

Corporate Programs



CORPORATE PROGRAMS - Overview

The City's Corporate Programs include common revenue sources as well as corporate costs that are not proprietary to any department or business unit. Common Revenue sources include franchise fees, general revenue, investment income and financial charges, as well as taxation, which account for a significant portion of The City's operating budget.

Corporate Costs & Debt Servicing are based on legislated requirements and/or Council policies including corporate requirements for capital financing; civic and intergovernmental affairs; corporate costs; employee benefits; gas, power and telecommunication; and scholarships.

Key Trends and Issues

Common revenue sources and corporate costs are impacted by a number of external variables and economic indicators in the global environment that are beyond The City's control, such as market volatility, oil and gas prices, electricity rates, investor confidence, business activity, housing starts, population growth, consumption rates and labour costs.

Forecasts for the 2015-2018 budget cycle show modest growth expectations for common revenues based on approved Council policies, interest rates and yields on investment income, assessment growth, tax, franchise fees and utility rates. Projected growth rates for Corporate Costs & Debt Servicing are driven largely by growth-related expenditures, capital financing costs in accordance with Council-approved policies and corporate contingencies related to employee costs.

List of Programs

Common Revenue:

Franchise Fees (program #857)
General Revenue (program #860)
Investment Income & Financial Charges (program #858)
Taxation (program #856).

Corporate Costs & Debt Servicing:

Capital Financing Costs (program #840)
Civic & Intergovernmental Affairs (program #863)
Corporate Costs (program #861)
Employee Benefits (program #787)
Gas, Power & Telecommunications Committee (program #621)
Scholarships (program #464).

Corporate Programs: Common Revenue - Operating Budget for Council Approval

For Council Approval

Total Franchise Fees (Program 857) Operating Budget (\$000s)															
	2012 Actual	2013 Actual	2014 Total Budget (as at June 30)	2015 Budget			2016 Budget			2017 Budget			2018 Budget		
				Base	One-Time	Total	Base	One-Time	Total	Base	One-Time	Total	Base	One-Time	Total
Expenditures	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Recoveries	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Revenue	(230,965)	(226,508)	(218,666)	(237,733)	0	(237,733)	(249,070)	0	(249,070)	(258,768)	0	(258,768)	(268,869)	0	(268,869)
Net	(230,965)	(226,508)	(218,666)	(237,733)	0	(237,733)	(249,070)	0	(249,070)	(258,768)	0	(258,768)	(268,869)	0	(268,869)

Total General Revenue (Program 860) Operating Budget (\$000s)															
	2012 Actual	2013 Actual	2014 Total Budget (as at June 30)	2015 Budget			2016 Budget			2017 Budget			2018 Budget		
				Base	One-Time	Total	Base	One-Time	Total	Base	One-Time	Total	Base	One-Time	Total
Expenditures	22,400	37,441	33,716	33,716	0	33,716	33,716	0	33,716	33,716	0	33,716	33,716	0	33,716
Recoveries	(18)	(16)	0	0	0	0	0	0	0	0	0	0	0	0	0
Revenue	(152,406)	(175,251)	(169,018)	(143,413)	(20,702)	(164,115)	(143,587)	(13,894)	(157,481)	(143,762)	(15,660)	(159,422)	(143,966)	(607)	(144,573)
Net	(130,024)	(137,826)	(135,302)	(109,697)	(20,702)	(130,399)	(109,871)	(13,894)	(123,765)	(110,046)	(15,660)	(125,706)	(110,250)	(607)	(110,857)

Total Investment Income & Financial Charges (Program 858) Operating Budget (\$000s)															
	2012 Actual	2013 Actual	2014 Total Budget (as at June 30)	2015 Budget			2016 Budget			2017 Budget			2018 Budget		
				Base	One-Time	Total	Base	One-Time	Total	Base	One-Time	Total	Base	One-Time	Total
Expenditures	14,475	17,208	19,755	19,365	0	19,365	19,942	0	19,942	20,624	0	20,624	21,608	0	21,608
Recoveries	(786)	(708)	0	(300)	0	(300)	(300)	0	(300)	(300)	0	(300)	(300)	0	(300)
Revenue	(39,831)	(43,285)	(46,165)	(46,565)	0	(46,565)	(48,142)	0	(48,142)	(49,824)	0	(49,824)	(51,808)	0	(51,808)
Net	(26,142)	(26,785)	(26,410)	(27,500)	0	(27,500)	(28,500)	0	(28,500)	(29,500)	0	(29,500)	(30,500)	0	(30,500)

Corporate Programs: Common Revenue - Operating Budget for Council Approval

For Council Approval

Total Taxation (Program 856) Operating Budget (\$000s)															
	2012	2013	2014	2015 Budget			2016 Budget			2017 Budget			2018 Budget		
	Actual	Actual	Total Budget (as at June 30)	Base	One-Time	Total	Base	One-Time	Total	Base	One-Time	Total	Base	One-Time	Total
Expenditures	50,154	45,463	6,840	6,840	0	6,840	6,840	0	6,840	6,840	0	6,840	6,840	0	6,840
Recoveries	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Revenue	(1,384,749)	(1,534,527)	(1,518,451)	(1,685,069)	0	(1,685,069)	(1,799,666)	0	(1,799,666)	(1,917,466)	1,000	(1,916,466)	(2,036,066)	1,000	(2,035,066)
Net	(1,334,595)	(1,489,064)	(1,511,611)	(1,678,229)	0	(1,678,229)	(1,792,826)	0	(1,792,826)	(1,910,626)	1,000	(1,909,626)	(2,029,226)	1,000	(2,028,226)

Total Common Revenue Operating Budget (\$000s)															
	2012	2013	2014	2015 Budget			2016 Budget			2017 Budget			2018 Budget		
	Actual	Actual	Total Budget (as at June 30)	Base	One-Time	Total	Base	One-Time	Total	Base	One-Time	Total	Base	One-Time	Total
Expenditures	87,029	100,112	60,311	59,921	0	59,921	60,498	0	60,498	61,180	0	61,180	62,164	0	62,164
Recoveries	(804)	(724)	0	(300)	0	(300)	(300)	0	(300)	(300)	0	(300)	(300)	0	(300)
Revenue	(1,807,951)	(1,979,571)	(1,952,300)	(2,112,780)	(20,702)	(2,133,482)	(2,240,465)	(13,894)	(2,254,359)	(2,369,820)	(14,660)	(2,384,480)	(2,500,709)	393	(2,500,316)
Net	(1,721,726)	(1,880,183)	(1,891,989)	(2,053,159)	(20,702)	(2,073,861)	(2,180,267)	(13,894)	(2,194,161)	(2,308,940)	(14,660)	(2,323,600)	(2,438,845)	393	(2,438,452)

Corporate Programs: Corporate Costs & Debt Servicing - Operating Budget for Council Approval

For Council Approval

Total Capital Financing Costs (Program 840) Operating Budget (\$000s)															
	2012	2013	2014	2015 Budget			2016 Budget			2017 Budget			2018 Budget		
	Actual	Actual	Total Budget (as at June 30)	Base	One-Time	Total	Base	One-Time	Total	Base	One-Time	Total	Base	One-Time	Total
Expenditures	389,809	487,412	327,969	385,666	(515)	385,151	390,103	0	390,103	393,114	(1,000)	392,114	396,220	(1,000)	395,220
Recoveries	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Revenue	(119,467)	(171,754)	(88,750)	(86,266)	0	(86,266)	(83,803)	0	(83,803)	(80,314)	0	(80,314)	(76,820)	0	(76,820)
Net	270,342	315,658	239,219	299,400	(515)	298,885	306,300	0	306,300	312,800	(1,000)	311,800	319,400	(1,000)	318,400

Total Civic & Intergovernmental Affairs (Program 863) Operating Budget (\$000s)															
	2012	2013	2014	2015 Budget			2016 Budget			2017 Budget			2018 Budget		
	Actual	Actual	Total Budget (as at June 30)	Base	One-Time	Total	Base	One-Time	Total	Base	One-Time	Total	Base	One-Time	Total
Expenditures	340	411	387	387	0	387	387	0	387	387	0	387	387	0	387
Recoveries	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Revenue	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Net	340	411	387	387	0	387	387	0	387	387	0	387	387	0	387

Total Corporate Costs (Program 861) Operating Budget (\$000s)															
	2012	2013	2014	2015 Budget			2016 Budget			2017 Budget			2018 Budget		
	Actual	Actual	Total Budget (as at June 30)	Base	One-Time	Total	Base	One-Time	Total	Base	One-Time	Total	Base	One-Time	Total
Expenditures	38,797	57,481	110,279	184,538	4,394	188,932	258,213	0	258,213	332,724	0	332,724	421,251	0	421,251
Recoveries	(2,454)	(2,459)	(2,466)	(3,456)	0	(3,456)	(3,456)	0	(3,456)	(3,456)	0	(3,456)	(3,456)	0	(3,456)
Revenue	(14)	40,326	0	0	0	0	0	0	0	0	0	0	0	0	0
Net	36,329	95,348	107,813	181,082	4,394	185,476	254,757	0	254,757	329,268	0	329,268	417,795	0	417,795

Corporate Programs: Corporate Costs & Debt Servicing - Operating Budget for Council Approval

For Council Approval

Total Employee Benefits (Program 787) Operating Budget (\$000s)															
	2012	2013	2014	2015 Budget			2016 Budget			2017 Budget			2018 Budget		
	Actual	Actual	Total Budget (as at June 30)	Base	One-Time	Total	Base	One-Time	Total	Base	One-Time	Total	Base	One-Time	Total
Expenditures	(6,111)	(13,012)	2,310	(4,514)	0	(4,514)	(4,469)	0	(4,469)	(4,421)	0	(4,421)	(4,384)	0	(4,384)
Recoveries	(308)	(117)	(470)	(116)	0	(116)	(121)	0	(121)	(129)	0	(129)	(136)	0	(136)
Revenue	(1,501)	(1,632)	(1,840)	(2,270)	0	(2,270)	(2,310)	0	(2,310)	(2,350)	0	(2,350)	(2,380)	0	(2,380)
Net	(7,920)	(14,761)	0	(6,900)	0	(6,900)	(6,900)	0	(6,900)	(6,900)	0	(6,900)	(6,900)	0	(6,900)

Total Gas, Power & Telecommunications Committee (Program 621) Operating Budget (\$000s)															
	2012	2013	2014	2015 Budget			2016 Budget			2017 Budget			2018 Budget		
	Actual	Actual	Total Budget (as at June 30)	Base	One-Time	Total	Base	One-Time	Total	Base	One-Time	Total	Base	One-Time	Total
Expenditures	1,279	1,367	674	875	0	875	900	0	900	925	0	925	950	0	950
Recoveries	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Revenue	(605)	(696)	0	0	0	0	0	0	0	0	0	0	0	0	0
Net	674	671	674	875	0	875	900	0	900	925	0	925	950	0	950

Total Scholarships (Program 464) Operating Budget (\$000s)															
	2012	2013	2014	2015 Budget			2016 Budget			2017 Budget			2018 Budget		
	Actual	Actual	Total Budget (as at June 30)	Base	One-Time	Total	Base	One-Time	Total	Base	One-Time	Total	Base	One-Time	Total
Expenditures	41	59	73	73	0	73	73	0	73	73	0	73	73	0	73
Recoveries	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Revenue	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Net	41	59	73	73	0	73	73	0	73	73	0	73	73	0	73

Corporate Programs: Corporate Costs & Debt Servicing - Operating Budget for Council Approval

For Council Approval

Total Corporate Costs & Debt Servicing Operating Budget (\$000s)															
	2012	2013	2014	2015 Budget			2016 Budget			2017 Budget			2018 Budget		
	Actual	Actual	Total Budget (as at June 30)	Base	One-Time	Total	Base	One-Time	Total	Base	One-Time	Total	Base	One-Time	Total
Expenditures	424,155	533,718	441,692	567,025	3,879	570,904	645,207	0	645,207	722,802	(1,000)	721,802	814,497	(1,000)	813,497
Recoveries	(2,762)	(2,576)	(2,936)	(3,572)	0	(3,572)	(3,577)	0	(3,577)	(3,585)	0	(3,585)	(3,592)	0	(3,592)
Revenue	(121,587)	(133,756)	(90,590)	(88,536)	0	(88,536)	(86,113)	0	(86,113)	(82,664)	0	(82,664)	(79,200)	0	(79,200)
Net	299,806	397,386	348,166	474,917	3,879	478,796	555,517	0	555,517	636,553	(1,000)	635,553	731,705	(1,000)	730,705

CORPORATE PROGRAMS - Franchise Fees

Overview

The Municipal Government Act permits a municipality and a utility to enter into an agreement that allows the utility to pay a franchise fee to the municipality in lieu of the utility paying property tax and other fees and charges that are specified in the agreement. This program includes franchise agreements with ENMAX, ATCO Gas and The City utilities.

Program Summary

ENMAX: The City receives Local Access Fees revenue from ENMAX Corporation which it collects from its customers in lieu of property tax. These revenues are determined by customer consumption, commodity prices and a fixed charge for distribution and transmission.

ATCO: The City receives franchise revenue from ATCO Gas in lieu of property tax. These revenues are determined by customer consumption, commodity prices and a fixed charge for distribution and transmission.

Utilities: The City's Utilities make a franchise fee payment to the Franchise Fees program. The amount of the franchise fee is 10 per cent of the net sales revenue minus the revenue from customers outside city limits.

Trends and Issues

The price and volume of electricity and gas are extremely difficult to forecast due to factors such as month-to-month price volatility, supply and demand conditions within Alberta, the weather conditions and global events.

ENMAX price assumption: \$80/MWh in 2015, 2016, 2017 and 2018.

ATCO price assumption: \$3.50/GJ in 2015, \$3.75/GJ in 2016. \$4.00/GJ in 2017 and \$4.25/GJ in 2018.

Utilities: Combined Water and Wastewater utility rate increase of 8.3 per cent each year from 2015-2018.

CORPORATE PROGRAMS - Franchise Fees

(\$000s)												
	2012 Actual				2013 Actual				2014 Budget (as at June 30)			
	Rev	Expend	Recov	Net	Rev	Expend	Recov	Net	Rev	Expend	Recov	Net
ENMAX	(147,833)	0	0	(147,833)	(129,735)	0	0	(129,735)	(124,000)	0	0	(124,000)
ATCO	(41,520)	0	0	(41,520)	(51,166)	0	0	(51,166)	(47,000)	0	0	(47,000)
Utilities	(41,163)	0	0	(41,163)	(45,208)	0	0	(45,208)	(47,216)	0	0	(47,216)
Access Fee	(449)	0	0	(449)	(399)	0	0	(399)	(450)	0	0	(450)
Total	(230,965)	0	0	(230,965)	(226,508)	0	0	(226,508)	(218,666)	0	0	(218,666)

(\$000s)																
	2015 Budget				2016 Budget				2017 Budget				2018 Budget			
	Rev	Expend	Recov	Net	Rev	Expend	Recov	Net	Rev	Expend	Recov	Net	Rev	Expend	Recov	Net
ENMAX	(128,000)	0	0	(128,000)	(131,000)	0	0	(131,000)	(133,000)	0	0	(133,000)	(135,000)	0	0	(135,000)
ATCO	(58,000)	0	0	(58,000)	(62,000)	0	0	(62,000)	(65,000)	0	0	(65,000)	(68,000)	0	0	(68,000)
Utilities	(51,733)	0	0	(51,733)	(56,070)	0	0	(56,070)	(60,768)	0	0	(60,768)	(65,869)	0	0	(65,869)
Total	(237,733)	0	0	(237,733)	(249,070)	0	0	(249,070)	(258,768)	0	0	(258,768)	(268,869)	0	0	(268,869)

CORPORATE PROGRAMS - General Revenue

Overview

This program includes ENMAX dividend, Utilities dividend, Calgary Parking Authority (CPA) contributions, Fiscal Stability Reserve (FSR) contribution to operations, City On-line revenue & management fees, and Community Revitalization Levy.

Program Summary

ENMAX Dividend: ENMAX pays an annual dividend of a minimum \$35 million or 30 per cent of the prior year's net earnings, whichever is greater. The estimated annual dividend is \$47.3 million. Starting 2013, revenue in excess of budget is allocated 50 per cent to the Legacy Parks Fund and 50 per cent to the Enmax Dividend Stabilization Reserve (maximum of \$20 million in total) as a contingency fund for any shortfall in the Enmax dividend below \$47 million in accordance with NM 2012-05.

Utilities Dividend: The City's Utilities pays an annual dividend. Council has set a cap of \$42.5 million on the dividends.

Calgary Parking Authority Enforcement Revenue: The total parking enforcement revenue, less costs, is paid to The City. In addition, the Calgary Parking Authority pays The City a contribution based on its net revenue.

- Annual net revenues, less parking enforcement revenues and distribution to City business units, which is multiplied by 65 per cent.
- The amount received by the General Revenue program is the prior year's budget plus the consumer price index for the current year.
- This contribution is also allocated to Parking Land Acquisition Reserve & Transportation Infrastructure Reserve.

FSR Contribution to Operations: One-time expenditures by City departments are normally funded by the Fiscal Stability Reserve (FSR). Contribution from Legacy Parks Reserve for Parks Foundation has been approved by Council.

City On-line and Management Fees: City on-line revenue is generated from third parties accessing City database resources. Debt management fees are charged to third parties for loans advanced to them by the City. The largest component is from ENMAX.

Community Revitalization Levy: Council authorizes a bylaw annually which imposes a levy in respect of the incremental assessed value of property in a community revitalization levy area. This is used to raise revenue towards payment of infrastructure and other costs associated with the redevelopment of property in the community revitalization area. The collection is paid out to the Calgary Municipal Land Corporation through this program.

Trends and Issues

Increase in Calgary Parking Authority revenue and City On-line revenue (tax products), \$0.4 million in 2015, \$0.2 million in 2016, \$0.2 million in 2017 and \$0.2 million in 2018.

Contribution from Fiscal Stability Reserve to fund one-time operating costs: Tree Disaster, Council Innovation Fund, Ward Boundary Commission, Cycling Strategy, feasibility assessments of potential innovative financing approaches and holding cost for the old Science Centre. The contributions are \$20.5 million in 2015, \$13.7 million in 2016, \$15.5 million in 2017 and \$0.6 million in 2018.

Fiscal Stability Reserve to fund flood related capital projects up to \$100 million as approved by Council.

CORPORATE PROGRAMS - General Revenue

(\$000s)												
	2012 Actual				2013 Actual				2014 Budget (as at June 30)			
	Rev	Expend	Recov	Net	Rev	Expend	Recov	Net	Rev	Expend	Recov	Net
ENMAX Dividend	(56,000)	0	0	(56,000)	(67,500)	0	0	(67,500)	(47,300)	0	0	(47,300)
Transfer to ENMAX Dividend Stabilization Reserve	0	0	0	0	0	10,100	0	10,100	0	0	0	0
Utilities Dividend	(42,500)	0	0	(42,500)	(42,500)	0	0	(42,500)	(42,500)	0	0	(42,500)
Calgary Parking Authority	(14,383)	0	0	(14,383)	(14,300)	0	0	(14,300)	(14,027)	0	0	(14,027)
FSR Contribution to Operations	(11,123)	0	0	(11,123)	(17,736)	0	0	(17,736)	(25,760)	0	0	(25,760)
City On-line & Mgmt Fees	(6,004)	4	(18)	(6,018)	(5,878)	4	(16)	(5,890)	(5,715)	0	0	(5,715)
Community Revitalization Levy	(22,396)	22,396	0	0	(27,337)	27,337	0	0	(33,716)	33,716	0	0
Total	(152,406)	22,400	(18)	(130,024)	(175,251)	37,441	(16)	(137,826)	(169,018)	33,716	0	(135,302)

(\$000s)																
	2015 Budget				2016 Budget				2017 Budget				2018 Budget			
	Rev	Expend	Recov	Net	Rev	Expend	Recov	Net	Rev	Expend	Recov	Net	Rev	Expend	Recov	Net
ENMAX Dividend	(47,300)	0	0	(47,300)	(47,300)	0	0	(47,300)	(47,300)	0	0	(47,300)	(47,300)	0	0	(47,300)
Utilities Dividend	(42,500)	0	0	(42,500)	(42,500)	0	0	(42,500)	(42,500)	0	0	(42,500)	(42,500)	0	0	(42,500)
Calgary Parking Authority	(14,182)	0	0	(14,182)	(14,306)	0	0	(14,306)	(14,381)	0	0	(14,381)	(14,535)	0	0	(14,535)
FSR Contribution to Operations	(20,502)	0	0	(20,502)	(13,694)	0	0	(13,694)	(15,460)	0	0	(15,460)	(607)	0	0	(607)
Contributions from Legacy Parks Reserve	(200)	0	0	(200)	(200)	0	0	(200)	(200)	0	0	(200)	0	0	0	0
City On-line & Mgmt Fees	(5,715)	0	0	(5,715)	(5,765)	0	0	(5,765)	(5,865)	0	0	(5,865)	(5,915)	0	0	(5,915)
Community Revitalization Levy	(33,716)	33,716	0	0	(33,716)	33,716	0	0	(33,716)	33,716	0	0	(33,716)	33,716	0	0
Total	(164,115)	33,716	0	(130,399)	(157,481)	33,716	0	(123,765)	(159,422)	33,716	0	(125,706)	(144,573)	33,716	0	(110,857)

CORPORATE PROGRAMS - Investment Income & Financial Charges

Overview

Investment Income earned on operating cash flows, reserves and capital deposits. This program also includes banking service charges, investment transaction fees, custodial charges and fees relating to The City's treasury functions.

Trends and Issues

The current low interest rate environment and the expected increase in interest rates in the mid-term, are impacting investment returns and the implementation of the investment portfolio rebalancing strategy.

Program Summary

Gross Investment income: Gross investment income and recoveries are earned on The City's investment portfolio.

Allocations to Self-supporting Business Units: Allocation of investment income from this program to other self-supported operating programs.

Allocations to Capital Deposits: Allocation of investment income from this program to capital deposits. The revenue will be recognized when the capital deposits fund the related capital projects.

Allocations to Reserves: Allocation of investment income from this program to Council-approved interest earning reserves.

Financial Charges: Financial Charges related to treasury operations include service fees for banking, cash handling and investment custodianship.

Investment Fees: Investment Managers' Fees on City's externally managed investment portfolio.

CORPORATE PROGRAMS - Investment Income & Financial Charges

(\$000s)												
	2012 Actual				2013 Actual				2014 Budget (as at June 30)			
	Rev	Expend	Recov	Net	Rev	Expend	Recov	Net	Rev	Expend	Recov	Net
Gross investment income	(58,077)	0	0	(58,077)	(63,749)	0	0	(63,749)	(68,194)	0	0	(68,194)
Allocations to Self-supporting Business Units	7,562	0	0	7,562	8,101	0	0	8,101	12,958	0	0	12,958
Allocations to Capital Deposits	10,684	0	0	10,684	12,363	0	0	12,363	9,071	0	0	9,071
Allocations to Reserves	0	12,018	0	12,018	0	14,158	0	14,158	0	17,102	0	17,102
Recoveries	0	0	(786)	(786)	0	0	(708)	(708)	0	0	0	0
Financial charge & Investment Fees	0	2,457	0	2,457	0	3,050	0	3,050	0	2,653	0	2,653
Total	(39,831)	14,475	(786)	(26,142)	(43,285)	17,208	(708)	(26,785)	(46,165)	19,755	0	(26,410)

(\$000s)																
	2015 Budget				2016 Budget				2017 Budget				2018 Budget			
	Rev	Expend	Recov	Net	Rev	Expend	Recov	Net	Rev	Expend	Recov	Net	Rev	Expend	Recov	Net
Gross investment income	(68,378)	0	0	(68,378)	(70,125)	0	0	(70,125)	(72,704)	0	0	(72,704)	(76,595)	0	0	(76,595)
Allocations to Self-supporting Business Units	8,521	0	0	8,521	8,723	0	0	8,723	9,123	0	0	9,123	9,991	0	0	9,991
Allocations to Capital Deposits	13,292	0	0	13,292	13,260	0	0	13,260	13,757	0	0	13,757	14,796	0	0	14,796
Allocations to Reserves	0	16,224	0	16,224	0	16,749	0	16,749	0	17,377	0	17,377	0	18,304	0	18,304
Recoveries	0	0	(300)	(300)	0	0	(300)	(300)	0	0	(300)	(300)	0	0	(300)	(300)
Financial charge & Investment Fees	0	3,141	0	3,141	0	3,193	0	3,193	0	3,247	0	3,247	0	3,304	0	3,304
Total	(46,565)	19,365	(300)	(27,500)	(48,142)	19,942	(300)	(28,500)	(49,824)	20,624	(300)	(29,500)	(51,808)	21,608	(300)	(30,500)

CORPORATE PROGRAMS - Taxation

Overview

The Municipal Government Act requires a municipality to pass a property tax bylaw annually, and gives municipalities the option to levy a business tax. This program includes municipal property tax, business tax, penalties and other expenditures.

Program Summary

Property Tax: It is levied on assessed value of all taxable properties so that mill rates are sufficient to meet the estimated expenditures to support City services.

Business Tax: It is levied on businesses that occupy space within the City of Calgary during the calendar year.

Penalties: On July 1, a penalty of seven per cent of the unpaid current property taxes will be added to the balance. On October 1, an additional penalty of seven per cent of the unpaid current property taxes will be added to the balance.

On April 1, a penalty of seven per cent of the unpaid current business taxes will be added to the balance. On July 1, an additional penalty of seven per cent of the unpaid current business taxes will be added to the balance. Any unpaid taxes and penalties accrued from previous years are charged a penalty of one per cent of the outstanding balance on the first day of each month until taxes are paid.

Other Expenditures: Includes business tax bad debt expense, prior year property tax and business tax cancellations and transfer payments on franchise properties.

Trends and Issues

Property Tax: Increase in property tax due to the mill rate change and assessment growth in 2015 (\$107.2 million), 2016 (\$109.9 million), 2017 (\$113.8 million) and 2018 (\$116.6 million).

Business Tax: The last business tax rate increase was approved in 1993. Increase in business tax due to assessment growth in 2015 (\$6.0 million), 2016 (\$4.4 million), 2017 (\$2.7 million), and 2018 (\$1.8 million).

These property tax and business tax increases include increased taxation revenue resulting from growth: 2015 (\$29.2 million), 2016 (\$20.4 million), 2017 (\$17.8 million) and 2018 (\$13.1 million). These revenues are held in the Corporate Cost program and are earmarked to cover growth costs.

Business Tax Consolidation: Consolidate business tax revenue into the non-residential property tax, based on the following schedule: 0 per cent in 2013, 10 per cent in each of the years 2014-2015, and 20 per cent in each of the years 2016-2019.

CORPORATE PROGRAMS - Taxation

(\$000s)												
	2012 Actual				2013 Actual				2014 Budget (as at June 30)			
	Rev	Exp	Recov	Net	Rev	Exp	Recov	Net	Rev	Exp	Recov	Net
Property Tax	(1,161,098)	0	0	(1,161,098)	(1,300,267)	0	0	(1,300,267)	(1,320,043)	0	0	(1,320,043)
Business Tax	(214,174)	0	0	(214,174)	(225,390)	0	0	(225,390)	(190,471)	0	0	(190,471)
Penalties	(9,477)	0	0	(9,477)	(8,870)	0	0	(8,870)	(7,937)	0	0	(7,937)
Other Expenditure	0	50,154	0	50,154	0	45,463	0	45,463	0	6,840	0	6,840
Total	(1,384,749)	50,154	0	(1,334,595)	(1,534,527)	45,463	0	(1,489,064)	(1,518,451)	6,840	0	(1,511,611)

(\$000s)																
	2015 Budget				2016 Budget				2017 Budget				2018 Budget			
	Rev	Exp	Recov	Net	Rev	Exp	Recov	Net	Rev	Exp	Recov	Net	Rev	Exp	Recov	Net
Property Tax	(1,501,118)	0	0	(1,501,118)	(1,655,850)	0	0	(1,655,850)	(1,815,330)	0	0	(1,815,330)	(1,978,486)	0	0	(1,978,486)
Business Tax	(174,715)	0	0	(174,715)	(134,312)	0	0	(134,312)	(91,378)	0	0	(91,378)	(46,603)	0	0	(46,603)
Penalties	(9,236)	0	0	(9,236)	(9,504)	0	0	(9,504)	(9,758)	0	0	(9,758)	(9,977)	0	0	(9,977)
Other Expenditure	0	6,840	0	6,840	0	6,840	0	6,840	0	6,840	0	6,840	0	6,840	0	6,840
Total	(1,685,069)	6,840	0	(1,678,229)	(1,799,666)	6,840	0	(1,792,826)	(1,916,466)	6,840	0	(1,909,626)	(2,035,066)	6,840	0	(2,028,226)

CORPORATE PROGRAMS - Capital Financing Costs

Overview

This program includes principal and interest payments, contributions to Debt Servicing Reserve (DSR), Lifecycle Maintenance & Upgrade Reserve (LMUR), Pay-As-You-Go (PAYG) and Community Investment Reserve (CIR) in accordance with Council-approved policies.

Program Summary

Debt Payments: Council approved (FB2002-11) to fund the interest and principal payments of tax-supported debts from the Debt Servicing Reserve.

Local Improvement Levy: Interest and principal payments on local improvement debts are funded by local improvement levy.

Contribution to PAYG, LMUR & DSR: Pay-As-You-Go (PAYG) contribution of \$50.2 million per year was approved by Council (C96-14, C96-26). Increasing PAYG contribution of \$4 million per year was approved by Council. Additional PAYG contribution was approved by annual transfers from the Debt Servicing Reserve (DSR) of \$10 million in 2009, escalating by \$5 million per year to \$30 million by 2013 (FCS2008-28).

Council approved (FCS2008-28) the annual contribution to the Lifecycle Maintenance & Upgrade Reserve (LMUR), which represents 2.6 per cent of annual property taxes, and the transfer of \$10 million per year from the DSR to the LMUR. M2012-0828 approved a transfer of \$10.2 million additional tax room per year to LMUR. C2013-0330 approved a transfer of \$52.1 million per year from additional tax room to LMUR. C2013-0668 approved an one-time 2014 tax rebate of \$52.1 million to residential and non-residential taxpayers.

Debt Charge Savings based on maximum tax-supported borrowing capacity of \$350 million are transferred to DSR annually at \$94.8 million, per FB96-15, FB2002-11, and FCS2004-22. Contributions from DSR to fund increased PAYG and LMUR as per FCS2008-28.

Contribution to Community Investment Reserve:

a) Council directed (NM2006-05) Administration to allocate \$100 million and representing approximately 10 years of future GST savings to the Community Investment Reserve to fund important community amenities. Annual contribution amounts to \$8.9 million.

b) Council approved (CPS2011-39, C2011-34, C2011-26, and FCS2011-18) an annual contribution of \$42 million (re: 2011 provincial property tax room) to be transferred from operating budget to Community Investment Reserve.

Other revenue & transfer to reserve: Primarily includes Calgary Parking Authority revenue and transfer to reserve, recovery of internal loans from Calgary Public Library and Calgary Convention Centre.

Trends and Issues

The increase in net budget for each year is primary due to increased contribution to Pay-As-You-Go in the amount of \$4 million per year from 2015-2018 budget cycle to reflect the increase in population and non-residential construction, and increased \$2 million per year contribution to Lifecycle Maintenance & Upgrade Reserve as the property tax base increases each year.

One-time reduction in PAYG contribution: \$0.5 million in 2015 for Low income Transit Pass frozen linked to 2015 savings in Environmental & Safety Management capital; \$1 million in 2017 and \$1 million in 2018 for Roads capital (Active Modes).

CORPORATE PROGRAMS - Capital Financing Costs

(\$000s)												
	2012 Actual				2013 Actual				2014 Budget (as at June 30)			
	Rev	Expend	Recov	Net	Rev	Expend	Recov	Net	Rev	Expend	Recov	Net
Debt Payments	(77,005)	77,005	0	0	(71,424)	71,424	0	0	(57,635)	57,635	0	0
Local Improvement levy	(15,046)	15,046	0	0	(82,110)	82,110	0	0	(10,313)	10,313	0	0
Contribution to PAYG, LMUR and DSR	0	222,658	0	222,658	0	256,387	0	256,387	0	189,489	0	189,489
Contribution to Community Investment Reserve	0	50,919	0	50,919	0	50,919	0	50,919	0	50,919	0	50,919
Other revenue & transfer to reserve	(27,416)	24,181	0	(3,235)	(18,220)	26,572	0	8,352	(20,802)	19,613	0	(1,189)
Total	(119,467)	389,809	0	270,342	(171,754)	487,412	0	315,658	(88,750)	327,969	0	239,219

(\$000s)																
	2015 Budget				2016 Budget				2017 Budget				2018 Budget			
	Rev	Expend	Recov	Net	Rev	Expend	Recov	Net	Rev	Expend	Recov	Net	Rev	Expend	Recov	Net
Debt Payments	(52,519)	52,519	0	0	(49,242)	49,242	0	0	(45,022)	45,022	0	0	(39,739)	39,739	0	0
Local Improvement levy	(13,358)	13,358	0	0	(13,795)	13,795	0	0	(14,277)	14,277	0	0	(14,806)	14,806	0	0
Contribution to PAYG, LMUR and DSR	0	248,641	0	248,641	0	255,862	0	255,862	0	261,040	0	261,040	0	267,641	0	267,641
Contribution to Community Investment Reserve	0	50,919	0	50,919	0	50,919	0	50,919	0	50,919	0	50,919	0	50,919	0	50,919
Other revenue & transfer to reserve	(20,389)	19,714	0	(675)	(20,766)	20,285	0	(481)	(21,015)	20,856	0	(159)	(22,275)	22,115	0	(160)
Total	(86,266)	385,151	0	298,885	(83,803)	390,103	0	306,300	(80,314)	392,114	0	311,800	(76,820)	395,220	0	318,400

CORPORATE PROGRAMS - Civic & Intergovernmental Affairs

Overview

This program includes corporate membership dues for the Alberta Urban Municipalities Association (\$237 thousand) and the Federation of Canadian Municipalities (\$150 thousand).

(\$000s)												
	2012 Actual				2013 Actual				2014 Budget (as at June 30)			
	Rev	Expend	Recov	Net	Rev	Expend	Recov	Net	Rev	Expend	Recov	Net
Total	0	340	0	340	0	411	0	411	0	387	0	387

(\$000s)																
	2015 Budget				2016 Budget				2017 Budget				2018 Budget			
	Rev	Expend	Recov	Net	Rev	Expend	Recov	Net	Rev	Expend	Recov	Net	Rev	Expend	Recov	Net
Total	0	387	0	387	0	387	0	387	0	387	0	387	0	387	0	387

CORPORATE PROGRAMS - Corporate Costs

Overview

This program has provision for corporate contingencies.

Program Summary

Corporate contingencies for salaries and wages for 2015-2018, unallocated funding from salaries and wages and additional unallocated taxation revenue from physical growth. The unallocated salary and wages funds provide opportunities to cover one-time costs in the 2015-2018 Action Plan, including funding for implementation of Zero Based Reviews (ZBRs) and other to be determined by Council.

The unallocated taxation revenue is earmarked to cover growth costs.

(\$000s)												
	2012 Actual				2013 Actual				2014 Budget (as at June 30)			
	Rev	Expend	Recov	Net	Rev	Expend	Recov	Net	Rev	Expend	Recov	Net
Total	(14)	38,797	(2,454)	36,329	40,326	57,481	(2,459)	95,348	0	110,279	(2,466)	107,813

(\$000s)																
	2015 Budget				2016 Budget				2017 Budget				2018 Budget			
	Rev	Expend	Recov	Net	Rev	Expend	Recov	Net	Rev	Expend	Recov	Net	Rev	Expend	Recov	Net
Total	0	188,932	(3,456)	185,476	0	258,213	(3,456)	254,757	0	332,724	(3,456)	329,268	0	421,251	(3,456)	417,795

CORPORATE PROGRAMS - Employee Benefits

Overview

The Employee Benefits program budgets the costs of employee benefits that are paid by The City as the employer. Enhanced benefits paid directly by employees are not included. The program is net zero reflecting full cost recovery from City business units from fringe benefit rates applied to salary and wage expenses.

Program Summary

Canada Pension Plan: Legislated benefit under the Canada Pension Plan Act; the 2014 rate is 4.95 per cent to maximum annual pensionable earnings of \$52,500.

Employment Insurance: Legislated benefit under the Employment Insurance Act; the 2014 rate is 2.63 per cent to maximum annual insurable earnings of \$48,600; costs are partially offset by a premium rebate.

Workers Compensation Board: Legislated benefit under the Workers Compensation Board Act; the 2014 rate is 1.24 per cent to maximum annual insurable earnings of \$92,300, costs are partially offset by a premium rebate.

Pensions: Cost of defined benefit pension plans and other retirement benefits including the Local Authorities Pension Plan, the Special Forces pension plans and Retiring Allowance.

Health Benefits & Insurance: Short-term Sickness & Accident, Health, Dental, Group Life Insurance, Employee Family Assistance Program, and benefits administration as governed by the Municipal Employee Benefit Association of Calgary (MEBAC) agreement and the Firefighters collective agreement.

Vacation Liability: Current year vacation liability expense and payout of banked vacation under various collective agreements.

Corporate Workforce Strategy: Cost of corporate programs that focus on the attraction, development, and retention of City of Calgary employees.

Allocation to Business Units and Recoveries: Recovery of The City's cost of employee benefits from City business units and the Association of Civic Employees Child Development Society (ACE Daycare).

Trends and Issues

Costs of employee benefits typically increase at rates higher than general inflation (based on the Consumer Price Index), driven by industry experience, legislated requirements, and employee growth. Pension costs are forecasted to be 8 per cent higher in 2015 and in the 3 per cent range thereafter due to increasing contribution and growth rates. Health benefits are forecasted to increase by 8 per cent annually in 2016 to 2018 partly due to increasing drug costs, dental prices, and short-term disability costs.

CORPORATE PROGRAMS - Employee Benefits

(\$000s)												
	2012 Actual				2013 Actual				2014 Budget (as at June 30)			
	Rev	Expend	Recov	Net	Rev	Expend	Recov	Net	Rev	Expend	Recov	Net
Canada Pension Plan	0	36,127	0	36,127	0	37,902	0	37,902	0	38,603	0	38,603
Employment Insurance	(1,149)	18,366	0	17,217	(1,154)	19,988	0	18,834	(1,410)	20,190	0	18,780
Workers Compensation Board	0	16,220	0	16,220	0	14,326	0	14,326	0	19,065	0	19,065
Pensions	0	167,851	0	167,851	0	187,149	0	187,149	0	192,295	0	192,295
Health Benefits & Insurance	(352)	88,158	0	87,806	(478)	91,321	0	90,843	(430)	107,015	0	106,585
Vacation Liability	0	7,947	0	7,947	0	7,901	0	7,901	0	11,680	0	11,680
Corporate Workforce Strategy	0	4,442	0	4,442	0	4,260	0	4,260	0	5,650	0	5,650
	(1,501)	339,111	0	337,610	(1,632)	362,847	0	361,215	(1,840)	394,498	0	392,658
Allocation to Business Units and Recoveries	0	(345,222)	(308)	(345,530)	0	(375,859)	(117)	(375,976)	0	(392,188)	(470)	(392,658)
Total	(1,501)	(6,111)	(308)	(7,920)	(1,632)	(13,012)	(117)	(14,761)	(1,840)	2,310	(470)	0

(\$000s)																
	2015 Budget				2016 Budget				2017 Budget				2018 Budget			
	Rev	Expend	Recov	Net	Rev	Expend	Recov	Net	Rev	Expend	Recov	Net	Rev	Expend	Recov	Net
Canada Pension Plan	0	40,227	0	40,227	0	41,471	0	41,471	0	42,774	0	42,774	0	43,995	0	43,995
Employment Insurance	(1,150)	18,411	0	17,261	(1,180)	18,994	0	17,814	(1,210)	19,603	0	18,393	(1,230)	20,175	0	18,945
Workers Compensation Board	(700)	17,416	0	16,716	(700)	18,301	0	17,601	(700)	18,736	0	18,036	(700)	19,020	0	18,320
Pensions	0	208,750	0	208,750	0	219,444	0	219,444	0	233,495	0	233,495	0	243,999	0	243,999
Health Benefits & Insurance	(420)	103,540	0	103,120	(430)	112,347	0	111,917	(440)	123,053	0	122,613	(450)	133,472	0	133,022
Vacation Liability	0	8,550	0	8,550	0	8,940	0	8,940	0	9,510	0	9,510	0	9,870	0	9,870
Corporate Workforce Strategy	0	5,650	0	5,650	0	5,650	0	5,650	0	5,650	0	5,650	0	5,650	0	5,650
	(2,270)	402,544	0	400,274	(2,310)	425,147	0	422,837	(2,350)	452,821	0	450,471	(2,380)	476,181	0	473,801
Allocation to Business Units and Recoveries	0	(407,058)	(116)	(407,174)	0	(429,616)	(121)	(429,737)	0	(457,242)	(129)	(457,371)	0	(480,565)	(136)	(480,701)
Total	(2,270)	(4,514)	(116)	(6,900)	(2,310)	(4,469)	(121)	(6,900)	(2,350)	(4,421)	(129)	(6,900)	(2,380)	(4,384)	(136)	(6,900)

CORPORATE PROGRAMS - Gas, Power & Telecommunications Committee

Overview

To monitor and participate as necessary in regulatory proceedings in the natural gas, electricity and telecommunications industries to protect the interests of The City of Calgary in its role of municipal government.

Program Summary

In order to secure The City's interest, The City intervenes in certain regulatory proceedings. The largest cost component is legal and consultant fees. The benefits of intervention include moderation of utility cost increases and defence of our franchise fees revenue.

Trends and Issues

- Removal of cost recovery eligibility by the Alberta Utilities Commission.
- Rates for outside legal services last increased by 40 per cent.
- Rates for outsourced regulatory consulting services have increased.
- The budget for Gas, Power and Telecommunications was frozen during the last budget cycle.
- Increasing number of Regulatory Proceedings going to the Court of Appeal.

(\$000s)												
	2012 Actual				2013 Actual				2014 Budget (as at June 30)			
	Rev	Expend	Recov	Net	Rev	Expend	Recov	Net	Rev	Expend	Recov	Net
Total	(605)	1,279	0	674	(696)	1,367	0	671	0	674	0	674

(\$000s)																
	2015 Budget				2016 Budget				2017 Budget				2018 Budget			
	Rev	Expend	Recov	Net	Rev	Expend	Recov	Net	Rev	Expend	Recov	Net	Rev	Expend	Recov	Net
Total	0	875	0	875	0	900	0	900	0	925	0	925	0	950	0	950

CORPORATE PROGRAMS - Scholarships

Overview

This program provides scholarships on the basis of academic proficiency and financial needs to students meeting the eligibility criteria.

Program Summary

The scholarships are provided annually to students attending educational institutions in Calgary.

All scholarships are administered by the respective educational institutions or their respective foundations including Alberta College of Art & Design, Bow Valley College, Mount Royal University, Southern Alberta Institute of Technology, The University of Calgary, Calgary Catholic School District, and Education Matters (Calgary Public School Board).

(\$000s)												
	2012 Actual				2013 Actual				2014 Budget (as at June 30)			
	Rev	Expend	Recov	Net	Rev	Expend	Recov	Net	Rev	Expend	Recov	Net
Total	0	41	0	41	0	59	0	59	0	73	0	73

(\$000s)																
	2015 Budget				2016 Budget				2017 Budget				2018 Budget			
	Rev	Expend	Recov	Net	Rev	Expend	Recov	Net	Rev	Expend	Recov	Net	Rev	Expend	Recov	Net
Total	0	73	0	73	0	73	0	73	0	73	0	73	0	73	0	73