital grant funds that are to be spent on a cost-shared basis.

The deposits are refundable if the projects for which they were designated are not undertaken. The City may have an obligation to pay interest on any deposits refunded.

Restrictions: Third party agreements:
- Obligation to undertake specific capital projects or deposits must be refunded.

Related Budget Programs: Various Programs.

Funding Sources: A prepayment (deposit) by third parties in provision of services (including water and sewer connections, sidewalks, paving, grading and gravelling); and portions of Roads, Transit, and Water Resources and Water Services, Fire, Parks, Recreation, Civic Partners, Environmental and Safety Management and Facility Management deposit balances constitute unused Provincial/Federal capital grant funds that are to be spent on a cost-shared basis.

Investment income:

Units with no Investment Income Allocation: Calgary Growth Strategies (formerly CPI/DBA), Calgary Approvals Coordination, Parks, Recreation, Fire, Calgary Community Standards (formerly PSC), Facility Management (formerly Corporate Properties), Corporate Analytics & Innovation (formerly Infrastructure and Information Services), Environmental and Safety Management.

Units with an Investment Income Allocation: Community Planning (formerly LPI), Urban Strategy, Calgary Transit, Transportation Infrastructure, Roads and Water Resources and Water Services.

Special Reporting Requirements: None.

Current Balances (\$000s):

	<u>2017</u>	<u>2016</u>	<u>2015</u> (Restated)	<u>2014</u>	<u>2013</u>
Roads	60,953	53,474	53,282	49,743	51,445
Transit	9,651	9,046	9,146	9,555	10,014
Community Planning ⁽¹⁾	-	3,744	13,291	9,801	10,886
Urban Strategy	9,221	9,698	-	-	-
Calgary Growth Strategies ⁽¹⁾	-	-	1,808	5,678	5,371
Calgary Approvals Coordination	4,697	5,085	-	-	-
Transportation Infrastructure	45,910	51,915	26,155	22,092	22,059
Calgary Housing	10	-	-	-	-
Corporate Analytics & Innovation	322	322	322	436	609
Parks & Recreation	40,501	42,559	55,338	48,232	39,777
Water Resources & Water Services	5,919	5,158	5,092	4,268	4,578
Facility Management	16	173	173	173	173
Environmental and Safety Management	-	-	272	2,000	2,000
Corporate Revenue and Costs	56,498	54,416	35,601	33,940	112,665
Fire & Calgary Community Standards	8,910	9,350	9,276	8,266	6,791
Community & Neighbourhood Services	-	-	-	1,035	1,000
Interdepartmental Charge Elimination	(4,509)	(8,914)	(9,329)	(9,810)	(10,410)
	<u>238,099</u>	<u>236,026</u>	<u>200,427</u>	<u>185,409</u>	<u>256,958</u>
Related Authorities:					
Calgary Housing Company	5,409	5,409	9,259	9,614	9,614
Calgary Arts Development Authority Ltd.	-	-	-	6	1,358
Calgary Economic Development Ltd.	-	-	-	5,037	-
	<u>5,409</u>	<u>5,409</u>	<u>9,259</u>	<u>14,657</u>	<u>10,972</u>
Closing balance	<u>243,508</u>	<u>241,435</u>	<u>209,686</u>	<u>200,066</u>	<u>267,930</u>

(1) As a result of the PDA re-organization that occurred in 2016, Local Area Planning & Implementation was dissolved and all balances prior to 2016 related to Local Area Planning & Implementation was transferred to Community Planning & Urban Strategy. In addition, during 2017, all balances in Community Planning was transferred to Urban Strategy.

Source Contacts:

Business Unit:

Roads
 Transit and Transportation Infrastructure
 Community Planning and Urban Strategy
 Calgary Growth Strategies and Calgary Approvals Coordination
 Calgary Housing
 Corporate Analytics & Innovation
 Parks & Recreation

 Water Resources & Water Services
 Facility Management
 Environmental and Safety Management
 Corporate Revenue and Costs
 Fire & Calgary Community Standards

 Calgary Neighbourhoods

Financial Leads:

L. Wong, Finance Lead
 T. Johnson, Finance Lead
 M. Fung, Finance Lead
 S. MacKenzie, Finance Lead

 S. MacFayden, Finance Manager
 E. Jarvo, Finance Lead
 T. LePrieur, Finance Lead
 R. Turley, Finance Lead
 B. Jia, Finance Lead
 K. Campbell, Finance Lead
 F. Tse, Finance Lead
 C. Fung, Corporate Finance Lead
 A. Szaflarski, Finance Lead
 G. Drall, Finance Lead
 J. Salazar, Finance Lead

Municipal Sustainability Initiative (“MSI”)\$ 129,872
(2017)

Capital Deposit (\$000s)

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

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

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

Operating Projects must be accepted by the Minister.

Related Budget Programs: Various Programs.

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

Investment income: Yes No

Special Reporting Requirements: None.

Current Balance (\$000s):

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Opening balance	259,942	362,375	99,264	132,973	4,387
Investment income	6,496	7,455	5,027	3,652	1,480
Contributions from other sources	-	-	283,400	100,000	-
Contributions from Province	370,864	373,850	392,748	252,944	254,155
Debt repayment	(220,000)	(220,000)	(270,000)	(240,000)	-
Contributions to capital	(287,430)	(263,738)	(148,064)	(150,305)	(127,049)
Closing balance	<u>129,872</u>	<u>259,942</u>	<u>362,375</u>	<u>99,264</u>	<u>132,973</u>

Source Contacts: **Business Unit – Finance**
Financial and
Operational Lead – C. Fung, Corporate Finance Lead

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Off-Site Levies

(formerly Acreage Assessments)

Capital Deposit (\$000s)

\$ 375,243
(2017)

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

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

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

Related Budget Programs: Various Programs.

Funding Sources: Under the terms of development agreements, an assessment per acre is levied for expressways and freeways, and for drainage mains and trunks to service new areas. Charges are also levied for storm redevelopment in older areas and for emergency response stations, recreation facilities, and libraries to serve new development. Prior to 2001, acreage assessments were also collected for Waterworks and Wastewater.

Investment Income Treatment:
- Transportation Units and Water Resources and Water Services – investment income is added to the capital deposit balance.
- Fire, Parks, Recreation and Civic Partners, Calgary Police Services and Calgary Approvals Coordination – investment income is not added to the capital deposit balance.

Special Reporting Requirements: None.

Current Balances: (\$000s)

	<u>2017</u>	<u>2016</u>	<u>2015</u> (Restated)	<u>2014</u>	<u>2013</u>
Water Resources and Services	4,566	7,904	7,576	30,246	24,671
Roads	6,992	6,207	5,301	4,404	3,380
Transit	21,684	19,613	17,631	14,889	13,680
Parks & Recreation	87,534	83,331	80,287	58,478	85,775
Transportation Infrastructure	175,680	222,342	183,060	157,876	141,553
Civic Partners	18,465	19,603	19,495	16,453	14,092
Calgary Approvals Coordination	-	86	-	-	-
Fire	55,141	61,004	50,375	45,104	38,298
Calgary Police Services	32,298	30,899	24,986	21,233	18,251
Community & Neighbourhood Services	-	-	-	30,746	-
Interdepartmental charge elimination	(27,117)	(48,819)	(49,702)	(37,740)	(23,214)
Total	<u>375,243</u>	<u>402,170</u>	<u>339,009</u>	<u>341,689</u>	<u>316,486</u>

Source Contacts:**Business Unit:**

Water Resources & Water Services
Roads
Transit and Transportation Infrastructure
Parks & Recreation

Civic Partners and Calgary Neighbourhoods
Calgary Approvals Coordination
Fire
Calgary Police Services

Financial Leads:

B. Jia, Finance Lead
L. Wong, Finance Lead
T. Johnson, Finance Lead
T. LePrieur, Finance Lead
R. Turley, Finance Lead
J. Salazar, Finance Lead
S. MacKenzie, Finance Lead
A. Szaflarski, Finance Lead
B. Hutchins, Finance Manager

Plus 15 Cash in Lieu Fund\$ 25,248
(2017)

Capital Deposit (\$000s)

Purpose: To expand or improve the existing Plus 15 System.**Conditions:** Capital budget:
- Expenditure approved through the capital budgeting process.
- Once received, the monies are not tied to any one location or project.
- Unless specifically stated in a Development Agreement, deposits are not refundable.**Restrictions:** Third party agreements:
- Obligation to undertake Plus 15 construction in future.**Related Budget Programs:** Operating Programs: #612 Community Planning (2016 and prior only)
#132 Roads
Capital Programs: Various (2016 and prior only)
#128-885 Bridge Rehab and Protection**Funding Sources:** Monies received from developers paid, either in-lieu of the construction of a Plus 15 bridge, and/or as a direct contribution to the Fund required of all new developments by Bonus Standard A2(b) in the CM-2 Downtown Business District.

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

Investment income: X Yes No**Special Reporting Requirements:** None.**Current Balance (\$000s):**

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Opening balance	24,665	24,364	23,999	22,937	22,884
Investment income	610	515	647	511	476
Transfer to operations	(27)	(214)	(1,299)	(606)	(132)
Transfer to Capital P856/P656-03W	-	-	-	-	(3,268)
Contributions from operations	-	-	1,017	1,157	2,977
Closing balance	25,248	24,665	24,364	23,999	22,937

Source Contacts: **Business Unit – Roads**
Financial Lead – L. Wong, Finance Lead
Operational Lead – C. Buhler, Critical Infrastructure Coordinator

Defined Benefit Pension Plans (Registered & Non Registered)\$ 90,614
(2017)Employee Benefit Obligation Previously Funded and to be Funded in Future Years
(\$000s)

Purpose: Estimated liability for future pension plan benefits. The City has various pension plans earned by employees and expected to be provided to them when they are no longer in active service. These future benefits are estimated and accrued for existing employees as they are earned. The City's contributions are made in compliance with the funding requirements pursuant to the most recent actuarial valuation for funding purposes. The valuation is carried out by an independent actuary and is based on a number of demographic and economic assumptions. More information on each of these plans is available in Note 13 of the 2017 consolidated financial statements contained in The City's 2017 Annual Report.

Conditions: As per purpose.

Restrictions: Funds to be used for purpose as described.

Related Budget Program: Operating Program: #787 Employee Benefits

Funding Sources: Operating Program: #787 Employee Benefits

Special Reporting Requirements: None.

Current Balances (\$000s):

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Funded					
Registered defined benefit pension ⁽¹⁾	53,235	51,714	46,772	39,366	33,064
Non-reg. defined benefit pension ⁽²⁾	37,379	35,024	32,118	28,787	26,809
Total	90,614	86,738	78,890	68,153	59,873

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

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

Source Contacts:

Business Unit – Financial Lead – Operational Lead –	Finance C. Zimmer, Finance Leader, Pensions Finance G. Wiebe, Finance Manager, Corporate Financial Reporting	
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Funded Vacation and Overtime Liability**\$ 220,021**
(2017)

Employee Benefit Obligation Previously Funded (\$000s)

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

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

Restrictions: For the purpose as described above.

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

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

Special Reporting Requirements: None.

Current Balances (\$000s):

	<u>2017⁽¹⁾</u>	<u>2016⁽¹⁾</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Deputy City Manager's Office	14,398	13,930	11,478	11,947	11,633
Chief Financial Office	25,604	24,801	23,387	21,339	21,239
Community Services	38,939	38,605	37,695	33,387	31,858
Corporate Administration	2,198	2,325	2,383	2,739	2,887
Law and Legislative Services	4,299	4,104	3,741	3,043	3,094
Planning & Development	8,207	8,474	8,289	7,312	8,141
Transportation	39,005	39,218	37,839	33,866	33,742
Urban Strategy	243	233	-	-	-
Utilities & Environmental Protection	25,793	25,526	25,007	22,734	21,809
Calgary Police Service	55,729	54,849	54,049	53,757	49,211
RAWW Days	1,191	671	594	1,951	2,018
	<u>215,606</u>	<u>212,736</u>	<u>204,462</u>	<u>192,075</u>	<u>185,632</u>

Related Authorities

Calgary Parking Authority	776	887	682	472	491
Calgary Housing Company	2,041	1,813	1,723	1,567	1,510
Calgary TELUS Convention Centre	332	355	391	376	403
Calgary Municipal Land Corporation	60	61	45	28	31
Calgary Public Library	1,112	1,123	1,060	929	931
Attainable Homes Calgary Corporation	10	10	28	13	15
Calgary Economic Development Ltd.	84	89	89	91	82
	<u>4,415</u>	<u>4,338</u>	<u>4,018</u>	<u>3,476</u>	<u>3,463</u>
	<u>220,021</u>	<u>217,074</u>	<u>208,480</u>	<u>195,551</u>	<u>189,095</u>

(1) Current year figures have been categorized consistent with the re-organizations that occurred in 2016 and 2017. Prior year categorizations have been revised for comparability.

Source Contacts:

Business Unit –
 Financial Lead –
 Operational Lead –

Finance

D. Christensen, Finance Leader, Benefits Finance
 G. Wiebe, Finance Manager, Corporate Financial Reporting

Other Retirement Benefits Liability\$ 183,235
(2017)

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

Purpose: The City sponsors extended health, dental and life insurance benefits to qualifying retirees and their surviving spouses from the date of retirement to the age of 65. The City and the retirees share equally in the cost of benefits. The City also sponsors a non-contributory retiring allowance of up to seven (7) weeks of salary for qualifying retirees as well as supplementary compensation benefits. The liability is determined through actuarial valuations that are prepared at least once every three years as per section 3250 of Public Sector Accounting Standards. Additional information is available in Note 13 of the 2017 consolidated financial statements contained in the City's 2017 Annual Report.

Conditions: As per purpose.

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

Related Budget Program: Operating Program: #787 Employee Benefits

Funding Sources: Operating Program: #787 Employee Benefits

Special Reporting Requirements: None.

Current Balance (\$000s):

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
The City of Calgary ⁽¹⁾	183,235	176,341	167,879	160,036	149,941
	183,235	176,341	167,879	160,036	149,941

(1) The other retirement benefits liability balance contains the Calgary Parking Authority's liability of \$674.

Source Contacts:	Business Unit – Financial Lead – Operational Lead –	Finance D. Christensen, Finance Leader, Benefits Finance G. Wiebe, Finance Manager, Corporate Financial Reporting
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SUPPLEMENTARY
SCHEDULES

2017 RESERVE SUPPLEMENTARY SCHEDULE

Note: Values may be slightly adjusted from values disclosed in individual reserve tables. These changes were made to facilitate balancing of the 2017 supplementary schedule.

	Operating/ Capital/ Sustainment	Jan.1/17 Opening Balance	Contribution To Operations	Contribution From Operations	Transfer to Capital Fund	Transfer Between Reserves	Corp Financing (Investment Income)	Other	Dec. 31/17 Closing Balance
Community Strategies & Neighbourhood Services									
Children's Reserve Fund	o	(4,693)	120	-	-	-	(150)	-	(4,723)
Community Sustainability Reserve	s	(2,123)	-	-	-	4	-	-	(2,119)
FCSS Stabilization Fund	o	(5,504)	-	(513)	-	1,805	(149)	-	(4,361)
Fire & Public Safety Communication Centre									
911 Communications Centre Capital Financing Reserve	c	(24,141)	-	(5,149)	3,047	-	-	-	(26,243)
Parks and Recreation									
Golf Course Levy Reserve	s	(1,712)	160	(151)	-	-	(74)	(1,000)	(2,777)
Legacy Parks Reserve	c	(10,558)	-	(800)	4,418	-	(255)	-	(7,195)
Artificial Turf Field Lifecycle Reserve	c	(3,015)	-	(668)	509	-	(97)	-	(3,271)
Community Investment Reserve	c	(102,204)	-	(50,919)	118,564	(1,500)	(3,348)	-	(39,407)
Parks Endowment and Sustainment Reserve	s	(3,118)	(836)	-	1,016	(1,425)	(131)	-	(4,494)
Perpetual Care of the Municipal Cemetery System Reserve	s	(15,905)	-	(2,520)	756	-	(552)	-	(18,221)
Public Art Reserve		(5,105)	700	(203)	-	(1,275)	-	-	(5,883)
Societies & Related Authorities									
Parks Foundation Reserve	o	(2,376)	142	-	-	-	(173)	-	(2,407)
TELUS Convention Centre Reserve	c	(242)	-	(180)	402	-	-	-	(20)
Chief Financial Office and Deputy City Manager's Office									
Health, Safety and Wellness Reserve	o	(15,984)	2,661	(5,490)	-	-	-	-	(18,813)
Information Technology Reserve	c	(20,746)	-	(14,511)	7,920	-	(374)	-	(27,711)
Fleet Services Capital Reserve	c	(14,326)	-	(1,507)	-	4,900	-	-	(10,933)
Corporate Revenue & Costs									
Debt Servicing Reserve	c	(52,570)	44,294	(94,752)	-	52,321	(1,863)	-	(52,570)
ENMAX Dividend Stabilization Reserve	o	(20,000)	-	-	-	-	-	-	(20,000)
Fiscal Stability Reserve	o	(556,561)	78,449	(16,793)	7,824	10,966	(16,651)	(80,955)	(573,721)
Group Life Reserve	o	(1,685)	-	13	-	-	(53)	-	(1,725)
Lifecycle Maintenance and Upgrade Reserve	c	(116,122)	-	(45,128)	73,651	(87,148)	-	-	(174,747)
Tax Loss Provision Reserve	o	(37,398)	-	-	-	-	-	-	(37,398)
Self Insurance Reserve	o	(7,000)	-	-	-	-	-	-	(7,000)
Budget Savings Account Reserve	s	(130,103)	53,402	(79,295)	-	(1,338)	-	-	(157,334)
Land Use Planning & Policy & Development Approvals									
Calgary Heritage Authority Reserve	o	(1,765)	48	-	-	-	(55)	-	(1,772)
CBS Sustainment Fund	s	(99,114)	-	(11,901)	7,422	20,000	(3,159)	-	(86,752)
CCS Sustainment Fund	s	(7,249)	-	(2,103)	68	-	(299)	-	(9,583)
Millican-Ogden Community Enhancement	s	(5)	5	-	-	-	-	-	-
Downtown Improvement Fund	c	(3,684)	-	(121)	862	-	(107)	-	(3,050)
Heritage Incentive Reserve	o	(965)	285	(525)	-	-	-	-	(1,205)
Mall Programming Fund	o	(788)	-	-	-	-	(25)	-	(813)

2017 RESERVE SUPPLEMENTARY SCHEDULE

Note: Values may be slightly adjusted from values disclosed in individual reserve tables. These changes were made to facilitate balancing of the 2017 supplementary schedule.

	Operating/ Capital Sustainment	Jan. 1/17 Opening Balance	Contribution To Operations	Contribution From Operations	Transfer to Capital Fund	Transfer to Equity in Land Inventory	Transfer Between Reserves	Corp Financing (Investment Income)	Other	Dec. 31/17 Closing Balance
Roads & Transportation Planning										
Asphalt and Crusher Plant Lifecycle Capital Reserve	c	(7,500)	-	-	1,213	-	-	(156)	-	(6,443)
LED Street Light Re-Lamping Reserve	c	(5,688)	-	(4,500)	1,065	-	-	-	-	(9,123)
Livery Transport Services Reserve	s	(3,737)	-	(373)	84	-	-	(119)	-	(4,145)
Parking Land Acquisition Reserve	c	(40,772)	-	-	(1,327)	-	1,688	(1,308)	-	(41,719)
Parking Revenue Reinvestment Reserve	o	-	35	(2,168)	-	-	-	-	-	(2,133)
Snow and Ice Control Reserve	o	(15,000)	(919)	3,437	-	-	-	-	-	(12,482)
Real Estate & Development Services										
Real Estate Services	s	(63,969)	-	(32,978)	25,383	-	967	(199)	-	(70,796)
Corporate Housing Reserve	c	(29,885)	1,270	(1,595)	2,714	-	(2,132)	(755)	-	(30,383)
Drainage										
Waste & Recycling Sustainment Reserve	s	(48,019)	3,977	(28,282)	13,758	-	-	(3,974)	(2,262)	(64,802)
Utility Sustainment Reserve										
Utility Sustainment Adjustment	s	(133,033)	-	(213,619)	211,211	-	(2,482)	(4,469)	-	(142,392)
		(2,098)	-	-	-	-	-	-	2,098	-
Calgary Police Service										
Calgary Police Service Capital Reserve	c	(40,254)	-	(8,364)	8,439	-	-	(30)	-	(40,209)
Calgary Police Service Helicopter Maintenance Reserve	o	(2,390)	847	(809)	-	-	-	-	-	(2,352)
Calgary Police Service Court Fine Revenue Operating Reserve	o	(4,000)	-	-	-	-	-	-	-	(4,000)
City Manager's Office										
Economic Development Investment Fund	s	-	-	-	-	-	-	-	(55,000)	(55,000)
Attainable Homes Calgary Corporation										
	s	-	-	-	-	-	-	-	(500)	(500)
Calgary Housing Company										
	s	(27,448)	-	-	-	-	-	-	100	(27,348)
Calgary Public Library										
	s	(993)	-	-	-	-	-	-	-	(993)
Calgary Arts Development Authority Ltd.										
	s	(269)	-	-	-	-	-	-	(190)	(459)
Corporate Housing Internal Sale Elim (1)										
	c	4,964	-	-	-	-	-	-	-	4,964
Real Estate Services Internal Sale Elim (1)										
	c	326	-	-	-	-	-	-	(326)	-
Reserve for Future Capital										
	c	(327,014)	-	(69,026)	116,100	-	(28,500)	-	-	(308,440)
Unappropriated Surplus										
		37,731	80,955	(37,731)	-	-	-	-	-	80,955
Total per 2017 Annual Financial Report		(1,975,809)	265,595	(729,224)	605,099	-	(33,149)	(38,525)	(138,035)	(2,044,048)

(1) Note these are internal sale elimination entries.