

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 telecommunications; as well as scholarships.

The tables below identify projections for both Common Revenues and Corporate Costs & Debt Servicing over the 2012-2014 budget cycle. The forecasts show that common revenues are expected to grow by 4.0 per cent in 2012, 5.2 per cent in 2013 and 5.3 per cent in 2014. At the same time, Corporate Costs & Debt Servicing are projected to grow by 30.4 per cent in 2012, 19.5 per cent in 2013 and 18.7 per cent in 2014 due to the contingencies related to employee costs.

Common Revenues

(\$ 000s)

	2011 Budget				2012 Budget				2013 Budget				2014 Budget			
	Rev	Expend	Recov	Net	Rev	Expend	Recov	Net	Rev	Expend	Recov	Net	Rev	Expend	Recov	Net
Franchise Fees	(195,136)	0	0	(195,136)	(202,547)	0	0	(202,547)	(209,575)	0	0	(209,575)	(218,996)	0	0	(218,996)
General Revenue	(168,704)	16,072	0	(152,632)	(139,631)	16,072	0	(123,559)	(135,465)	16,072	0	(119,393)	(130,691)	16,072	0	(114,619)
Investmt Income & Financial Charges	(38,100)	13,922	(1,000)	(25,178)	(37,721)	15,479	(300)	(22,542)	(43,124)	18,199	(100)	(25,025)	(44,765)	19,755	0	(25,010)
Taxation	(1,240,571)	6,840	0	(1,233,731)	(1,328,955)	6,840	0	(1,322,115)	(1,410,024)	6,840	0	(1,403,184)	(1,498,391)	6,840	0	(1,491,551)
Total	(1,642,511)	36,834	(1,000)	(1,606,677)	(1,708,854)	38,391	(300)	(1,670,763)	(1,798,188)	41,111	(100)	(1,757,177)	(1,892,843)	42,667	0	(1,850,176)

Corporate Costs & Debt Servicing

(\$ 000s)

Capital Financing Costs	(93,771)	310,969	0	217,198	(92,670)	314,172	0	221,502	(87,886)	310,925	0	223,039	(69,900)	295,516	0	225,616
Civic & Intergovern. Affairs	0	400	0	400	0	350	0	350	0	430	0	430	0	387	0	387
Corporate Costs	0	46,840	(2,469)	44,371	0	122,386	(2,467)	119,919	0	187,401	(2,466)	184,935	0	261,539	(2,466)	259,073
Employee Benefits	(1,534)	1,905	(375)	(4)	(1,630)	2,038	(408)	0	(1,720)	2,162	(442)	0	(1,840)	2,310	(470)	0
Gas, Power & Telecomm.	(107)	674	0	567	0	674	0	674	0	674	0	674	0	674	0	674
Scholarships	0	69	0	69	0	69	0	69	0	71	0	71	0	73	0	73
Total	(95,412)	360,857	(2,844)	262,601	(94,300)	439,689	(2,875)	342,514	(89,606)	501,663	(2,908)	409,149	(71,740)	560,499	(2,936)	485,823

Key Trends & 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, interest rates, investor confidence, business activity, housing starts, population growth and consumption rates.

Forecasts for the 2012-2014 budget cycle show modest growth expectations for common revenues based on approved Council policies, interest rates and yields on investment income, assessment growth, tax 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, shifting demographics and workforce trends and corporate contingencies related to employee costs.

CORPORATE PROGRAMS: COMMON REVENUE: Operating Budgets for Council Approval

(\$ 000s)

	2010 Actual	2011 Total Budget	2012 Base Budget	2012 One-Time Budget	2012 Total Budget	2013 Base Budget	2013 One-Time Budget	2013 Total Budget	2014 Base Budget	2014 One-Time Budget	2014 Total Budget
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Franchise Fees (Program 857)

Revenues	(192,583)	(195,136)	(202,547)	0	(202,547)	(209,575)	0	(209,575)	(218,996)	0	(218,996)
Expenditures	0	0	0	0	0	0	0	0	0	0	0
Recoveries	0	0	0	0	0	0	0	0	0	0	0
Net	(192,583)	(195,136)	(202,547)	0	(202,547)	(209,575)	0	(209,575)	(218,996)	0	(218,996)

General Revenue (Program 860)

Revenues	(159,231)	(168,704)	(124,205)	(15,426)	(139,631)	(124,334)	(11,131)	(135,465)	(124,085)	(6,606)	(130,691)
Expenditures	11,835	16,072	16,072	0	16,072	16,072	0	16,072	16,072	0	16,072
Recoveries	(25)	0	0	0	0	0	0	0	0	0	0
Net	(147,421)	(152,632)	(108,133)	(15,426)	(123,559)	(108,262)	(11,131)	(119,393)	(108,013)	(6,606)	(114,619)

 **For Council Approval**

CORPORATE PROGRAMS: COMMON REVENUE: Operating Budgets for Council Approval

(\$ 000s)

	2010 Actual	2011 Total Budget	2012 Base Budget	2012 One-Time Budget	2012 Total Budget	2013 Base Budget	2013 One-Time Budget	2013 Total Budget	2014 Base Budget	2014 One-Time Budget	2014 Total Budget
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Investment Income and Financial Charges (Program 858)

Revenues	(39,121)	(38,100)	(37,721)	0	(37,721)	(43,124)	0	(43,124)	(44,765)	0	(44,765)
Expenditures	14,757	13,922	15,479	0	15,479	18,199	0	18,199	19,755	0	19,755
Recoveries	(600)	(1,000)	(300)	0	(300)	(100)	0	(100)	0	0	0
Net	(24,963)	(25,178)	(22,542)	0	(22,542)	(25,025)	0	(25,025)	(25,010)	0	(25,010)

Taxation (Program 856)

Revenues	(1,176,160)	(1,240,571)	(1,328,955)	0	(1,328,955)	(1,410,024)	0	(1,410,024)	(1,498,391)	0	(1,498,391)
Expenditures	49,549	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
Net	(1,126,611)	(1,233,731)	(1,322,115)	0	(1,322,115)	(1,403,184)	0	(1,403,184)	(1,491,551)	0	(1,491,551)

 **For Council Approval**

CORPORATE PROGRAMS: COMMON REVENUE: Operating Budgets for Council Approval

(\$ 000s)

	2010 Actual	2011 Total Budget	2012 Base Budget	2012 One-Time Budget	2012 Total Budget	2013 Base Budget	2013 One-Time Budget	2013 Total Budget	2014 Base Budget	2014 One-Time Budget	2014 Total Budget
TOTAL COMMON REVENUE											
Revenues	(1,567,094)	(1,642,511)	(1,693,428)	(15,426)	(1,708,854)	(1,787,057)	(11,131)	(1,798,188)	(1,886,237)	(6,606)	(1,892,843)
Expenditures	76,141	36,834	38,391	0	38,391	41,111	0	41,111	42,667	0	42,667
Recoveries	(625)	(1,000)	(300)	0	(300)	(100)	0	(100)	0	0	0
Net	(1,491,578)	(1,606,677)	(1,655,337)	(15,426)	(1,670,763)	(1,746,046)	(11,131)	(1,757,177)	(1,843,570)	(6,606)	(1,850,176)

Totals may not add due to rounding

CORPORATE PROGRAMS: CORPORATE COSTS & DEBT SERVICING: Operating Budgets for Council Approval

(\$ 000s)

	2010 Actual	2011 Total Budget	2012 Base Budget	2012 One-Time Budget	2012 Total Budget	2013 Base Budget	2013 One-Time Budget	2013 Total Budget	2014 Base Budget	2014 One-Time Budget	2014 Total Budget
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Capital Financing Costs (Program 840)

Revenues	(99,361)	(93,771)	(92,670)	0	(92,670)	(87,886)	0	(87,886)	(69,900)	0	(69,900)
Expenditures	302,357	310,969	315,951	(1,779)	314,172	312,755	(1,830)	310,925	297,382	(1,866)	295,516
Recoveries	0	0	0	0	0	0	0	0	0	0	0
Net	202,996	217,198	223,281	(1,779)	221,502	224,869	(1,830)	223,039	227,482	(1,866)	225,616

Civic & Intergovernmental Affairs (Program 863)

Revenues	0	0	0	0	0	0	0	0	0	0	0
Expenditures	312	400	350	0	350	368	62	430	387	0	387
Recoveries	0	0	0	0	0	0	0	0	0	0	0
Net	312	400	350	0	350	368	62	430	387	0	387

 **For Council Approval**

CORPORATE PROGRAMS: CORPORATE COSTS & DEBT SERVICING: Operating Budgets for Council Approval

(\$ 000s)

	2010 Actual	2011 Total Budget	2012 Base Budget	2012 One-Time Budget	2012 Total Budget	2013 Base Budget	2013 One-Time Budget	2013 Total Budget	2014 Base Budget	2014 One-Time Budget	2014 Total Budget
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Corporate Costs (Program 861)

Revenues	(697)	0	0	0	0	0	0	0	0	0	0
Expenditures	12,168	46,840	112,810	9,576	122,386	182,401	5,000	187,401	256,539	5,000	261,539
Recoveries	(2,366)	(2,469)	(2,467)	0	(2,467)	(2,466)	0	(2,466)	(2,466)	0	(2,466)
Net	9,105	44,371	110,343	9,576	119,919	179,935	5,000	184,935	254,073	5,000	259,073

Employee Benefits (Program 787)

Revenues	(3,601)	(1,534)	(1,630)	0	(1,630)	(1,720)	0	(1,720)	(1,840)	0	(1,840)
Expenditures	(8,193)	1,905	2,038	0	2,038	2,162	0	2,162	2,310	0	2,310
Recoveries	(334)	(375)	(408)	0	(408)	(442)	0	(442)	(470)	0	(470)
Net	(12,128)	(4)	0	0	0	0	0	0	0	0	0

 **For Council Approval**

CORPORATE PROGRAMS: CORPORATE COSTS & DEBT SERVICING: Operating Budgets for Council Approval

(\$ 000s)

	2010 Actual	2011 Total Budget	2012 Base Budget	2012 One-Time Budget	2012 Total Budget	2013 Base Budget	2013 One-Time Budget	2013 Total Budget	2014 Base Budget	2014 One-Time Budget	2014 Total Budget
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Gas, Power & Telecommunications (Program 621)

Revenues	(89)	(107)	0	0	0	0	0	0	0	0	0
Expenditures	857	674	674	0	674	674	0	674	674	0	674
Recoveries	0	0	0	0	0	0	0	0	0	0	0
Net	768	567	674	0	674	674	0	674	674	0	674

Scholarships (Program 464)

Revenues	0	0	0	0	0	0	0	0	0	0	0
Expenditures	65	69	69	0	69	71	0	71	73	0	73
Recoveries	0	0	0	0	0	0	0	0	0	0	0
Net	65	69	69	0	69	71	0	71	73	0	73

 **For Council Approval**

CORPORATE PROGRAMS: CORPORATE COSTS & DEBT SERVICING: Operating Budgets for Council Approval

(\$ 000s)

	2010 Actual	2011 Total Budget	2012 Base Budget	2012 One-Time Budget	2012 Total Budget	2013 Base Budget	2013 One-Time Budget	2013 Total Budget	2014 Base Budget	2014 One-Time Budget	2014 Total Budget
TOTAL CORPORATE COSTS & DEBT SERVICING											
Revenues	(103,748)	(95,412)	(94,300)	0	(94,300)	(89,606)	0	(89,606)	(71,740)	0	(71,740)
Expenditures	307,565	360,857	431,892	7,797	439,689	498,431	3,232	501,663	557,365	3,134	560,499
Recoveries	(2,700)	(2,844)	(2,875)	0	(2,875)	(2,908)	0	(2,908)	(2,936)	0	(2,936)
Net	201,117	262,601	334,717	7,797	342,514	405,917	3,232	409,149	482,689	3,134	485,823

Totals may not add due to rounding

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 collect a franchise fee, in lieu of the utility collecting revenue from its customers to pay for the rights-of-way and property taxes. This program includes franchise agreements with ENMAX, ATCO Gas and the City utilities.

(\$ 000s)

	2011 Budget				2012 Budget				2013 Budget				2014 Budget			
	Rev	Expend	Recov	Net	Rev	Expend	Recov	Net	Rev	Expend	Recov	Net	Rev	Expend	Recov	Net
ENMAX	(94,500)	0	0	(94,500)	(103,000)	0	0	(103,000)	(105,000)	0	0	(105,000)	(107,000)	0	0	(107,000)
ATCO	(60,000)	0	0	(60,000)	(57,000)	0	0	(57,000)	(58,000)	0	0	(58,000)	(61,000)	0	0	(61,000)
Utilities	(40,136)	0	0	(40,136)	(42,097)	0	0	(42,097)	(46,125)	0	0	(46,125)	(50,546)	0	0	(50,546)
Access Fee	(500)	0	0	(500)	(450)	0	0	(450)	(450)	0	0	(450)	(450)	0	0	(450)
Total	(195,136)	0	0	(195,136)	(202,547)	0	0	(202,547)	(209,575)	0	0	(209,575)	(218,996)	0	0	(218,996)

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 fee 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 makes 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.

Access Fee: A payment related to access City infrastructure.

Trends & 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 and global events.

ENMAX price assumption: \$80/MWh in 2012, 2013 and 2014.

Increase in electricity franchise revenue due to growth in ENMAX distribution, transmission and sales revenues in 2012, 2013 and 2014.

ATCO price assumption: \$4.20/GJ in 2012, \$4.50/GJ in 2013 and \$5.10/GJ in 2014.

Utilities: Increase in revenue due to increase in utilities rates in 2012, 2013 and 2014.

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.

(\$ 000s)

	2011 Budget				2012 Budget				2013 Budget				2014 Budget			
	Rev	Expend	Recov	Net	Rev	Expend	Recov	Net	Rev	Expend	Recov	Net	Rev	Expend	Recov	Net
ENMAX Dividend	(52,300)	0	0	(52,300)	(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	(14,974)	0	0	(14,974)	(13,101)	0	0	(13,101)	(13,246)	0	0	(13,246)	(13,105)	0	0	(13,105)
FSR Contribution to Operations	(37,979)	0	0	(37,979)	(15,426)	0	0	(15,426)	(11,131)	0	0	(11,131)	(6,606)	0	0	(6,606)
City On-line & Mgmt. Fees	(4,879)	0	0	(4,879)	(5,232)	0	0	(5,232)	(5,216)	0	0	(5,216)	(5,108)	0	0	(5,108)
Community Revitalization Levy	(16,072)	16,072	0	0	(16,072)	16,072	0	0	(16,072)	16,072	0	0	(16,072)	16,072	0	0
Total	(168,704)	16,072	0	(152,632)	(139,631)	16,072	0	(123,559)	(135,465)	16,072	0	(119,393)	(130,691)	16,072	0	(114,619)

Program Summary

ENMAX Dividend:

ENMAX pays an annual dividend of 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. Revenue in excess of budget is allocated to the Legacy Parks Fund in accordance with Council Policy.

Utilities Dividend:

Utilities pays an annual dividend. Council has set a cap of \$42.5 million on the dividends.

Calgary Parking Authority

The total parking enforcement revenue, less costs, is paid to The City.

Enforcement

In addition, the Calgary Parking Authority pays The City a contribution based on its net revenue.

Revenue:

- Annual net revenues, less parking enforcement revenues and distribution to other 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 (not through this program).

FSR Contribution to Operations:

One-time expenditures by City departments are normally funded by the Fiscal Stability Reserve (FSR).

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:

Reduction in Calgary Parking Authority revenues in 2012 (\$1.9 million) is mainly due to citizens adhering to parking policy.

Contribution from Fiscal Stability Reserve to fund one-time operating costs:

Significantly, Civic Election, Cultural Capitals of Canada, Alberta Police Integrated Information Initiative, Innovation Fund and Transportation Fuel Contingency.

The contributions are \$15.4 million in 2012, \$11.1 million in 2013 and \$6.6 million in 2014.

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 transactions fees, custodial charges and fees relating to The City's treasury functions.

(\$ 000s)

	2011 Budget				2012 Budget				2013 Budget				2014 Budget			
	Rev	Expend	Recov	Net	Rev	Expend	Recov	Net	Rev	Expend	Recov	Net	Rev	Expend	Recov	Net
Gross Investment Income	(51,300)	0	(1,000)	(52,300)	(52,611)	0	(300)	(52,911)	(61,055)	0	(100)	(61,155)	(64,311)	0	0	(64,311)
Allocations to Self-supporting Business Units	6,200	0	0	6,200	8,165	0	0	8,165	9,833	0	0	9,833	10,384	0	0	10,384
Allocations to Capital Deposits	7,000	0	0	7,000	6,725	0	0	6,725	8,098	0	0	8,098	9,162	0	0	9,162
Allocations to Reserves	0	11,500	0	11,500	0	12,969	0	12,969	0	15,617	0	15,617	0	17,103	0	17,103
Financial Charges	0	922	0	922	0	958	0	958	0	975	0	975	0	990	0	990
Investment Fees	0	1,500	0	1,500	0	1,552	0	1,552	0	1,607	0	1,607	0	1,662	0	1,662
Total	(38,100)	13,922	(1,000)	(25,178)	(37,721)	15,479	(300)	(22,542)	(43,124)	18,199	(100)	(25,025)	(44,765)	19,755	0	(25,010)

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.

Trends & Issues:

Low interest yields continue to suppress investment income, and continued uncertainty concerning future interest rates creates risk for future investment returns.

Gross investment income is City's investment portfolio based on the following projected weighted average yield: 2.35 per cent in 2012, 2.64 per cent in 2013 and 2.67 per cent in 2014.

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.

(\$ 000s)

	2011 Budget				2012 Budget				2013 Budget				2014 Budget			
	Rev	Expend	Recov	Net	Rev	Expend	Recov	Net	Rev	Expend	Recov	Net	Rev	Expend	Recov	Net
Property Tax	(1,044,114)	0	0	(1,044,114)	(1,126,401)	0	0	(1,126,401)	(1,202,524)	0	0	(1,202,524)	(1,288,895)	0	0	(1,288,895)
Business Tax	(189,720)	0	0	(189,720)	(194,617)	0	0	(194,617)	(199,563)	0	0	(199,563)	(201,559)	0	0	(201,559)
Penalties	(6,737)	0	0	(6,737)	(7,937)	0	0	(7,937)	(7,937)	0	0	(7,937)	(7,937)	0	0	(7,937)
Other expend.	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	(1,240,571)	6,840	0	(1,233,731)	(1,328,955)	6,840	0	(1,322,115)	(1,410,024)	6,840	0	(1,403,184)	(1,498,391)	6,840	0	(1,491,551)

Program Summary

Property Tax: It is levied on assessed value of all taxable properties, tax 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 7 per cent of the unpaid current property taxes will be added to the balance. On October 1, an additional penalty of 7 per cent of the unpaid current property taxes will be added to the balance.
On April 1, a penalty of 7 per cent of the unpaid current business taxes will be added to the balance. On July 1, an additional penalty of 7 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 1 per cent of the outstanding balance on the first day of each month until taxes are paid.

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

Trends & Issues:

Property Tax: Council approved tax rate increase of 6 per cent in 2012, 5.7 per cent in 2013 and 6.1 per cent in 2014.

Increase in property tax due to the tax rate increase and assessment growth in 2012 (\$82.3 million), 2013 (\$76.1 million) and 2014 (\$86.4 million).

Business Tax: Tax rate increase is 0 per cent. The last business tax rate increase was approved in 1993.

Increase in business tax due to the assessment growth in 2012 (\$4.9 million), 2013 (\$5.0 million) and 2014 (\$2.0 million).

Penalties: Increase in property tax and business tax penalty revenue in 2012 (\$1.2 million) due to higher tax base.

CORPORATE PROGRAMS: Capital Financing Costs

Overview

This program includes debt, 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.

(\$ 000s)

	2011 Budget				2012 Budget				2013 Budget				2014 Budget			
	Rev	Expend	Recov	Net	Rev	Expend	Recov	Net	Rev	Expend	Recov	Net	Rev	Expend	Recov	Net
Debt Payments-funded by DSR	(77,919)	77,919	0	0	(78,242)	78,242	0	0	(73,636)	73,636	0	0	(57,635)	57,635	0	0
Local Improvement Levy	(10,574)	10,574	0	0	(10,638)	10,638	0	0	(10,931)	10,931	0	0	(10,313)	10,313	0	0
Contributions to PAYG, LMUR & DSR	0	167,564	0	167,564	0	172,171	0	172,171	0	173,904	0	173,904	0	175,886	0	175,886
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	(5,278)	3,993	0	(1,285)	(3,790)	2,202	0	(1,588)	(3,319)	1,535	0	(1,784)	(1,952)	763	0	(1,189)
Total	(93,771)	310,969	0	217,198	(92,670)	314,172	0	221,502	(87,886)	310,925	0	223,039	(69,900)	295,516	0	225,616

Program Summary

Debt Payments-funded by DSR: 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). 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.

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:

- Council directed (NM2006-05) Administration to allocate GST savings to the Community Investment Reserve to fund important community amenities. Annual contribution amounts to \$8.9 million.
- 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 & Issues:

The increase in net budget for each year is primarily due to increased contribution to LMUR as the property tax base increases over the next three years.

DSR = Debt Servicing Reserve, PAYG = Pay-As-You-Go, LMUR = Lifecycle Maintenance & Upgrade Reserve, CIR = Community Investment Reserve

CORPORATE PROGRAMS: Civic & Intergovernmental Affairs

Overview

This program includes corporate memberships dues for the Alberta Urban Municipalities Association and the Federation of Canadian Municipalities.

(\$ 000s)

	2011 Budget				2012 Budget				2013 Budget				2014 Budget			
	Rev	Expend	Recov	Net	Rev	Expend	Recov	Net	Rev	Expend	Recov	Net	Rev	Expend	Recov	Net
Membership	0	343	0	343	0	350	0	350	0	368	0	368	0	387	0	387
Conferences	0	57	0	57	0	0	0	0	0	62	0	62	0	0	0	0
Total	0	400	0	400	0	350	0	350	0	430	0	430	0	387	0	387

Program Summary

In addition to annual corporate membership dues, this program also includes conference costs for the Alberta Urban Municipalities Association (AUMA) which is held in Calgary every two or three years.

Increase of 5 per cent is based on the average cost rise in the past five to ten years.

One-Time: Hosting Alberta Urban Municipalities Association (AUMA) conference in 2013 (\$62 thousand).

CORPORATE PROGRAMS: Corporate Costs

Overview

This program has provision for corporate contingencies.

(\$ 000s)

	2011 Budget				2012 Budget				2013 Budget				2014 Budget			
	Rev	Expend	Recov	Net	Rev	Expend	Recov	Net	Rev	Expend	Recov	Net	Rev	Expend	Recov	Net
Total	0	46,840	(2,469)	44,371	0	122,386	(2,467)	119,919	0	187,401	(2,466)	184,935	0	261,539	(2,466)	259,073

Program Summary

Corporate contingencies for salaries and wages in 2012 - 2014.

Administrative recoveries from self-supporting business units (\$2.5 million).

One-time operating costs: Zero Based Review Pilot, Innovation Fund and Transportation Fuel Contingency.

CORPORATE PROGRAMS: Employee Benefits

Overview

The Employee Benefits Program is based on a full cost recovery principle and budgeted to net zero based on total City projected salary and wages. This program reflects employer portion only since employees pay their portion of the costs directly.

(\$ 000s)

	2011 Budget				2012 Budget				2013 Budget				2014 Budget			
	Rev	Expend	Recov	Net	Rev	Expend	Recov	Net	Rev	Expend	Recov	Net	Rev	Expend	Recov	Net
Canada Pension Plan	0	35,538	0	35,538	0	36,571	0	36,571	0	37,566	0	37,566	0	38,603	0	38,603
Employment Insurance	(1,130)	17,121	0	15,991	(1,250)	18,122	0	16,872	(1,320)	19,133	0	17,813	(1,410)	20,190	0	18,780
Workers Compensation Board	0	15,438	0	15,438	0	16,661	0	16,661	0	17,801	0	17,801	0	19,065	0	19,065
Pensions	0	151,982	0	151,982	0	163,386	0	163,386	0	178,951	0	178,951	0	189,726	0	189,726
Health Benefits & Insurance	(404)	81,025	0	80,621	(380)	89,625	0	89,245	(400)	97,710	0	97,310	(430)	107,015	0	106,585
Vacation Liability	0	9,920	0	9,920	0	10,420	0	10,420	0	10,990	0	10,990	0	11,680	0	11,680
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
	(1,534)	316,674	0	315,140	(1,630)	340,435	0	338,805	(1,720)	367,801	0	366,081	(1,840)	391,929	0	390,089
Allocation to Business Units and Recoveries	0	(314,769)	(375)	(315,144)	0	(338,397)	(408)	(338,805)	0	(365,639)	(442)	(366,081)	0	(389,619)	(470)	(390,089)
Total	(1,534)	1,905	(375)	(4)	(1,630)	2,038	(408)	0	(1,720)	2,162	(442)	0	(1,840)	2,310	(470)	0

Program Summary

Canada Pension Plan:

Legislated benefit under Canada Pension Plan Act. 2011 rate is 4.95 per cent to maximum annual pensionable earnings of \$48,300.

Employment Insurance:

Legislated benefit under the Employment Insurance Act. Cost is offset by the premium reduction rebate. 2011 rate is 2.96 per cent to maximum annual insurable earnings of \$44,200.

Workers Compensation Board:

Legislated benefit under Workers Compensation Board Act. 2011 rate is 1.41 per cent to maximum annual insurable earnings of \$82,800.

Pensions:

Premiums for defined benefit pension plans (Local Authorities Pension, Special Forces Pension, etc.) and other retirement benefits.

Health Benefits & Insurance:

Short-term Sickness & Accident, Health, Dental, Group Life Insurance, Employee Family Assist program, Health, Safety & Wellness programs and Benefits administration. Budget based on Benefit Agreement with Municipal Employee Benefit Association of Calgary (MEBAC) and Firefighters.

Vacation Liability:

Funding the change in vacation liability and the payout of banked vacation under various collective agreements.

Corporate Workforce Strategy:

Funding to address the challenges of attraction and retention of employees at The City of Calgary.

Allocation to Business Units & Recoveries:

City's cost of employee benefits are recovered from the business units by applying the fringe benefit rates on salary and wages.

Trends & Issues:

Pensions, Sickness & Accident and Health expenses are increasing at a higher rate than the consumer price index.

Increases in expenses are mainly due to Pension, Sickness & Accident and Health costs based on projected increases in Pension premiums, inflation and volume.

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.

(\$ 000s)

	2011 Budget				2012 Budget				2013 Budget				2014 Budget			
	Rev	Expend	Recov	Net	Rev	Expend	Recov	Net	Rev	Expend	Recov	Net	Rev	Expend	Recov	Net
Total	(107)	674	0	567	0	674	0	674	0	674	0	674	0	674	0	674

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, support and defence of our franchise fees revenue, and support corporate effort to manage issues related to oil and gas development in and around Calgary.

Trends & Issues:

Expenditures cost pressure due to inflation and rising Alberta Utilities Commission scale of costs.

Loss of eligibility to claim cost due to changes in Alberta Utilities Commission Rule 22.

Increasing regulatory workload including attempts by industry and provincial politicians to reduce City franchise fee revenue.

CORPORATE PROGRAMS: Scholarships

Overview

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

(\$ 000s)

	2011 Budget				2012 Budget				2013 Budget				2014 Budget			
	Rev	Expend	Recov	Net	Rev	Expend	Recov	Net	Rev	Expend	Recov	Net	Rev	Expend	Recov	Net
Total	0	69	0	69	0	69	0	69	0	71	0	71	0	73	0	73

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).

Trends & Issues:

Increase due to inflation - Consumer Price Index. 2.4 per cent in 2012, 2.3 per cent in 2013 and 2.2 per cent in 2014; except for 2012 where there is no increase due to budgetary constraints.