COUNCIL REPORT

2024 RESERVES REVIEW

RECOMMENDATION

1. That a reserve be established for Facility Lease Renewal & Replacement to capture contributions required from tenants to fund future renewal or replacement activities associated with leases of City Facilities, as outlined in Attachment 3 of the December 2, 2024, Financial and Corporate Services report FCS02667.
2. That a reserve be established for Edmonton Elections to manage program costs over the four-year election cycle, as outlined in Attachment 3 of the December 2, 2024, Financial and Corporate Services report FCS02667.
3. That revised City Policy C217F Reserve and Equity Accounts, as set out in Attachment 9 of the December 2, 2024, Financial and Corporate Services report FCS02667, be approved.
4. That revised City Policy C629A Financial Stabilization Reserve, as set out in Attachment 10 of the December 2, 2024, Financial and Corporate Services report FCS02667, be approved.
5. That $3,304,823 in funds currently held in the appropriated Financial Stabilization Reserve, related to the ArtsCommon project funding returned to the City, be released to the unappropriated Financial Stabilization Reserve.

Executive Summary

- This report provides a summary of findings and recommendations as a result of the triennial review of the 2024 Reserves and Equity Accounts that are under the responsibility of the City Manager.
- According to City Policy C217E Reserve and Equity Accounts, triennial review requirements mandate that the Administration formally examines the nature and purpose of all reserves every three years. This review safeguards prudent financial management and verifies the appropriateness of reserve balances and transactions. Moreover, it ensures that City reserves align with financial goals and serve the needs of the City and its residents. As part of this review, the need, purpose, and management of each reserve are evaluated.
- Also included in the report is the triennial risk-based review of the Financial Stabilization Reserve (FSR) to rationalize the appropriate minimum and target balances.

- Recommendations following the reserve review include:
  - Establishment of new reserves: Facility Lease Renewal and Replacement Reserve and Edmonton Elections Reserve
  - Confirmation of the FSR minimum and target balances
  - Policy approvals for reserve and equity accounts and the FSR
  - Release of funds from the appropriated FSR
- The City follows best practices for reserve management as indicated through a review of other municipalities reserve management practices and guidance provided by external organizations such as the Government Finance Officers Association (GFOA).

REPORT

As per the triennial review requirements in existing City Policy C217E Reserve and Equity Accounts, Administration completed a review on all the City's reserve funds. The policy provides general guidance on the creation, use and periodic review of all reserves and equity accounts and recommends minimum and target balances for the FSR. Reserve and equity accounts represent net accumulated surplus balances that have been restricted for specific requirements or made available for emergent financial needs.

Policy C217E requires the Chief Financial Officer to undertake a detailed review of reserve accounts and requirements every three years, and a detailed review of fund levels in equity accounts every five years at a minimum. The policy also requires the Chief Financial Officer to perform a full risk-based review of the FSR every three years. The last review was conducted in fall 2021.

Reserves

The City has a system of internal controls related to reserves, including policy, financial, and monitoring and oversight that support the appropriate use of reserve funds. The controls are applied through budget authorization, transaction approval and verification, and ongoing accounts review and reconciliation. Monitoring and review controls are related to periodic reviews such as performance reporting, annual budgeting process, the annual consolidated financial statements and the triennial reserves review. These reviews include:

- A review of budget and actual transfers to and from reserves,
- A review of significant variances from reserve budgets,
- A review of projections and forecasts for reserves, and
- Detailed discussions and documentation of the circumstances that result in reserves that fall below their minimum required balances.

In addition to general guidance in Policy C217E, certain reserve accounts are governed by more specific Council-approved policies that provide additional detail on the nature and purpose of the reserve such as procedures for budgetary or expenditure requirements and definitions specific to the reserve. For reserves that are narrower in scope and purpose, rather than a standalone policy, Administration's practice has been to document the details in the City Council report requesting approval of the reserve. Upon Council's formal approval of the reserve, the reserve, along with its intended purpose, detailed description (encompassing contributions to the reserve and the utilization of funds from the reserve), will be incorporated into the corporate Reserve Register. The Reserve Register serves as an attachment to City Policy C217E Reserve and Equity Accounts, thereby facilitating the tracking and consolidation of all City reserves in a centralized location.

Administration formally reviews the nature and purpose of all reserves every three years. Periodic reviews allow Administration to ensure prudent financial management and confirm the appropriateness of reserve balances and transactions. The review also ensures City reserves continue to support the financial goals and serve the highest priority needs of the City and its residents. As a part of the review, the need, purpose and efficiency of each reserve is assessed. In the past, Administration has consolidated similar reserves that generally serve the same purpose, thereby allowing for more streamlined reserve management and ensuring that resources are allocated in the most effective manner. Administration is able to review individual reserves at any time if required.

Best Practice Review

To establish the City's reserve policies and procedures, Administration reviews the policies of other municipalities and the guidance provided by external organizations such as the Government Finance Officers Association (GFOA). The GFOA promotes excellence in local government financial management by identifying, developing, and advancing fiscal strategies, policies, and practices for North American municipalities. The City follows the best practice recommendations for reserve policy provided by GFOA.

Administration reviewed the practices of other Canadian municipalities, which demonstrated no significant change in practice since the last review in 2021. Other municipalities' reserves oversight ranges from no formal policy guidance to well-established policies with minimum and target balances and robust governance in line with GFOA direction. Minimum and target balances for reserves in other municipalities varied based on risk assessments and policies of those municipalities. That being said, there was no consistent trend in minimum and target balances in other Canadian municipalities that would suggest a change in the City's FSR minimum or target balances.

Based on external review, Administration determined that the City's reserve policies, guidelines and procedures are well aligned to best practice.

Types of Reserves

The City's reserves are generally classified as:

- Specific purpose reserves: used to fund one-time or specific projects or initiatives.
- Regulatory/third party requirements reserves: used to allocate funds required to meet future obligations associated with third party agreements, legislation and regulation.
- Stabilization reserves: used to minimize impacts on service delivery and the general tax levy by accommodating fluctuations in program revenue and expenses for operations that are intended to be self-sustaining. These reserves are often used to stabilize volatile revenue streams or balance revenue and expenditure streams over the long term.

2024 RESERVES REVIEW

The type and purpose of each existing reserve account is summarized in Attachment 1, the Reserve Register. As at December 31, 2023, the City of Edmonton reserve funds totalled $1,041.5 million. This total represents the value of reserves under the control of City Administration included in the reserve review but excludes the reserves of the Edmonton Public Library, and Non-Profit Housing Corporation as these reserves are administered by their respective boards and are not under the City Manager's authority.

Information on the activities of the City's reserves is included in Attachment 2. Actuals are provided from 2021 to 2023, and projections are provided for 2024 to 2026 to align with the current budget cycle.

Review of Reserves

In accordance with City Policy C217E Reserve and Equity Accounts*,* existing reserves were reviewed to ensure:

- Reserve policies and descriptions are updated to ensure they accurately reflect the purpose and function of the reserve as approved by City Council
- The reserve's purpose, funding, function and/or restrictions (minimum and target balances) are still relevant
- A summary review of transactions for compliance

Existing reserves were reviewed in consultation with operational areas within City Administration. As a result of the internal review, Administration is recommending the creation of two new reserves.

Proposed Reserves

Facility Lease Renewal & Replacement Reserve

The City of Edmonton has various lease arrangements with tenants for lease of City facilities. Depending on the terms and length of the leases, the City requires tenants to contribute towards future replacement or renewal work required for the facility. The City is currently undertaking a review of its non-profit leasing guidelines and processes, which may also require tenants to provide similar contributions for future renewal and replacement managed by the City. As the City enters new lease agreements, and renews existing agreements, this reserve will capture, track and monitor contributions required through those lease agreements. Withdrawals from the reserve will fund future renewal or replacement activities associated with the facility. The reserve will track funding, and use of that funding, by facility lease and allow Administration to have better oversight and management of required contributions from tenants and renewal work at those facilities.

Recently, the City of Edmonton and the Citadel Theatre entered into a 10-year lease agreement, commencing on October 1, 2024, with options to renew for either two or five years. The agreement stipulates the Citadel Theatre will contribute a minimum of $100,000 annually towards capital improvements, while the City will assume responsibility for replacement and renewal work. Comprehensive details of the lease terms are available in Attachment 1 of the May 3, 2024, Financial and Corporate Services Report FCS02006, Citadel Theatre - Lease Approval. The proposed Facility

Lease Renewal and Replacement Reserve would capture contributions required from Citadel Theatre.

Edmonton Elections Reserve

Establishing the Edmonton Elections Reserve is recommended to manage the funding and related expenditures for the Edmonton Elections Program. Municipal elections, held every four years, are implemented according to provincial and municipal legislation. The election is a highly complex, legislated and high profile program that involves unique election technology, voter engagement, candidate outreach, city-wide communications, and recruitment and training of thousands of election workers.

Administration is recommending funding the Edmonton Election Program through an annual tax levy contribution of $3.1 million, beginning in 2025. This recommendation is included in the Fall 2024 Supplemental Operating Budget Adjustment (December 2, 2024 Financial and Corporate Services report FCS02529rev). The $3.1 million estimate has been calculated to fully fund all provincial Bill 20 related cost increases and provide full funding to administer the program through this budget cycle and into future budget cycles. With the approval of stable and consistent annual funding, Administration is also recommending to manage the program through the proposed Edmonton Elections Reserve. In non-election years, the program budget will be deposited in the reserve, which will be drawn down and used when required during election periods. Program surpluses and deficits are anticipated to be realized and will be managed within this reserve.

Administration will no longer be bringing forward election service packages for each election. These financial commitments will be managed within the annual funding envelope provided and the use of the reserve.

Details on the new proposed reserves are included in Attachment 3. A detailed schedule for the Edmonton Elections Reserve is included in Attachment 4.

Industrial Infrastructure Cost Sharing Program Reserve

On June 27, 2017 (report CR_4414 Industrial Infrastructure Cost Sharing Program), City Council approved City Policy C592A for the Industrial Infrastructure Cost Sharing Program (IICSP) to replace the Revolving Industrial Servicing Fund (RISF) program that was established in 2009 to facilitate implementation of City Policy C533A Revolving Industrial Servicing Fund. Accordingly, Administration ceased to enter into any further contractual obligations under the RISF as of June 27, 2017. Due to the characteristics of industrial development, recovery of over-expenditure costs paid for by front-end developers can be unpredictable and uncertain, which can drastically reduce the feasibility of many industrial projects. It could take years, or even decades before the front-end developer receives full reimbursement. Through IICSP, when a front-end developer is required to construct oversized infrastructure, they will be entitled to recover their over-expenditure costs from up to 100% of the City's new annual yearly tax revenue that directly results from the developer's construction and development levy systems. This provides predictable cost recovery for the developer, which in turn, increases financial feasibility. In addition, this encourages land to be developed faster, and to its highest possible value, as higher growth in property assessment and tax revenue will result in faster payback for the developer.

2024 RESERVES REVIEW

The previous RISF program was managed through the Revolving Industrial Servicing Fund Reserve. With the introduction of the IICSP program, Administration is now formally renaming the RISF Reserve to the Industrial Infrastructure Cost Sharing Program Reserve. The source of funding for this reserve will be 100 percent of the yearly incremental property tax revenue that directly results from cost shareable infrastructure and development levies collected from other developers within the benefiting area. Withdrawals from the reserve are used to repay developers for their over-expenditures.

The reserve name and description was updated on the Reserve Register included in Attachment 1.

Financial Stabilization Reserve

The Financial Stabilization Reserve (FSR) was established in 1997 to provide flexibility in addressing financial risks associated with revenue instability and unforeseen costs on a transitional basis, such as snow removal costs, and to ensure the orderly provision of services to residents. The City has unappropriated and appropriated FSR balances; the unappropriated balance exists to manage one-time emergent financial risks while the appropriated balances are designated for a specific use as approved by Council.

The projected December 31, 2024 year-end balance of the unappropriated FSR, before considering the projected year-end tax-supported deficit, is $78.2 million. The minimum and target balances as set in the Financial Stabilization Reserve Policy C629, and based on the 2023 audited financial statements, are $133.8 million and $222.1 million respectively, and are calculated as 5.0 per cent and 8.3 per cent of tax-supported operating expenses. After considering the projected tax-supported deficit of $19.4 million, based on September 30, 2024 operating results, the projected balance of the reserve is $58.8 million, which is below the minimum balance by $75.0 million. The 2024 projected year-end tax-supported deficit is estimated to be $19.4 million as reflected in the September 30, 2024 Operating Financial Update (Financial and Corporate Services report FCS02724), which will be presented to City Council on December 10, 2024 and available through the December 10, 2024 City Council meeting agenda which will be released on November 28, 2024.

In accordance with the policy, in the event the unappropriated FSR balance falls below the minimum, a strategy will be adopted to achieve the minimum balance over a period not to exceed three years, starting with the subsequent year's operating budget. The strategy may include replenishing the FSR with any unplanned one-time revenues, savings through one-time cost reduction strategies, previously committed one-time appropriated items within the FSR that are no longer required for their original purpose, and transfer of funds from other reserves where the amounts are no longer required for their original purposes. A multi-year tax-levy increase could also be considered.

Administration is proposing a one per cent tax increase in both 2025 and 2026 through the Fall 2024 Supplemental Operating Budget Adjustment process to restore the FSR back to the minimum balance by the end of 2027. Tax-levy funding from the proposed one per cent tax increases in 2025 and 2026 that is available after the FSR is repaid can be used to fund other key priorities, such as the City's infrastructure renewal needs or lower the tax revenue requirement in future years.

As part of an annual process, Administration reviewed the appropriated FSR items and $11.7 million of items were identified as no longer needing FSR funding. The 2024 preliminary year-end financial results will be brought forward to City Council in Q1 2025, including a detailed list of appropriated FSR items.

Unappropriated Financial Stabilization Reserve - 2024 Risk-Based Review

Administration's financial risk management approach is tailored to the nature of the risk and its potential budgetary impact. Ongoing budgetary risks associated with specific line items in the operating budget are addressed through Financial Strategies, such as impacts on expenditures due to inflation, interest rates, utility cost increases, salary settlements and other unknown amounts. Throughout the four-year budget, as there are fluctuations in expense line items as much as possible they are managed through funds available within Financial Strategies. The Financial Stabilization Reserve handles the risk of one-time emergent events, such as the possibility of operating at a deficit in a particular budget year or for one-time events that were not expected or included in the operating budget, such as the financial impacts of the pandemic. These strategies work together to ensure effective management of financial risks related to the City's budget and operations.

Policy C629 requires that a full risk-based review of the unappropriated FSR be completed at a minimum every three years with revisions to the minimum and target balances if necessary. The last review was completed in 2021, with no changes recommended to the minimum and target balances.

As with any municipality, the City undertakes activities and provides services to its residents that have a level of inherent risk. Although the City strives to mitigate, transfer or reduce many of those risks through insurance, contracts and robust strategic, capital and risk management plans, some risks cannot be fully mitigated, examples include fluctuations in franchise fees, pandemics, and extreme weather events (snowfall). Where possible, emergent financial risks are managed through the City's budgeting practices. Where that is not possible, the unappropriated Financial Stabilization Reserve (FSR) is used to address immediate financial needs that may arise.

There is not an objectively correct amount to set aside in the unappropriated FSR. Best practice guidance for setting minimum and target balances was taken from the Government Finance Officers Association (GFOA). The GFOA's Research and Consulting Centre worked with local governments to establish best practices in setting general stabilization reserve fund (e.g., FSR) balances using a risk-based methodology focused on the identification and measurement of a government's key financial risks. GFOA directs that minimum and target balances initially be based on a percentage of operating revenues or expenses to serve as a baseline only and then be adjusted in accordance with the financial risks inherent to each municipality. Any risks that could have a significant impact on a municipality and the financial reserves required to address uncertainty and financial loss should consider revenue source stability, expenditure volatility, a municipality's vulnerability to extreme events and public safety concerns, experience with capital projects, and the amount of debt and liabilities a municipality carries.

In undertaking the 2024 risk-based analysis for the unappropriated FSR, Administration identified the City's most significant areas of financial risk within the GFOA recommended categories. After identifying risks, Administration completed an assessment of the financial exposure to quantify the potential financial impact to the City, using historical experience related to the risk where possible. The probability of individual risks was then assessed and the financial impacts were adjusted based on the assigned probability with consideration given to any mitigating factors. In establishing the required minimum and target balances, Administration considered the context of the City's long term exposure to financial risk.

Attachment 5 provides the current review of the risk assessment and methodology in applying probabilities along with a table summarizing each of the risks.

Based on the 2024 risk analysis, the range of financial exposure was determined to be between $112.9 million (minimum risk exposure) and $335.6 million (maximum risk exposure), which is equivalent to 4.2 per cent and 12.5 per cent of 2023 tax-supported operating expenditures excluding non-cash items (e.g., amortization and loss on sale of tangible capital assets).

The following table summarizes the results of the last three FSR risk-based reviews, inclusive of 2024.

FSR Risk-Based Review Year	**Minimum (% of tax-supported expenditures - $)**	**Target/Maximum (% of tax-supported expenditures - $)**
2024	4.2% - $112.9M	12.5% - $335.6M
2021	4.6% - $100.9M	11.5% - $253.9M
2018	3.7% - $78.2M	8.6% - $182.3M

In line with the GFOA recommendations, the intent of Administration's risk-based analysis was to validate the reasonableness of the existing minimum and target balances of 5.0 and 8.3 per cent respectively.

The past three reserve reviews have indicated the minimum balance could vary between 3.7 per cent and 4.6 per cent of tax-supported expenditures. The most recent two reviews have shown a narrower range between 4.2 per cent and 4.6 per cent. The primary factor contributing to the decrease in the minimum percentage from 4.6 per cent in 2021 to 4.2 per cent in the current year's risk-based analysis is the adjustment of the financial risk exposure assigned to a potential pandemic event.

In 2021, as a part of the risk-based FSR review, the pandemic's financial impact was estimated to be more significant due to the uncertainty surrounding support from other orders of government. However, during the COVID-19 pandemic from 2020 to 2022, the City received financial support from federal and provincial governments. This support reduced the financial risk exposure in the 2024 risk-based review. The reduction is attributed to the increased likelihood of financial assistance from other orders of government, based on the pandemic experience.

Quantifying risk exposures involves a significant degree of estimation and judgment, and the risks themselves can fluctuate over time. A change in the 5.0 per cent minimum balance might be warranted if a consistent pattern of minimum exposures significantly different than 5.0 per cent emerges from future risk-based reviews (i.e., three per cent or less or seven per cent or greater); however based on the current analysis, with the last two years indicating 4.2 per cent and 4.6 per cent, there is not sufficient evidence to warrant such a change.

2024 RESERVES REVIEW

The maximum financial exposures have consistently exceeded the current FSR policy requirement of 8.3 per cent of tax-supported expenditures as the target balance, ranging from 8.6 per cent to 12.5 per cent of tax-supported expenditures. However, the FSR has never approached the target balance, and setting an unattainable target above 8.3 per cent is not recommended.

Administration has assessed that the current 5.0 per cent and 8.3 per cent minimum and target balances are adequate for addressing urgent, one-time financial needs. As a result, changing the FSR's minimum and target requirements is currently not recommended.

Attachment 6 provides a comparison of the unappropriated FSR balances in relation to its minimum and target balances over the past 12 years from 2012-2023. The FSR has maintained a balance slightly above the minimum balance in nine of the last 12 years, with three of those years dropping below the minimum. In 2015, 2016, and 2022, the reserve was temporarily drawn below the minimum balance as of December 31st, knowing that the tax-supported surplus in that year would be sufficient to bring the reserve above its minimum balance in the following year. The tax-supported surplus is transferred to the FSR in the first quarter of the following year subject to finalization of year-end results and approval by Council through year-end reporting. The projected December 31, 2024 year-end balance of the FSR before considering the projected year-end 2024 tax-supported deficit is $78.2 million. Administration carefully monitors the FSR balance, providing frequent updates to City Council.

Release from Appropriated Financial Stabilization Reserve - ArtsCommon Project

On July 4, 2023, City Council approved several recommendations regarding the ArtsCommon Project including seeking the return of the $4 million originally provided to Edmonton Community Development Corporation for the project, and that any funds returned remain earmarked for the community within the appropriated Financial Stabilization Reserve (FSR).

In October and November 2023, repayments of $3,304,823 were received and held within the appropriated FSR earmarked for the community.

Per Recommendation 5, Administration has identified this funding as an opportunity to be released to the unappropriated FSR.

Deficit Reserves

In accordance with City Policy C217E Reserve and Equity Accounts, reserves expected to have deficit balances will only be established if future funding to offset the deficit balance has been identified at the time of creating the reserve. As of December 31, 2023, the City had five reserves with deficit balances that are expected to remain in a deficit position at the end of 2024, including Brownfield Redevelopment Reserve, Interim Financing Reserve and all three Community Revitalization Reserves. Attachment 2 includes details on each of these deficit reserves, including a discussion on strategies for the reserves to return to a balanced position. A detailed schedule is also included in Attachment 7 for the Interim Financing Reserve.

Equity Accounts

Equity Accounts represent the accumulated earnings (accumulated surplus) within the City of Edmonton, excluding equity balances for the City’s controlled entities, specifically:

- EPCOR Utilities Inc.,
- Edmonton Unlimited,
- Explore Edmonton,
- Fort Edmonton Management Company,
- Non-Profit Housing Corporation,
- City of Edmonton Library Board, and
- the Edmonton Combative Sports Commission,

as these entities are administered by their respective Boards.

Details on each of the equity accounts are provided in Attachment 8.

LRT Reserve Update

The LRT reserve was initially established to partially fund debt servicing payments on the original South LRT extension. In 2015, it was used as a key component of the Valley Line Southeast (VLSE) P3 funding plan. The funding plan used the reserve to phase in a 3.6 per cent dedicated tax levy increase over 2016 to 2022 to ensure there was sufficient funding in place to make all contractually obligated capital, operating and rehabilitation payments over the 35-year life of the P3 project agreement. The reserve was approved for this use under the principle that its balance would never fall below zero over the life of the agreement.

The current inflows and outflows of the LRT reserve are as follows:

<u>Inflows</u>

- Tax Levy - Original ($5.1 million per year)
- Tax Levy - VLSE Funding Plan ($57.1 million per year - phased in 3.6 per cent tax-levy approach)
- Freed up Debt Servicing Room ($17.6 million per year)
- Incremental Operating Revenues from VLSE ($2.2 to $4.3 million per year)

<u>Outflows</u>

- Debt servicing costs on original South LRT extension ($12.5 million total)
- Historic LRT expansion capital costs already incurred ($17.2 million total)
- Debt servicing and P3 liability repayment for VLSE ($38.3 million per year)
- Operating payments for VLSE ($26.1 to $45.3 million per year)
- Rehabilitation payments for VLSE ($0.9 to $24.2 million per year)

The balance of the reserve at the end of 2023 was $151.6 million. The balance is projected to be $104 million in 2050, the end of the VLSE funding plan, which is the lowest ending balance to be forecast since the inception of the plan in 2015.

When the funding plan was approved, Council was advised that the LRT Reserve strategy would need to be revisited when the reserve reached zero (originally projected in 2041) to determine the best future use of excess funds that would begin to accumulate starting that year. Changes in forecasts and delays to the VLSE in-service date have moved this policy discussion to 2025.

Administration is planning to bring forward a new LRT reserve policy in Q2 of 2025, with the following three recommendations:

1. Operating payments currently funded with the reserve will be carved out beginning in 2026, with the related tax levy funding currently directed to the reserve being redirected to the base budgets of the areas incurring the expenditures;
2. Contractually obligated VLSE rehabilitation payments will continue to be funded with the LRT reserve; and
3. After considering the first two recommendations, any remaining available reserve funds will be constrained and used towards the renewal of City Assets, to help alleviate the capital renewal funding deficit.

The updated policy is being brought forward in 2025 to ensure that there is more certainty regarding the operating period payments that will be carved out of the reserve. The revised LRT reserve policy will also provide more details on the level of constraint applied to the use of funds for renewal when it is brought forward in 2025. Administration is providing this update on the future planned policy changes for the LRT reserve, as it is important to ensure that the use of reserve funds is determined in a pragmatic way, versus using the reserve as a funding source on an ad hoc basis within supplemental capital and operating budget adjustments.

Policy Approval

Based upon the 2024 Reserves Review, Administration does not recommend any modifications to Policy C217E Reserve and Equity Accounts and Policy C629 Financial Stabilization Reserve.

As such, Administration requests that Council approve the existing policies with a revised approval date of December 2, 2024 and with a subsequent scheduled review to occur in 2027 as part of the 2027 Reserves Review. The policies with updated approval and next scheduled review dates are included in Attachment 9 (C217F Reserve and Equity Accounts) and Attachment 10 (C629A Financial Stabilization Reserve).

Community Insight

The City of Edmonton's budgets are the instruments that allow Council to achieve the goals of ConnectEdmonton and the Big City Moves of The City Plan. Through various channels (including formal public engagement, community conversations/tables, 311, social media and speakers at Committees of Council), the City of Edmonton listens to the needs, desires and financial realities of Edmontonians as it delivers programs and services on behalf of the community. The City of Edmonton's programs and services should enable a better life for all Edmontonians.

Administration is committed to providing transparent financial reporting back to Council and residents that demonstrates how the City has delivered on the goals and objectives set out in the budget. Regular review of the City's reserves and their intended outcomes is a part of transparent financial reporting.

GBA+

The proposed changes are expected to increase accessibility to reserve information for Administration and the general public and transparently demonstrate that reserves are being properly managed. This is consistent with the City of Edmonton's longstanding commitment to the principles of open government.

The reserve work detailed in this report is driven by various individual program policies and the completion of this work helps to support the GBA+ goals of those programs.

Environment and Climate Review

This report was reviewed for environment and climate risks. Based on the review completed no significant interactions with the City's environmental and climate goals were identified within the scope of this report.

Attachments

1. Reserve Register
2. Summary of Reserve Accounts Activities
3. Proposed Reserves
4. Edmonton Elections Reserve Schedule
5. Risk Analysis and Financial Risk Exposures - Risk Ratings
6. Financial Stabilization Reserve 2012-2024
7. Interim Financing Reserve - Forecast
8. Equity Accounts
9. City Policy C217F Reserve and Equity Accounts
10. City Policy C629A Financial Stabilization Reserve