

TYPES OF FUNDING SOURCES	HOW IS THE SOURCE FUNDED?	WHAT IT CAN BE USED FOR?
RESERVES		
Capital Projects Reserve (CPR)	Funded in budget; Practice based on Council direction is 1%, but has been reduced over the last number of years	Tax supported new capital projects
Debt Repayment Reserve (DRR)	Funded by Operating Budget (\$8,400,000 annually) and CPR (variable – to keep DRR from \$0 balance)	Used for debt repayment
Operating Reserve Tax Supported (ORTS)	Funded with any surpluses from operating at the end of the year	Can be used for operating or capital purposes, as Council's direction
Land Bank Reserve	Land sale revenues	Land purchase, land development and related activities
Utility Reserves	Utility revenues	Build and maintain assets and fund general operations
Fleet Reserves	Funded by charges to internal departments for use of fleet vehicles	Used for purchase of replacement fleet vehicles
DEBT		
Loans to Local Authorities (LOLA)	Funded by the Provincial Government	Use for Capital Projects Internal policy is 75% debt limit
USER FEES		
Utility user fees, transit revenue, ambulance revenue, electric transmission recovery, facility user fees, equipment and facility rentals, parking, etc.	Fees and Charges Policy (GP-F-2.5) User pays	General operating expenses – however typically used to fund related department activities (i.e. utility user fees fund utility operations)

DIVIDENDS		
City of Red Deer Utilities department	Utility Reserves	Capital or operating projects
Land Bank	Land Bank Reserve	Capital or operating projects
GRANTS		
Federal Gas Tax Fund (changed to Canada Community Building Fund as of June 2021)	Provincial Government – calculated on a per capita basis <i>*Ends 2024, but expected to continue</i>	Capital projects
Municipal Sustainability Initiative (MSI) Shifting to Local Government Fiscal Framework (LGFF)	Provincial Government calculated based on municipal population, education tax requisition and road length information Reductions of 30% to MSI when moved to LGFF	Portion to be used capital projects and portion to be used for operating projects
Federal and Provincial Project Based Grants	Programs are announced and we apply. Recent examples include airport grants, parking infrastructure, gang violence, etc.	Specific Projects and Initiatives
FCSS Grant	Provincial government	To deliver eligible preventative social programs and services or provide FCSS grants to community agencies to deliver the programs and services
REVENUES		
Tax revenue	Tax rate bylaw set by Council	Tax supported operations, maintenance, transfers to capital
Investment revenue	Earning on investments/ reserve balances	Capital and operating projects, depending on source of investments
Fines and penalties revenue/ Fees and Charges	Fines, licensing and permits from general public	General operating expenses – however typically used to fund related department activities (ie. permit revenue funds permit operations)
Franchise fee revenue	ATCO Gas	General operating expenses