



2014 Approved Adjustments to Business Plans and Budgets

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Adjustments Overview

BACKGROUND

The City of Calgary's Multi-Year Business Plan and Budget process enables a future-oriented and sustainable approach to providing City services through Council's approval of three years of integrated plans and budgets. The approach also provides flexibility through an annual Adjustments process, which allows the organization to amend its plans and budgets in response to changes in the external environment.

On 2011 November 29, Council approved the 2012-2014 Business Plans and Budgets, as amended (C2011-73), resulting in municipal property tax rate increases of 6.0% in 2012, 5.7% in 2013 and 6.1% in 2014. Following deliberations at the Adjustments to the 2013-2014 Business Plans and Budgets (C2012-0717) in November 2012, the approved municipal property tax rate increase was reduced to 5.5% for 2013, down from the previously-approved rate of 5.7%. The 2014 tax rate increase remained unchanged at 6.1%. Following the 2014 adjustments deliberations in November 2013 (C2013-0668), this 2014 tax rate increase^a was brought down to 5.0% mainly through a \$9.3 million budget reduction in all Departments for 2014, except for the Calgary Police Service, along with a reduction in Council and exempt staff salary increases. As well, Council agreed to rebate the 2014 tax room of \$52 million to property owners. The \$52 million tax room from 2015 to 2024 was committed to fund a new Green Line transitway in both North Central and Southeast Calgary.

On 2013 June 20, Calgary experienced a major flood. As a consequence, a total of \$182.4 million in flood-related capital expenditures was approved in 2013 as described in PFC2013-0634. In addition, Council approved \$134.2 million to fund flood-related projects identified for the 2014 period.

ECONOMIC OUTLOOK: GLOBAL AND LOCAL

The exhibit on the following page illustrates the changes to economic indicators forecast a year ago, for the 2013-2014 Adjustments, compared to more recent forecasts prepared in 2013. Construction activity should improve from Q3 2013 and gain momentum in 2014 and 2015. Low vacancy rates in the non-residential and residential sectors, employment and population growth would combine to drive the need for new space and increase the 2013 values of building intentions above 2012 levels. The need to re-build structures damaged by the recent floods would also boost construction values.

^a On 2014 January 13, Council approved 2014 Assessment Rolls - Flood Update Report PFC2013-0812. 1,939 properties have been identified as having experienced a market value loss. Council directed Administration to use the Tax Loss Provision Reserve to reduce the impact to the tax base in 2014, estimated at \$2.4 million. This effectively reduces the previously approved 5.0% tax rate to 4.8 %.

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Exhibit 1. Changes to Economic Indicators between Sept 2012 and Sept 2013 forecast (Sources: Statistics Canada and The City of Calgary Corporate Economics).

Socio-Economic Indicator	Forecast during 2013-2014 Adjustments (Sept 2012)		Current Forecast for 2014 Adjustments (Sept 2013)		Comments
	2013	2014	2013	2014	
Population (000s)	1,144	1,169	1,150	1,175	The current projection for 2014 is for population to be 6,000 higher than originally forecast. This results from a higher Civic Census count for 2013.
Unemployment Rate (%)	4.8	4.5	4.9	4.6	Strong population growth in 2013, driven by above-average net migration, should result in the labour force growth exceeding employment growth, causing the unemployment rate to rise above the previous forecast.
Calgary Consumer Price Index (CPI)	2.3	2.2	1.8	2.2	Current projections for 2014 remain consistent with the previous forecast. Above-average population growth should result in an increased need for residential space, which would drive shelter costs higher.
Municipal Price Index (MPI) (%)	3.3	4.1	3.5	3.5	The 2013 MPI estimate is 3.5%, above the previous forecast of 3.3%. The current estimate for 2014 level is lower than the previous forecast.
Municipal Price Index (MPI) + Population Growth (%)	5.5	6.3	6.1	5.7	The 2013 MPI + Population Growth projection is now higher than previously forecast, while the projected 2014 level is now lower than previously forecast. This comes as a result of a lower 2014 MPI forecast.
Natural Gas Price (\$Cdn/Gigajoule)	2.3	3.5	3.4	4.2	Natural gas prices are higher than originally forecast. In 2013 and 2014, Canadian natural gas prices should advance in response to increased power generation demand as well as higher residential requirements.
Oil Prices (\$US/barrel)	93	95	97	95	Oil prices have been volatile in 2013 and higher than previously forecast. For 2014, they are projected to be the same as the previous forecast.
Housing Starts (000s)	10.6	10.6	9.1	9.3	Housing starts in 2014 are expected to be lower than originally forecast. Tighter borrowing requirements by CMHC have taken some momentum out of the market.
Gross Domestic Product (growth %)	3.0	4.0	2.3	2.7	GDP growth for 2014 is expected to be lower than previously forecast. The lack of pipeline capacity to the US and the Pacific coast has reduced the growth rate of oil exports and, by extension, the level of investment activity in the energy sector.



Adjustments Overview

NON-FLOOD 2014 ADJUSTMENTS

Reflecting Calgary's relative economic stability, and the fact that recent economic forecasts are generally consistent with previous estimates, there were a limited number of non-flood related operating adjustments proposed for 2014. The approved non-flood base operating adjustments, including the Council-approved reductions, resulted in a decrease of \$7.4 million in departments' base net budget. In addition, \$2.1 million of non-flood one-time operating adjustments were approved by Council for short-term initiatives. These adjustments respond to emerging issues, to Council initiatives and to targeted service improvements. They comprise approximately 0.2% of The City's operating budget, and can be accommodated within the newly-approved 2014 tax rate of 5.0%^a.

Also included in the approved operating adjustments are a number of net-\$0 adjustments, where increased costs can be offset by increased revenues or by cost reductions elsewhere.

Non-flood capital adjustments among tax-supported services total \$162.7 million. In all cases, these can be funded through existing funding sources (such as, for example, acreage assessments and fuel tax revenue). The Utilities' approved non-flood capital adjustments total \$119.1 million, and would be funded primarily through self-supported debt and private contributions related to development of new areas.

This report also includes the approved adjustments to business plan actions and performance measures and targets, as well as the addition of one outstanding performance target. These business plan changes are aimed at improving the way Administration measures its performance and ensuring overall service objectives continue to be met when there are changes in the external environment.

Highlights of these approved adjustments are provided on pages 8-9, below, with details in the relevant department sections.

FLOOD-RELATED CHALLENGES FOR 2014 AND BEYOND

The effects of the June 2013 flood on The City's 2014 business plans and budgets are significant. Administration's reports to Priorities and Finance Committee (PFC) and Council in September of 2013 (PFC2013-0618, PFC2013-0634 and PFC2013-0646) described the immediate public service impacts and financial implications of the flood, sought approval for flood-related adjustments in 2013, and indicated that further information would be provided with the 2014 Adjustments report.

Specifically, the Mid-Year Report (PFC2013-0618) brought to Council in September 2013 reported on \$55 million in incremental flood-related operating costs as of 2013 July 31. The 2013 Revisions report (PFC2013-0634), brought to Council at the same time, provided information on \$86.8 million in 2013 flood-related capital expenditures that had been approved by Administration during the

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State of Local Emergency (SOLE) and under the Municipal Emergency Plan, and sought Council approval for an additional \$95.6 million in 2013 flood-related capital projects. In total, \$182.4 million in flood-related capital expenses were approved in 2013.

While it is normal City practice to seek Council approval for all years of a multi-year capital project at the time that the project is first brought to Council, an exception was made in the case of the flood-related capital expenses, due to the fact that the full future costs of the flood were still unclear. Therefore, the September 2013 report also included for information only, a preliminary forecast of \$241.6 million in capital expenditures for 2014 and beyond. The total estimate for 2013 and future years, at that time, was \$424 million.

This current adjustments report takes up where the September 2013 Council report left off, with an additional \$134.2 million approved for flood-related capital projects in 2014. It also includes, for information, \$128.5 million in future (i.e. 2015 and beyond) flood related capital projects -- again, future year costs are still preliminary, and so approval of these is not requested at this time. In total, the current estimated flood-related capital cost for all years, including 2013 approved expenditures, is \$445.1 million. The new total is higher by \$21.1 million than the amount forecast in September 2013, as a result of the addition of new projects not included in the September PFC report, and increases in some project estimates since the September PFC.

PFC2013-0634 (September 2013 Report to Council)	2013 Approvals	Future Year Estimate (2014 and later) (for information)		Total
		\$182.4 million	\$241.6 million	

Approved 2014 Adjustments (this report)	2013 Approvals	Recommended for Approval for 2014	Future Year Estimate (2015 and later) (for information)	Total
		\$182.4 million	\$134.2 million	\$128.5 million

Administration has created a Flood Recovery Task Force to coordinate our recovery from the 2013 flood. The Task Force has reported to Council on two previous occasions, (PFC2013-0578 and PFC2013-0646) with information on its work and progress and a flood-recovery framework.

The Task Force continues to implement the deliverables contained within the 2013 Flood Recovery Framework, as described in PFC2013-0646. At its provincial symposium held 2013 October 4, the Government of Alberta communicated an aggressive



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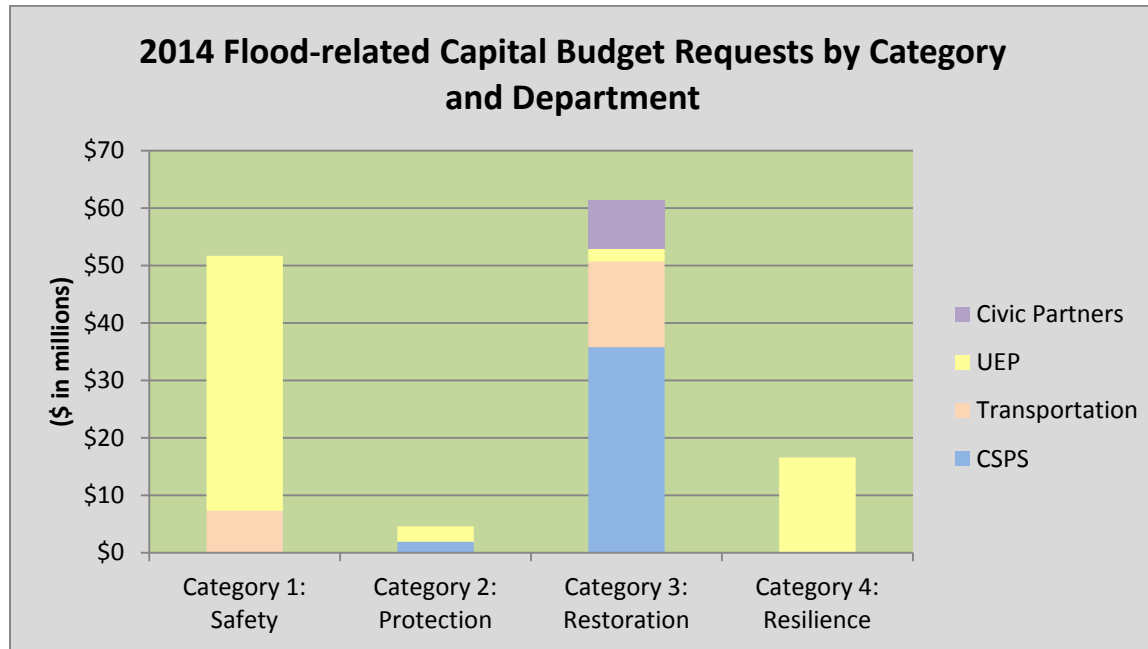
Comprehensive Flood Mitigation Strategy of which individual households, municipalities and other levels of government are considered partners in ensuring community preparedness and public resiliency. This strategy includes reference to small and large scale mitigation projects with shared responsibilities for funding and implementation. City departments have also conducted impact assessments as part of the Disaster Recovery Program application and have identified and categorized 2014 Flood Related Budget Adjustments into four areas:

- Immediate need for public safety
- Protects key vulnerable areas or populations
- Restores critical infrastructure or key operations
- Builds resilience or redundancy.

Resilience in this context refers to projects that improve the organization's and the community's capability to prevent or protect against multi-hazard threats, and to recover and reconstitute critical services with minimum damage. The graph on the following page shows the distribution of 2014 flood-related capital project requests for each of the four identified categories. Highlights of these adjustments are provided on page 9 and 10, below, with details in the relevant departmental section.

It should be noted that the previously-approved (2013) or the approved (2014) flood-related capital adjustments for tax-supported services do not include any "resilience" projects. Administration has begun to identify projects that could reduce the impact of a future flood, and further improve our ability to respond in the future to emergencies. Some preliminary examples include building resilience into City buildings located within flood fringes, enhancing City staff ability to access existing data using multiple hardware components from more than one location, construction of berms and walls to protect areas such as the Calgary Zoo from future flooding, and enhancing the capacity of the Emergency Operations Centre (EOC). These projects will be brought to Council for approval in 2014.

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On the utilities side, a number of approved 2014 capital adjustments contain both recovery/restoration and resilience components within a single project. These projects are needed to restore the riverbanks and repair water infrastructure to pre-flood levels, and have been approved by Council to be funded first and foremost, through third party revenue sources such as insurance claims and the provincial Disaster Recovery Program (DRP), followed by the Fiscal Stability Reserve (FSR).

A critical message at this time, therefore, is that further impacts from the flood are expected to emerge and, as such, additional projects are anticipated that may require Council consideration in 2014 and during the 2015-2018 business plan and budget cycle.

A comprehensive update on the Task Force activities, as well as an overview of anticipated future projects, is provided in a companion report to this Adjustments report (C2013-0742: "Flood Recovery Task Force: 2014 Business Plan and Budget Adjustments Companion Report"), which was brought to Council on 2013 November 25 for consideration during the Adjustments debate.

SUMMARY OF APPROVED INTERIM AND PERMANENT FUNDING STRATEGY

Normally, Council approves expenditures and the associated funding source by program and the project, prior to undertaking the respective expenditure. In responding to the 2013 flood, this has not been possible, as emergency and urgent expenditures were required. Identifying the exact funding sources for these expenditures are difficult as a significant portion of the funding will come from third parties, including specifically insurance and the provincial Disaster Recovery Program (DRP). However, it is expected that recovery of funds from these sources may take years to finalize.

On 2013 July 29, during debate on the provincial tax room (C2013-0614), as well as Urgent Business Report, Green Sheet, Re: Flood Relief And Recovery Fund (Mayor Nenshi), Council directed Administration, among other things, to:

- Allocate \$52 million in 2013, funded through provincial tax room, to flood relief and recovery expenses for City and civic partner infrastructure not covered by insurance or by the federal and provincial governments;
- Authorize the additional use of these funds for bridge financing purposes for flood relief and recovery expenses, if needed;
- Utilize surplus funds from this [2013] \$52 million, if any, on betterment of disaster mitigation and prevention infrastructure (e.g. “hardening” city assets against natural disaster, moving critical infrastructure to higher ground, strengthening the capacity of the Emergency Operations Centre);
- Direct Administration to bring a report to the Adjustments in November 2013 with proposals, if needed, for the \$52 million in the 2014 tax room to be used for flood recovery, mitigation and prevention.

In response to this direction and in consideration of the funding challenges, Administration prepared a financing and funding strategy for flood-related operating and capital expenditures with recommendations for Council’s approval, as part of this adjustments approval process. Details of the proposed financing and funding recommendations, including what was subsequently approved by Council, can be found in the Financing and Funding Strategy section of this document (following the detailed Department Sections). In summary, Council approved the following:

- Using third-party funding (insurance, provincial DRP) to fund all eligible operating and capital expenditures in both tax-supported areas and Utilities;
- Funding the balance of 2013 and proposed 2014 tax-supported capital expenditures using the 2013 tax room (consistent with previous Council direction) and the Fiscal Stability Reserve (FSR);
- Funding \$20 million in capital expenditures for Utilities from The City’s Fiscal Stability Reserve (FSR).



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The approved interim funding strategy, to be used while awaiting the recovery of third party funds, includes:

- Funding flood-related operating expenses from the 2013 surplus and then The City's Fiscal Stability Reserve (FSR);
- Utilizing working capital investments to bridge finance capital expenditures, including The City's Fiscal Stability Reserve (FSR) for tax-supported capital projects to a maximum of \$100 million, and for the Utilities up to a maximum of \$20 million, until third party funding is received.

Council also approved that the 2014 tax room of \$52 million be allocated for a tax rebate to residential and non-residential taxpayers. The \$52 million in tax room for 2015 to 2024 will be used to create a dedicated transit fund (the "Green Line Fund") to build the Green Line transitway in both North Central and Southeast Calgary.

HIGHLIGHTS AND IMPACTS OF APPROVED ADJUSTMENTS

Non-Flood Adjustment Highlights

The approved non-flood related operating adjustments include:

- An additional 55,000 transit service hours to increase the effectiveness of transit service, safety and reliability, and an associated increase in the related performance target. As well, an additional 10,000 Access Calgary rides to meet an increase in demand for accessible transit service. Both adjustments are funded by increased revenues from transit ridership.
- Funding to maintain the Corporate Secretariat in the City Manager's Office, which allows Council to better liaise with The City's wholly-owned subsidiaries.
- Funding for the Calgary Poverty Reduction Initiative (one time) and an increase to the Festivals and Events subsidy.
- Progress towards a one-window approach to improve bylaw enforcement service to citizens through a transfer from Development and Building Approvals (DBA) to Animal & Bylaw Services (ABS).

Within Corporate Programs, The City is projecting higher-than-expected taxation revenues as a result of growth in the business assessment base, and higher investment income due to an increase in investment principal balances. A remaining \$1.2 million in unallocated funds in Corporate Programs was applied towards reducing the municipal property tax rate increase for 2014, as directed by Council during the 2014 Adjustments deliberations.



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The approved non-flood capital adjustments include:

- A commitment of future \$52 million tax room for each year from 2015 through 2024 to fund a new Green Line transitway in both North Central and Southeast Calgary.
- Pre-approval of capital funds for 2015 and 2016 for the Biosolids Dewatering Facility and the Bowness Sanitary Sewer Upgrade.
- Design and construction of the Glenmore Trail and Ogden Roads interchange and adjacent roadways, as approved under the Investing in Mobility Plan (Goods Movement).
- Upgrades to three Northeast transit platforms to allow for four-car trains and additional amenities.
- Lifecycle maintenance improvements to the Subway Soccer Centre.
- Expansion of the scope of a currently funded Operations Workplace Centre project to proactively meet client needs and potentially reduce long-term costs; and a transfer of funds from the Information Technology capital reserve to pay for software costs.
- Stormwater infrastructure upgrades in older communities that were built before the use of modern drainage techniques and standards, as part of the Community Draining Improvement (CDI) project.
- Funding for Phase 2 of Residential ePermits, expanding the types of permits that can be applied for online.
- Use of the 9-1-1 Communications Centre Capital Financing Reserve for technology upgrades to improve safety and service to Calgarians.
- Lifecycle replacement of vehicles, computer equipment, software and improvements to physical spaces used by DBA.

Flood Adjustment Highlights

The approved flood-related operating adjustments include:

- Funding to cover an expected increase in organization-wide insurance premiums; this is a one-time adjustment in 2014, until more definitive cost estimates are available.
- Funding for Shouldice Athletic Park to cover lost-revenues during repairs in 2014 (one-time).
- Guardrail, landscaping and fence repairs (one-time).
- Funding for the Bow River Debris Clean-up and the costs associated with the River Flood Mitigation Panel (one-time).
- Funding for flood-related river engineering work.



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The approved flood-related capital adjustments include:

- Repair of flood damage at various parks including Prince's Island Park, Bowness Park and flood-affected pathways.
- Restoring recreation infrastructure at Shouldice Athletic Park, and Maple Ridge and Shaganappi Point Golf Courses.
- Pavement and sidewalk reconstruction, as well as structure and bridge repair in flooded areas.
- Design and construction of three pedestrian bridges along the Elbow River, i.e. Rideau Park, Riverdale Avenue and Sandy Beach, that were destroyed by the flood.
- Slope stability projects at locations throughout the city.
- Repairs to the Zoo, the Calgary Public Library and the Talisman Centre.
- Remediation for stormwater outfalls, stormwater ponds, lift stations and river crossings.
- Erosion protection on both the Bow and Elbow Rivers.

Adjustments Overview

BUDGET OVERVIEW TABLES – for Council information only.

Exhibit 2: Summary of 2014 Approved Operating Budget Adjustments by Department

Department	Approved 2014 Net Adjustments - Non-Flood		Approved 2014 Net Adjustments - Flood		Approved 2014 Net Adjustments - Reductions		Approved 2014 Net Adjustments - TOTAL	
	(\$000s)	FTEs	(\$000s)	FTEs	(\$000s)	FTEs	(\$000s)	FTEs
Budget Requirements								
Community Services & Protective Services								
Base	2,400	1.0	0	0.0	(3,162)	0.0	(762)	1.0
One-Time	400	0.0	300	0.0	0	0.0	700	0.0
Corporate Services								
Base	0	0.0	0	0.0	(1,250)	0.0	(1,250)	0.0
Planning, Development & Assessment								
Base	(2,100)	0.0	0	0.0	(311)	0.0	(2,411)	0.0
Transportation								
Base	475	65.5	0	0.0	(2,937)	0.0	(2,462)	65.5
Utilities & Environmental Protection								
Base	0	0.0	0	3.0	(383)	0.0	(383)	3.0
One-Time	0	0.0	512	0.0	0	0.0	512	0.0
Corporate Administration								
Base	1,175	5.0	0	0.0	(553)	0.0	622	5.0
One-Time	571	0.0	2,535	0.0	0	0.0	3,106	0.0
Civic Partners								
Base	0	0.0	0	0.0	(610)	0.0	(610)	0.0
One-Time	1,148	0.0	0	0.0	0	0.0	1,148	0.0
Council								
Base	0	0.0	0	0.0	(94)	0.0	(94)	0.0

Adjustments Overview

Exhibit 2: Summary of 2014 Approved Operating Budget Adjustments by Department (Continued)

	Approved 2014 Net Adjustments - Non-Flood		Approved 2014 Net Adjustments - Flood		Approved 2014 Net Adjustments - Reductions		Approved 2014 Net Adjustments - TOTAL	
	(\$000s)	FTEs	(\$000s)	FTEs	(\$000s)	FTEs	(\$000s)	FTEs
Total Before Corporate Programs								
Base	1,950	71.5	0	3.0	(9,300)	0.0	(7,350)	74.5
One-Time	2,119	0.0	3,347	0.0	0	0.0	5,466	0.0
	4,069	71.5	3,347	3.0	(9,300)	0.0	(1,884)	74.5
Total After Corporate Programs	0	71.5	0	3.0	0	0.0	0	74.5

Notes:

Calgary Police Service has no net budget adjustments and no FTE adjustments. They are therefore not included in this schedule.
 The operating budgets of Calgary Parking Authority and Calgary Housing Company are not included in this schedule.

Adjustments Overview

Exhibit 3: Summary of 2014 Approved Capital Budget Adjustments by Department (\$000s) ⁽¹⁾

Department		2014	2015	2016	2017	2018	TOTAL
Community Services & Protective Services	Non-flood	(5,105)	20,719	0	0	0	15,614
	Flood	37,725	0	0	0	0	37,725
Corporate Services	Non-flood	4,400	3,000	0	0	0	7,400
Calgary Housing Company	Non-flood	839	0	0	0	0	839
Planning, Development & Assessment	Non-flood	6,400	1,000	0	0	0	7,400
Transportation	Non-flood	49,402	62,000	20,000	0	0	131,402
	Flood	22,150	0	0	0	0	22,150
Utilities & Environmental Protection	Non-flood	0	82,420	36,652	0	0	119,072
	Flood	65,928	0	0	0	0	65,928
Civic Partners	Flood	8,400	0	0	0	0	8,400
Total	Non-flood	55,936	169,139	56,652	0	0	281,727
Total	Flood	134,203	0	0	0	0	134,203
Grand Total	Non-flood & Flood	190,139	169,139	56,652	0	0	415,930

NOTES:

(1) Corporate Administration, Calgary Police Service and Calgary Parking Authority have no capital budget adjustments.

Adjustments Overview

Exhibit 4: Summary of Flood-related Capital by Department (\$000s)

Department	2013	2014	Preliminary Estimate Required for Future Years for Information				TOTAL
			2015	2016	2017	2018	
Community Services & Protective Services	25,312	37,725	22,200	19,600	0	0	104,837
Corporate Services	41,667	0	0	0	0	0	41,667
Transportation	16,685	22,150	8,535	0	0	0	47,370
Utilities & Environmental Protection	30,921	65,928	19,003	18,336	15,428	25,419	175,035
Calgary Police Service	8,000	0	0	0	0	0	8,000
Civic Partners	55,200	8,400	0	0	0	0	63,600
Calgary Parking Authority	4,638	0	0	0	0	0	4,638
Total	182,423	134,203	49,738	37,936	15,428	25,419	445,147





Adjustments Overview

STRUCTURE OF THE DOCUMENT

Details of each adjustment are provided in the Department Sections that follow this Overview. Each Department Section is organized as follows:

HEADING	CONTENT HIGHLIGHTS	COUNCIL APPROVALS								
Departmental Overview	<ul style="list-style-type: none"> • A summary of the department's key adjustments. • Graphs: <ul style="list-style-type: none"> ○ Previously-approved gross departmental operating expenditures (net of recoveries) for 2014 and newly-approved 2014 adjustments; ○ Approved departmental capital budget from 2014 to 2018 and approved 2014 adjustments. 	For Council's information only.								
Adjustments to the Department's business plan	<ul style="list-style-type: none"> • Approved adjustments to the Department's outcomes/objectives, actions, performance measures or targets. • Shows existing and approved new business plan text. • Includes an explanation for the approved change. • Adjustments are numbered sequentially for reference. • Note: not all departments have business plan adjustments. 	Approved adjustments to business plan text, with the exception of Calgary Police Service business plan adjustments, which are for information only.								
Adjustments to the Non-Flood Operating Budget	<ul style="list-style-type: none"> • Details on each approved adjustment to the operating budget, showing whether base or one-time, and changes to expenditures, recoveries, revenues, net operating budget and FTEs for 2014. 	For information. Approved information is shown in the summary table.								
Adjustments to the Flood-Related Operating Budget	<ul style="list-style-type: none"> • Details on approved flood-related adjustments to the operating budget, showing changes to expenditures, recoveries, revenues, net operating budget and FTEs for 2014. • For ease of reference, flood-related adjustments are shaded green. • Shows relevant Flood Recovery Task Force category using the following colour scheme: <div style="margin-top: 10px;"> <table style="border: none;"> <tr> <td style="width: 20px; height: 10px; background-color: #FFC0CB; border: 1px solid black;"></td> <td>Category #1: Immediate Need for Public Safety.</td> </tr> <tr> <td style="width: 20px; height: 10px; background-color: #E0FFFF; border: 1px solid black;"></td> <td>Category #2: Protects key vulnerable areas or populations.</td> </tr> <tr> <td style="width: 20px; height: 10px; background-color: #FFDAB9; border: 1px solid black;"></td> <td>Category #3: Restores critical infrastructure or key operations.</td> </tr> <tr> <td style="width: 20px; height: 10px; background-color: #D2B48C; border: 1px solid black;"></td> <td>Category #4: Builds resiliency or redundancy.</td> </tr> </table> </div>		Category #1: Immediate Need for Public Safety.		Category #2: Protects key vulnerable areas or populations.		Category #3: Restores critical infrastructure or key operations.		Category #4: Builds resiliency or redundancy.	For information. Approved information is shown in the summary table.
	Category #1: Immediate Need for Public Safety.									
	Category #2: Protects key vulnerable areas or populations.									
	Category #3: Restores critical infrastructure or key operations.									
	Category #4: Builds resiliency or redundancy.									

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HEADING	CONTENT HIGHLIGHTS	COUNCIL'S APPROVAL
Summary Table: Adjustments to the Operating Budget	<ul style="list-style-type: none"> Summary table showing approved adjustments for each business unit within the department. Base and one-time shown separately. 	Net budget adjustments and FTE changes approved by Council shown in table.
Adjustments to the Non-Flood Capital Budget	<ul style="list-style-type: none"> Details on approved non-flood capital adjustments, with a brief explanation and showing amount of approved change (increase or decrease) by year. A brief explanation for each adjustment is included. 	For information only. Approved information is shown in the summary table.
Summary: Non-flood Adjustments to Capital Budget	<ul style="list-style-type: none"> Summary table showing approved non-flood capital adjustments by program and project. 	Approved information is shown in the summary table.
Adjustments to the Flood-Related Capital Budget	<ul style="list-style-type: none"> Details of approved flood adjustments to the capital budget, with a brief explanation. Shows the amount of the approved change and amounts previously approved in 2013, where applicable. Shows relevant Flood Recovery Task Force category using the same colour scheme as described above: <ul style="list-style-type: none">  Category #1: Immediate Need for Public Safety.  Category #2: Protects key vulnerable areas or populations.  Category #3: Restores critical infrastructure or key operations.  Category #4: Builds resiliency or redundancy. 	For information only. Approved information is shown in the summary table.
Summary: Flood Adjustments to the Capital Budget	<ul style="list-style-type: none"> Summary table showing approved flood-related capital adjustments by program and project. 	Approved information is shown in the summary table.



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CONCLUSION

Overall, although the socio-economic outlook for Calgary has remained fairly stable throughout the 2012-2014 Business Plan and Budget Cycle, Council adopted a conservative approach in the 2014 Adjustments, which included approving a 5.0% tax increase^a through a reduction in all Departments, except for the Calgary Police Service. Departments were instructed to report back in 2014 on any service impacts as a result of the reductions. The impact of the June 2013 flood has resulted in a significant number of adjustments, primarily for flood-related capital expenditures. While The City estimates that most of the funding requirements will be recovered from third party sources, such as insurance claims and the Province's Disaster Recovery Plan, there remains uncertainty on exactly how much and how soon such third party funds will be available. As a consequence, Council approved a draw of The City's Fiscal Stability Reserve for flood-related capital projects of up to \$100 million for tax-supported services, and up to \$20 million for the Utilities for 2014 flood-related recovery and resiliency costs. The adjustments process allows The City to remain flexible in meeting such demands as it continues to implement the 2014 business plan and budget and to maintain a longer-term perspective.

^a On 2014 January 13, Council approved 2014 Assessment Rolls - Flood Update Report PFC2013-0812. 1,939 properties have been identified as having experienced a market value loss. Council directed Administration to use the Tax Loss Provision Reserve to reduce the impact to the tax base in 2014, estimated at \$2.4 million. This effectively reduces the previously approved 5.0% tax rate to 4.8 %.

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Community Services & Protective Services: Departmental Adjustments

Department Business Units: Community & Neighbourhood Services (CNS), Parks (PRK), Recreation (REC), Animal & Bylaw Services (ABS), Fire (FIRE), Public Safety Communications (PSC), GM – Community Services & Protective Services

Departmental Overview

Summary

The 2014 business plan and budget adjustments primarily address service improvement and maintenance, capital project timing, emerging issues, and flood-related items for Community Services & Protective Services (CS&PS).

Non-flood Adjustment Highlights

- To initiate the development of a sustainable independent organization to address poverty in Calgary and advance the approved Calgary Poverty Reduction Initiative (CPRI) Strategy
- To progress towards a one window approach and enhance citizen service delivery in bylaw enforcement, resulting in a transfer from Development and Building Approvals (DBA) to Animal & Bylaw Services (ABS)
- To maintain fire inspection service levels, an additional Safety Code Officer (SCO) is needed to conduct fire inspections
- To maintain emergency response service delivery standards through training initiatives and the upgrades of 9-1-1 technology
- To advance The City's Skateboard Strategy across Calgary through design, public engagement and the construction of Skateboard Parks.

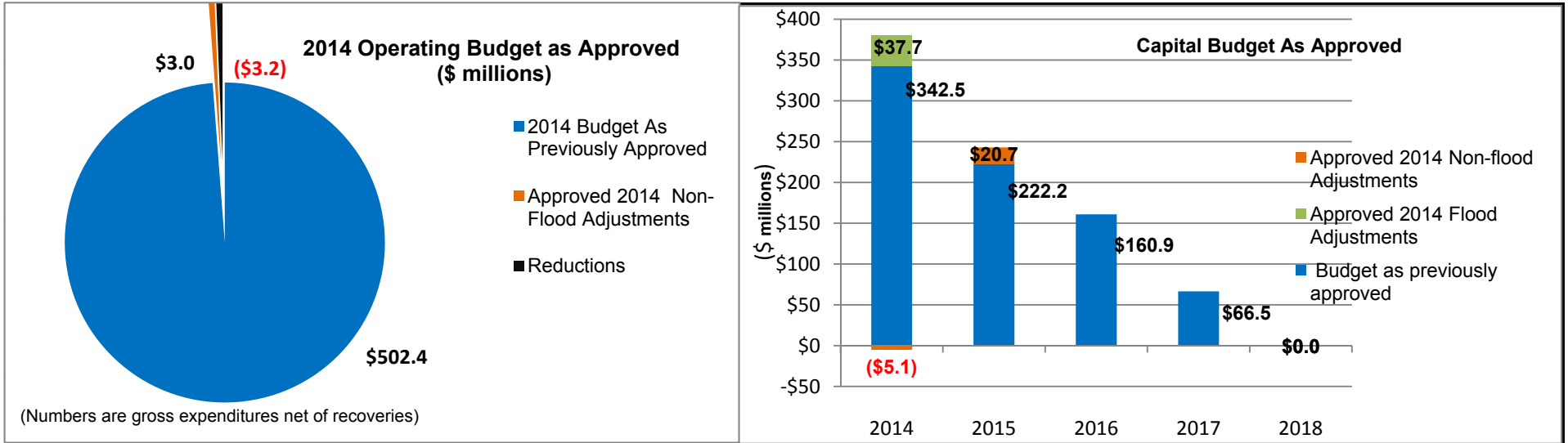
Flood-Related Adjustment Highlights

CS&PS' capital expenditures required as part of the recovery process from the June 2013 flood event are:

- Replace damaged Animal & Bylaw Services officer equipment
- Repair three (3) artificial turf sport fields at Shouldice Athletic Park, and replace associated lost revenue
- Repair or replace the pumphouses at Maple Ridge Golf Course and at Shaganappi Point Golf Course
- Assess, redesign/repair of flood impacted pathways
- Repair flood damage at Prince's Island Park and Bowness Park; repair flood damage at other river valley parks.

Community Services & Protective Services: Departmental Adjustments

Departmental Overview



Community Services & Protective Services: Departmental Adjustments

Adjustments to the Performance Targets for Council Approval

Adj. #	Community	Measure	Existing Target		New Target	
			2013	2014	2013	2014
1		PM1.4 Number of children and youth social/recreational program visits in CNS	280,000	280,000	35,000	35,000
This adjustment corrects a clerical error.						

Details of Adjustments to Operating Budget (Non Flood Related)

Adj. #	421 COMMUNITY & NEIGHBOURHOOD SERVICES		2014 (in \$000s)				
2	Calgary Poverty Reduction Initiative (CPRI)	One-time	Expen.	Rec.	Rev	Net	FTEs
			\$400	\$0	\$0	\$400	0.0
As per Council direction (PFC2013-0430), over the next year the one-time budget request is required to maintain the Secretariat to develop a governance structure and the implementation of the strategic plan to leverage additional funding from public, private and community sources.							
Adj. #	426 RECREATION		2014 (in \$000s)				
3	2014 Festivals & Events Subsidy Base Adjustment	Base	Expen.	Rec.	Rev	Net	FTEs
			\$300	\$0	\$0	\$300	0.0
As per Council direction (CPS2013-0678), to support the Festival and Event Subsidy Program an adjustment is required for the popular program. Since its launch in 2010, the number of subsidized events has nearly tripled while the budget has not kept pace. In 2012 the subsidy supported 195 festivals and events with attendance of approximately 975 thousand people.							
Adj. #	004 ANIMAL & BYLAW SERVICES		2014 (in \$000s)				
4	Bylaw Enforcement Service Improvements	Base	Expen.	Rec.	Rev	Net	FTEs
			\$2,100	\$0	\$0	\$2,100	0.0
As requested by Council (CPS2013-0083), to achieve an improvement in bylaw enforcement services to Calgarians, an Enforcement Service Improvements Review (ESIR) was undertaken by Development and Building Approvals (DBA) and Animal & Bylaw Services (ABS). This review will result in a transfer of organizational responsibilities from DBA to ABS.							
This request results in a net-zero budget impact and reimburses DBA for administrative services that will remain within DBA. This adjustment will also result in a subsequent net-zero interdepartmental transfer of both budget and associated FTE positions to be effective 2014 January 01.							

Approved by Council

Community Services & Protective Services: Departmental Adjustments

Details of Adjustments to Operating Budget (Non Flood Related)

Adj. #	001 FIRE		2014 (in \$000s)				
			Expen.	Rec.	Rev	Net	FTEs
5	Fire Prevention Safety Codes Officer	Base	\$170	\$0	(\$170)	\$0	1.0

Calgary's growth and development has placed increasing demands on Calgary Fire Department's (CFD) Safety Code Officers (SCO) to maintain service levels. A fee increase to Fire Fees Bylaw 40M2003, which has seen no increase since 2004, is proposed as part of a five year plan to bring fees, resources and service levels into alignment. An additional SCO will be funded entirely from the proposed user fee increase to improve fire inspection service delivery to Calgarians.

Details of Adjustments to Operating Budget (Flood Related)

Adj. #	426 RECREATION		2014 (in \$000s)				
			Expen.	Rec.	Rev	Net	FTEs
6	Operating Impact due to Shouldice Athletic Park Turf Replacement Capital Project	One-time	\$0	\$0	\$300	\$300	0.0

Category #3 - Restores critical infrastructure or key operations

During the 2013 flood, ground water from the adjacent Bow River deposited silt and other organic material into the substrate and base of all three artificial fields at Shouldice Park. This request is to replace lost revenue that will be incurred due to the fields' closure for turf replacement in 2014. This one-time amount would be used to fund increased maintenance for natural fields used during the Shouldice Athletic Park repair. This operating request is directly related to the associated capital request Adjustment #22 Shouldice Athletic Turf Replacement.

Flood Recovery Task Force Categories

Category 1 

Category 2 

Category 3 

Category 4 

Community Services & Protective Services: Departmental Adjustments

Summary: Adjustments to Operating Budget Approved by Council

	Prog. #	Adj. #	Page #	2014				FTEs
				(\$000s)				
				Expen.	Rec.	Rev.	Net	
Department Budget as Approved*				516,499	(14,142)	(108,268)	394,089	3,346.3
Community & Neighbourhood Services	421							
Non-flood: One-time		2	21	400	0	0	400	0.0
Reductions				(250)	0	0	(250)	0.0
Parks	445							
Reductions				(647)	0	0	(647)	0.0
Recreation	426							
Non-flood: Base		3	21	300	0	0	300	0.0
Flood: One-time		6	22	0	0	300	300	0.0
Reductions				(349)	0	0	(349)	0.0
Animal & Bylaw Services	004							
Non-flood: Base		4	21	2,100	0	0	2,100	0.0
Reductions				(129)	0	0	(129)	0.0
Fire	001							
Non-flood: Base		5	22	170	0	(170)	0	1.0
Reductions				(1,581)	0	0	(1,581)	0.0
Public Safety Communications	002							
Reductions				(200)	0	0	(200)	0.0
GM - CS&PS	902							
Reductions				(6)	0	0	(6)	0.0
Non-flood Adjustments				2,970	0	(170)	2,800	1.0
Flood Adjustments				0	0	300	300	0.0
Reductions				(3,162)	0	0	(3,162)	0.0
Approved Budget as Adjusted				516,307	(14,142)	(108,138)	394,027	3,347.3

* As at 2013 September 30

Approved by Council

Community Services & Protective Services: Departmental Adjustments

Details of Non-flood Adjustments to Capital Budget

Adj. #	Parks 500-019 Laycock Park Wetland Restoration	Project Category	Project type	Approved Adjustments/New Requests (in \$000s)					
				2014	2015	2016	2017	2018	Total
7		Project in Progress	Upgrade	(\$1,350)	\$1,350	\$0	\$0	\$0	\$0

The approved work for Laycock Park Wetland has been delayed due to securing necessary Provincial approvals which will extend into 2014. The deferral of budget will realign cashflow with work plans and priorities.

Adj. #	Recreation 507-004 Capital Conservation Grants	Project Category	Project type	Approved Adjustments/New Requests (in \$000s)					
				2014	2015	2016	2017	2018	Total
8		Project in Progress	Maintenance	(\$1,579)	\$1,579	\$0	\$0	\$0	\$0

To accommodate a need expressed by the Silver Springs Community Association, a deferral of \$1.6 million to 2015 is being requested to include the replacement of the dive tank. This delay will give the community additional time to raise the necessary funds to replace the dive tank which will coincide with the replacement of the Silver Springs main outdoor pool.

Adj. #	Recreation 507-102 Subway Soccer Centre	Project Category	Project type	Approved Adjustments/New Requests (in \$000s)					
				2014	2015	2016	2017	2018	Total
9		Project in Progress	Maintenance	\$0	\$1,400	\$0	\$0	\$0	\$1,400

The outcome of an agreement between ENMAX and the Energy Management Office (EMO) to co-fund the electrical co-generation project (Program 507, Project 702) at Village Square Leisure Centre (VSLC) results in \$1.4 million transfer from lifecycle maintenance reserve to the 2015 unfunded lifecycle requirements (Program 507, Project 102) at the Subway Soccer Centre (SSC).

Administration will continue to identify funding options for the remaining unfunded lifecycle requirements for the SSC.

Adj. #	Recreation 507-631 New Brighton Athletic Park Development	Project Category	Project type	Approved Adjustments/New Requests (in \$000s)					
				2014	2015	2016	2017	2018	Total
10		Project in Progress	Growth	(\$4,000)	\$4,000	\$0	\$0	\$0	\$0

The adjustment is the result of a project delay due to site conditions that did not allow geotechnical and heavy vehicle mounted equipment on-site until conditions improved. This subsequently delayed other elements of the overall project which now fall into 2015.

Adj. #	Recreation 507-632 Recreational Facilities - Sport Facility Renewal	Project Category	Project type	Approved Adjustments/New Requests (in \$000s)					
				2014	2015	2016	2017	2018	Total
11		Project in Progress	Maintenance	(\$10,390)	\$10,390	\$0	\$0	\$0	\$0

As per Council direction (CPS2011-27), this adjustment aligns cashflows for the Sport Facility Renewal (SFR) Program.

Adj. #	Recreation 507-633 Recreational Facilities - Lifecycle	Project Category	Project type	Approved Adjustments/New Requests (in \$000s)					
				2014	2015	2016	2017	2018	Total
12		Project in Progress	Maintenance	(\$2,000)	\$2,000	\$0	\$0	\$0	\$0

The project plan for Skateboard Parks was updated. Design and engagement will be completed through 2013 and early 2014, with construction following in 2014 and 2015, resulting in a revised cashflow.

Community Services & Protective Services: Departmental Adjustments

Details of Non-flood Adjustments to Capital Budget Continued

Adj. #	Recreation 507-702 Village Square Leisure Centre Co-Generation Power Plant	Project Category	Project type	Approved Adjustments/New Requests (in \$000s)					
				2014	2015	2016	2017	2018	Total
13		Project in Progress	Maintenance	(\$1,400)	\$0	\$0	\$0	\$0	(\$1,400)

The outcome of an agreement between ENMAX and the Energy Management Office (EMO) to co-fund the electrical co-generation project (Program 507, Project 702) at Village Square Leisure Centre (VSLC) results in \$1.4 million transferred from the lifecycle maintenance reserve to the 2015 unfunded lifecycle requirements (Program 507, Project 102) at the Subway Soccer Centre (SSC).

Adj. #	Fire 041-166 Royal Vista Emergency Response Station	Project Category	Project type	Approved Adjustments/New Requests (in \$000s)					
				2014	2015	2016	2017	2018	Total
14		Project in Progress	Growth	\$9,614	\$0	\$0	\$0	\$0	\$9,614

This budget request re-establishes the previously approved budget and will be utilizing \$9.6 million from the Community Revitalization Levy (CRL) towards the emergency response station for Royal Vista.

Adj. #	Fire 041-175 East MacLeod Emergency Response Station	Project Category	Project type	Approved Adjustments/New Requests (in \$000s)					
				2014	2015	2016	2017	2018	Total
15		Project in Progress	Growth	\$4,000	\$0	\$0	\$0	\$0	\$4,000

This budget request re-establishes the previously approved budget and will be utilizing \$4 million from the Community Revitalization Levy (CRL) towards the emergency response station for East MacLeod.

Adj. #	Public Safety Communications 045-006 Telephone & Technical Upgrades	Project Category	Project type	Approved Adjustments/New Requests (in \$000s)					
				2014	2015	2016	2017	2018	Total
16		Project in Progress	Upgrade	\$2,000	\$0	\$0	\$0	\$0	\$2,000

PSC requires technology upgrades to be positioned to meet Next Generation (NG) 9-1-1 requirements, such as text and video. To meet these requirements the Computer Aided Dispatch (CAD) system needs to be upgraded to the latest supported version. The kick off for this project was in Q3 2013 with most of the work planned for 2014. The final rollout will be in 2015. Funding will be through the 9-1-1 Communications Centre Capital Financing Reserve.

Community Services & Protective Services: Departmental Adjustments

Summary: Non-flood Adjustments to Capital Budget

Adj. #	Page #	Program-Project	Project Name	Cat**	Prev. Approved Budget up to 2013	Prev. Approved Budget for 2014-2018	Approved Adjustment	(\$000s)					Total	
								2014	2015	2016	2017	2018		
Department Budget as approved *								342,516	222,227	160,961	66,534	0	792,238	
Parks	7	24	500-019	Laycock Park Wetland Restoration	A	1,586	5,350	0	(1,350)	1,350	0	0	0	0
Recreation	8	24	507-004	Capital Conservation Grants	A	8,881	1,939	0	(1,579)	1,579	0	0	0	0
	9	24	507-102	Subway Soccer Centre	A	10,163	900	1,400	0	1,400	0	0	0	1,400
	10	24	507-631	New Brighton Athletic Park Development	A	2,201	14,860	0	(4,000)	4,000	0	0	0	0
	11	24	507-632	Recreational Facilities - Sport Facility Renewal	A	14,844	20,375	0	(10,390)	10,390	0	0	0	0
	12	24	507-633	Recreational Facilities - Lifecycle	A	28,913	10,140	0	(2,000)	2,000	0	0	0	0
	13	25	507-702	Village Square Leisure Centre Co-Generation Power Plant	A	0	1,550	(1,400)	(1,400)	0	0	0	0	(1,400)
Fire	14	25	041-166	Royal Vista Emergency Response Station	A	1,687	5,959	9,614	9,614	0	0	0	0	9,614
	15	25	041-175	East MacLeod Emergency Response	A	0	11,000	4,000	4,000	0	0	0	0	4,000
Public Safety Communications	16	25	045-006	Telephone & Technical Upgrades	A	1,740	1,100	2,000	2,000	0	0	0	0	2,000
Total Approved Budget Adjustments (Non-flood)								15,614	(5,105)	20,719	0	0	0	15,614
Approved Budget as Adjusted (Non-flood)								337,411	242,946	160,961	66,534	0	807,852	

* As at 2013 September 30

** A = Project in Progress

 Approved by Council

Community Services & Protective Services: Departmental Adjustments

Details of Flood Adjustments to Capital Budget

Adj. #	Pathways	Parks	Program/Project #		Previously Approved for 2013	2014 Capital Budget Request	Preliminary Budget Required for Future Years	Total
			932	001				
17								
Project Category		Project in Progress						
Project Type		Maintenance						
ROC Category		Category #3: Restores critical infrastructure or key operations						
Asset Location		Flood Way/Flood Fringe			(\$000s)			
Expected Funding Source		DRP			\$3,600	\$12,900	\$25,800	\$42,300
Cleanup, repair and replacement of over 30 pathway projects. This has had a significant impact on the regional transportation pathway corridors.								

Adj. #	Major Parks (Prince's Island and Bowness Park)	Parks	Program/Project #		Previously Approved for 2013	2014 Capital Budget Request	Preliminary Budget Required for Future Years	Total
			932	003				
18								
Project Category		Project in Progress						
Project Type		Maintenance						
ROC Category		Category #2: Protects key vulnerable areas or populations						
Asset Location		Flood Way/Flood Fringe			(\$000s)			
Expected Funding Source		DRP			\$4,700	\$1,800	\$0	\$6,500
Park cleanup, demolition and infrastructure repair. Parks are closed or partially closed until restoration and repair completed. Significant damage has meant closure to Bowness Park as well as areas within Prince's Island Park.								

Adj. #	Other Parks (excluding Bowness & Prince's Island)	Parks	Program/Project #		Previously Approved for 2013	2014 Capital Budget Request	Preliminary Budget Required for Future Years	Total
			932	004				
19								
Project Category		Project in Progress						
Project Type		Maintenance						
ROC Category		Category #3: Restores critical infrastructure or key operations						
Asset Location		Flood Way/Flood Fringe			(\$000s)			
Expected Funding Source		DRP			\$8,400	\$9,000	\$16,000	\$33,400
Park cleanup, demolition and infrastructure repair as a result of the June 2013 flood. Parks are closed or partially closed until restoration and repair completed.								

Flood Recovery Task Force Categories

Category 1 Category 2 Category 3 Category 4

Community Services & Protective Services: Departmental Adjustments

Details of Flood Adjustments to Capital Budget

Adj. #	Maple Ridge Golf Course Pumphouse	Recreation	Program/Project #		Previously Approved for 2013	2014 Capital Budget Request	Preliminary Budget Required for Future Years	Total
			933	001				
20								
Project Category		Project in Progress						
Project Type		Maintenance						
ROC Category		Category #3: Restores critical infrastructure or key operations						
Asset Location		Flood Way			(\$000s)			
Expected Funding Source		Insurance			\$150	\$1,200	\$0	\$1,350

Electrical and mechanical systems damaged and require replacement. The Irrigation system is critical to golf course operations. Additionally, The City has a contractual obligation to provide irrigation water to an adjacent golf course.

Adj. #	Shaganappi Point Golf Course Pumphouse	Recreation	Program/Project #		Previously Approved for 2013	2014 Capital Budget Request	Preliminary Budget Required for Future Years	Total
			933	002				
21								
Project Category		Project in Progress						
Project Type		Maintenance						
ROC Category		Category #3: Restores critical infrastructure or key operations						
Asset Location		Flood Way			(\$000s)			
Expected Funding Source		Insurance			\$500	\$1,200	\$0	\$1,700

Electrical and mechanical systems damaged and require replacement. The irrigation system is critical to golf course operations. River dredging and a deeper intake gallery is required to restore pumphouse operations.

Flood Recovery Task Force Categories

Category 1

Category 2

Category 3

Category 4


Community Services & Protective Services: Departmental Adjustments

Details of Flood Adjustments to Capital Budget

Adj. #	Shouldice Athletic Park Turf Replacement	Recreation	Program/Project #		Previously Approved for 2013	2014 Capital Budget Request	Preliminary Budget Required for Future Years	Total
			933	004				
22								
Project Category		Project in Progress						
Project Type		Maintenance						
ROC Category		Category #3: Restores critical infrastructure or key operations						
Asset Location		Shouldice Athletic Park - 1515 Home Road NW			(\$000s)			
Expected Funding Source		DRP			\$500	\$11,500	\$0	\$12,000
Geotechnical testing has indicated that the substrate and base construction on all three fields were damaged by ground water movement from the Bow River during the flood.								

Adj. #	ABS Equipment For Centre City	Animal & Bylaw Services	Program/Project #		Previously Approved for 2013	2014 Capital Budget Request	Preliminary Budget Required for Future Years	Total
			934	001				
23								
Project Category		Project in Progress						
Project Type		Maintenance						
ROC Category		Category #2: Protects key vulnerable areas or populations						
Asset Location		ABS Centre City - 1807 MacLeod Trail SE			(\$000s)			
Expected Funding Source		Insurance			\$125	\$125	\$0	\$250
ABS Officer equipment was damaged at the Centre City station as a result of the flood including protective equipment, gear, uniforms and bicycles.								

Flood Recovery Task Force Categories

Category 1 

Category 2 

Category 3 

Category 4 

Community Services & Protective Services: Departmental Adjustments

Summary: Flood Adjustments to Capital Budget

Adj. #	Page #	Program-Project	Project Name	Cat**	Prev. Approved Budget up to 2013	Prev. Approved Budget for 2014-2018	Approved Adjustment	(\$000s)					Total	
								2014	2015	2016	2017	2018		
Approved Budget as Adjusted (Non-flood)								337,411	242,946	160,961	66,534	0	807,852	
Parks	17	27	932-001	Pathways	A	3,600	0	12,900	12,900	0	0	0	0	12,900
	18	27	932-003	Major Parks (Prince's Island and Bowness Park)	A	4,700	0	1,800	1,800	0	0	0	0	1,800
	19	27	932-004	Other Parks (excluding Prince's Island and Bowness Park)	A	8,400	0	9,000	9,000	0	0	0	0	9,000
Recreation	20	28	933-001	Maple Ridge Golf Course Pumphouse	A	150	0	1,200	1,200	0	0	0	0	1,200
	21	28	933-002	Shaganappi Point Golf Course Pumphouse	A	500	0	1,200	1,200	0	0	0	0	1,200
	22	29	933-004	Shouldice Athletic Park Artificial Turf	A	500	0	11,500	11,500	0	0	0	0	11,500
Animal & Bylaw Services	23	29	934-001	ABS Equipment for Centre City	A	125	0	125	125	0	0	0	0	125
Total Approved Budget Adjustments (Flood)								37,725	37,725	0	0	0	0	37,725
Approved Budget as Adjusted (Non-flood and Flood)								375,136	242,946	160,961	66,534	0	845,577	
Preliminary budget required for future years is not included in the table above									22,200	19,600	0	0	41,800	

** A = Project in Progress

Note: Council approved only the 2014 capital budget requests for flood-related projects

 Approved by Council

Corporate Services: Departmental Adjustments

Department Business Units: Corporate Properties & Buildings (CPB), Customer Service & Communications (CSC), Fleet Services (FLEET), Human Resources (HR), Infrastructure & Information Services (IIS), Information Technology (IT), Office of Land Servicing & Housing (OLSH), GM - Corporate Services

Departmental Overview

Summary

Non-Flood Adjustment Highlights

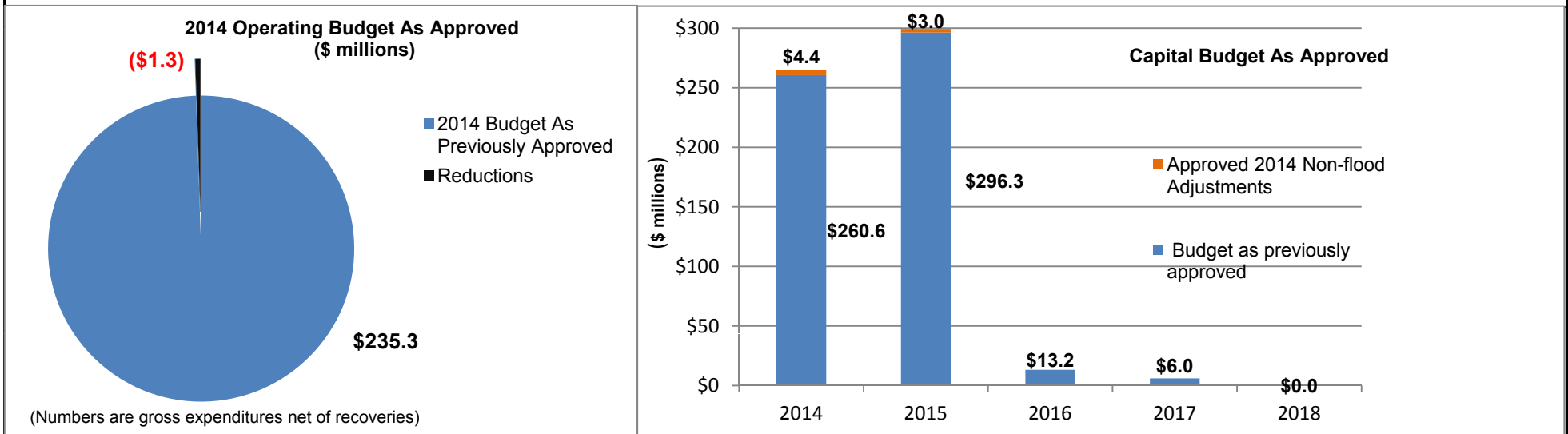
Corporate Services has three net-zero capital adjustments and one performance measure adjustment for 2014.

The capital adjustment by Corporate Properties & Buildings (CPB) is to pro-actively respond to client identified needs for growth in office space and to decrease potential long-term costs by expanding the scope of a currently approved project at the Sarcee Operational Work Centre by \$3.0 million (current approved building budget is \$27.0 million). The Information Technology (IT) capital adjustment is a request to transfer funds from IT's capital reserve to pay for anticipated 2014 software costs and payment of software costs incurred in 2012 and 2013, for which payment timing was negotiated with vendors. The third capital adjustment is a request for funds to undertake a preliminary engineering for Cell D of the Saddle Ridge Area Structure Plan.

The performance measure adjustment identifies targets related to implementation of the Green Building Index.

Flood Related Adjustment Highlights

Corporate Services has no flood related adjustments.



Corporate Services: Departmental Adjustments

Adjustments to the Performance Measures Approved by Council

Adj. #	Community	Existing Measure	Existing Target		New Measure	New Target	
			2013	2014		2013	2014
1		PM6.8 - Percentage of CPB buildings measured using the GBI (Green Buildings Index)	TBD	TBD	PM6.8 - Area, in percentage terms, of CPB Corporate Accommodation Buildings Portfolio area measured using the GBI (Green Buildings Index)	20	45

This adjustment is to define the "TBD" targets for percentage of the CPB buildings that will be assessed using the Green Buildings Index during the current cycle and to specify that the assessments will target CPB's Corporate Accommodation Buildings Portfolio.

 Approved by Council

Corporate Services: Departmental Adjustments

Summary: Adjustments to Operating Budget Approved by Council

	Prog. #	Adj. #	Page #	2014				FTEs
				(\$000s)				
				Expen.	Rec.	Rev.	Net	
Department Budget as Approved*				500,779	(265,505)	(79,373)	155,901	1,578.9
Corporate Properties & Buildings Reductions	694			(256)	0	0	(256)	0.0
Customer Service & Communications Reductions	459			(148)	0	0	(148)	0.0
Fleet Services Reductions	870			(400)	400	0	0	0.0
Human Resources Reductions	792			(226)	0	0	(226)	0.0
Information Technology Reductions	752			(449)	0	0	(449)	0.0
Infrastructure & Information Services Reductions	816			(127)	0	0	(127)	0.0
Office of Land Servicing & Housing Reductions	488			(44)	0	0	(44)	0.0
Reductions				(1,650)	400	0	(1,250)	0.0
Approved Budget as Adjusted				499,129	(265,105)	(79,373)	154,651	1,578.9

* As at 2013 September 30

 Approved by Council

Corporate Services: Departmental Adjustments

Details of Non-flood Adjustments to Capital Budget

Adj. #	Corporate Properties & Buildings 776-011 Major OWC Sarcee	Project Category	Project type	Approved Adjustments/New Requests (in \$000s)					
				2014	2015	2016	2017	2018	Total
2		Project in progress	Growth	\$0	\$3,000	\$0	\$0	\$0	\$3,000

The Sarcee Operations Workplace Centre (OWC) is a strategic site for the southwest quadrant of the city. As per LAS2011-45, Operations Workplace Centres - Program Update, development of the Sarcee Administration Building is necessary to redevelop and relocate existing tenants of the deteriorating Richmond Green OWC site. Through the Business Unit Profiles process, business unit growth needs were identified which can most efficiently be met by expanding the current funded project. Base (current funded) budget for construction of a two storey building is \$27.0 million. An additional \$3.0 million for a third floor will provide approximately 12,000 square feet to support business unit needs. The current total project budget of \$35.0 million represents budget for total site development. Funding approval is required at this time in order to enable initiating the tender and design process for the total project in 2014 and allow for construction to begin in 2015. Funds to support this request will come from the Reserve for Future Capital of Corporate Properties & Buildings.

Adj. #	Information Technology 741-170 Software Growth	Project Category	Project type	Approved Adjustments/New Requests (in \$000s)					
				2014	2015	2016	2017	2018	Total
3		Project in progress	Growth	\$4,200	\$0	\$0	\$0	\$0	\$4,200

IT software costs are a capitalized cost. Beginning in 2012 a portion of recoveries received through Refine Transparent Cost Model (IT user fee) have been transferred to the IT Reserve to fund Corporate software costs. IT is requesting a transfer of \$4.2 million from the IT Reserve to cover anticipated 2014 software costs and costs incurred in 2012 and 2013 for which payment timing was negotiated with vendors.

Adj. #	Office of Land Servicing & Housing 697-SR1 Phase 1 Saddleridge Area Structure Plan	Project Category	Project type	Approved Adjustments/New Requests (in \$000s)					
				2014	2015	2016	2017	2018	Total
4		Project in progress	Growth	\$200	\$0	\$0	\$0	\$0	\$200

Increase 2014 capital budget by \$200 thousand, funded by Real Estate Services Reserve, in order to complete the phase one work of Saddleridge Area Structure Plan.

Corporate Services: Departmental Adjustments

Summary: Non-flood Adjustments to Capital Budget

Adj. #	Page #	Program -Project	Project Name	Cat**	Prev. Approved Budget up to 2013	Prev. Approved Budget for 2014-2018	Approved Adjustment	(\$000s)					Total	
								2014	2015	2016	2017	2018		
Department Budget as approved *								260,643	296,281	13,160	6,000	0	576,084	
Corporate Properties & Buildings	2	34	776-011	Major OWC Sarcee	A	6,789	28,248	3,000	0	3,000	0	0	0	3,000
Information Technology	3	34	741-170	Software Growth	A	11,864	0	4,200	4,200	0	0	0	0	4,200
Office of Land Servicing & Housing	4	34	697-SR1	Saddleridge Area Structure Plan	C	0	0	200	200	0	0	0	0	200
Total Approved Budget Adjustments (Non-flood)								7,400	4,400	3,000	0	0	0	7,400
Approved Budget as Adjusted (Non-flood)								265,043	299,281	13,160	6,000	0		583,484

* As at 2013 September 30

** A = Project in Progress; C = New Project

 Approved by Council

Note: Corporate Services has no flood-related capital adjustments

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Calgary Housing Company: Adjustments

Details of Adjustments to Operating Budget (Non Flood Related)

Adj. #	494 CALGARY HOUSING COMPANY	2014 (in \$000s)					
		Expen.	Rec.	Rev	Net	FTEs	
1	Calgary Housing Company net budget adjustments	Base	\$6,295	\$0	(\$6,295)	\$0	0.0
		One-time	(\$16,445)	\$0	\$16,445	\$0	0.0

1. Starting 2013, Province funded the non-recurring maintenance to Provincially owned properties directly to facilitate their TCA implementation;
2. Province continued New Start Program and to fund more units in Rent Supplement Programs in 2014;
3. Increased units under City Partnership Portfolio - Lumino and McPherson Place.

			2014 (\$000s)			
			Expen.	Rec.	Rev	Net
Calgary Housing Company Budget as Approved*			98,334	0	(98,334)	0
Calgary Housing Company	494	1				
Non-Flood: Base			6,295	0	(6,295)	0
Non-Flood: One-time			(16,445)	0	16,445	0
Non-Flood Adjustments			(10,150)	0	10,150	0
Approved Budget as Adjusted**			88,184	0	(88,184)	0

* As at 2013 September 30.

** Budgets are approved by Calgary Housing Company's Board of Directors and forwarded to Council for approval.

Calgary Housing Company: Adjustments

Details of Non Flood Adjustments to Capital Budget

Adj. #	Calgary Housing Company 492-002 Building Betterments	Project Category	Project type	Approved Adjustments/New Requests (in \$000s)					
				2014	2015	2016	2017	2018	Total
2		Project in progress	Upgrade	\$839	\$0	\$0	\$0	\$0	\$839

Adjustment is to accommodate roof and furnace replacements in Manchester 2 and Falconridge 3 and in addition carrying out building inspection/assessments for Bankview, Radisson Heights and Erinwoods projects. The funding will be drawn from Capital Reserve.

Summary: Non Flood Adjustments to Capital Budget Approved by Council

Adj. #	Program -Project	Project Name	Cat**	Prev. Approved Budget up to 2013	Prev. Approved Budget for 2014-2018	Approved Adjustment	Approved Adjustments/New Requests (in \$000s)					Total
							2014	2015	2016	2017	2018	
Department Budget as approved *							1,672	0	0	0	0	1,672
Calgary Housing Company	2	492-002 Building Betterments	A	24,775	1,672	839	839	0	0	0	0	839
Total Approved Budget Adjustments (Non-flood)							839	0	0	0	0	839
Budget as Adjusted (Non-flood)							2,511	0	0	0	0	2,511

* As at 2013 September 30

** A = Project in Progress

Note: Calgary Housing Company (CHC) has no flood-related capital budget adjustments.

Approved by Council

Planning, Development & Assessment: Departmental Adjustments

Department Business Units: Assessment (AS), Development & Building Approvals (DBA), Land Use Planning & Policy (LUPP), GM – Planning, Development & Assessment

Departmental Overview

Summary

Non-Flood Adjustment Highlights:

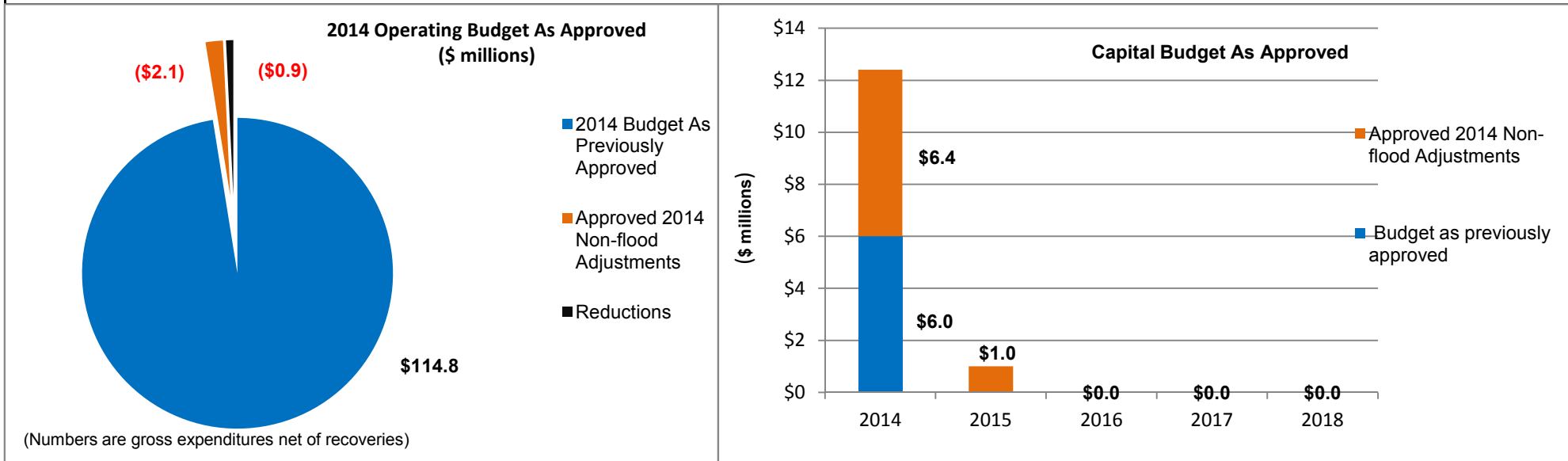
Planning, Development & Assessment's (PDA) request to adjust its operating budget is for the development of a one window approach and enhance citizen service delivery in bylaw enforcement, resulting in a transfer from DBA to Animal & Bylaw Services. (net zero budget impact)

PDA's requests to adjust its capital budget are for the following purposes:

- Lifecycle replacement of vehicles, computer equipment, software and improvements to physical spaces used by DBA.
- Provide funding for Phase 2 of Residential ePermits, expanding the types of permits that can be applied for online.
- Enable the creation of a Development Agreement database and information management system to support timely information to internal and external stakeholders.

Flood-Related Adjustment Highlights:

- PDA does not have any flood-related adjustments.



Planning, Development & Assessment: Departmental Adjustments

Detail of Adjustments to Operating Budget (Non Flood Related)

Adj. #	614 DEVELOPMENT & BUILDING APPROVALS		2014 (in \$000s)				
			Expen.	Rec.	Rev	Net	FTEs
1	Bylaw Enforcement Service Improvements	Base	\$0	(\$2,100)	\$0	(\$2,100)	0.0

As requested by Council (CPS2-13-0083), to achieve an improvement in bylaw enforcement services to Calgarians, an Enforcement Service Improvement Review (ESIR) was undertaken by Development & Building Approvals (DBA) and Animal & Bylaw Services (ABS). This review will result in a transfer of organizational responsibilities from DBA to ABS. This request results in a net-zero budget impact and reimburses DBA for administrative services that will remain within DBA. This adjustment will also result in a subsequent net-zero interdepartmental transfer of both budget and associated FTE positions to be effective 2014 January 01.

Planning, Development & Assessment: Departmental Adjustments

Summary: Adjustments to Operating Budget Approved by Council

	Prog. #	Adj. #	Page #	2014				FTEs
				(\$000s)				
				Expen.	Rec.	Rev.	Net	
Department Budget as Approved*				121,680	(6,909)	(76,077)	38,694	769.2
Assessment Reductions	841			(164)	0	0	(164)	0.0
Development & Building Approvals	614			0	(2,100)	0	(2,100)	0.0
Non-flood: Base Reductions		1	40	(621)	0	600	(21)	0.0
Land Use Planning & Policy Reductions	616			(119)	0	0	(119)	0.0
GM - Planning, Development & Assessment Reductions	904			(7)	0	0	(7)	0.0
Non-flood Adjustments				0	(2,100)	0	(2,100)	0.0
Reductions				(911)	0	600	(311)	0.0
Approved Budget as Adjusted				120,769	(9,009)	(75,477)	36,283	769.2

* As at 2013 September 30

Approved by Council

Planning, Development & Assessment: Departmental Adjustments

Details of Non Flood Adjustments to Capital Budget

Adj. #	Development & Building Approvals 061-001 Capital Asset Acquisition	Project Category	Project type	Approved Adjustments/New Requests (in \$000s)					
				2014	2015	2016	2017	2018	Total
2		Project in progress	Maintenance	\$1,400	\$0	\$0	\$0	\$0	\$1,400

Lifecycle funding for replacement of vehicles, computer equipment, software upgrades and improvements to physical spaces used by DBA staff. Funding requirements for 2014 have not been requested previously. Failure to obtain additional funding may result in delay of needed acquisitions and sub-optimal service delivery. The approved funding source for this project is the DBA Sustainment Reserve.

Adj. #	Development & Building Approvals 067-002 Residential ePermits Phase 2	Project Category	Project type	Approved Adjustments/New Requests (in \$000s)					
				2014	2015	2016	2017	2018	Total
3		New project	Growth	\$3,000	\$1,000	\$0	\$0	\$0	\$4,000

This project builds on successes from Phase 1 and implements an on-line application that supports stream-lined and simplified processes for additional residential permits not covered in Phase 1. Additional permit types that are part of Phase 2 include secondary suites, demolition, trade, residential improvement and discretionary residential permits. This project will also examine combined development and building permits for commercial and multi-family projects. The approved funding source for this project is the DBA Sustainment Reserve.

Adj. #	Development & Building Approvals 067-003 Urban Development Online	Project Category	Project type	Approved Adjustments/New Requests (in \$000s)					
				2014	2015	2016	2017	2018	Total
4		New project	Growth	\$2,000	\$0	\$0	\$0	\$0	\$2,000

This request supports the creation of a Development Agreement database and information management system to support consistent and timely provision of information to internal and external stakeholders. Information is currently captured inefficiently in multiple systems which increases the risk of inconsistent and missing information. The approved funding source for this project is the DBA Sustainment Reserve.

Planning, Development & Assessment: Departmental Adjustments

Summary: Non Flood Adjustments to Capital Budget Approved by Council

Adj. #	Page #	Program -Project	Project Name	Cat**	Prev. Approved Budget up to 2013	Approved Budget for 2014-2018	Approved Adjustment	2014	2015	2016	2017	2018	Total
								(\$000s)					
Department Budget as approved *								5,975	0	0	0	0	5,975
Development & Building Approvals	2	42	061-001	Capital Asset Acquisition- Fleet, Technology, Equipment	A	5,057	0	1,400	1,400	0	0	0	1,400
	3	42	067-002	Residential ePermits Phase 2	C	0	0	4,000	3,000	1,000	0	0	4,000
	4	42	067-003	Urban Development Online	C	0	0	2,000	2,000	0	0	0	2,000
Total Approved Budget Adjustments (Non-flood)							7,400	6,400	1,000	0	0	0	7,400
Approved Budget as Adjusted (Non-flood)								12,375	1,000	0	0	0	13,375

* As at 2013 September 30

** A = Project in Progress; C = New Project

 **Approved by Council**

Note: PDA has no flood-related capital adjustments

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Transportation: Departmental Adjustments

Department Business Units: Calgary Transit (CT), Roads (RDS), Transportation Infrastructure (TI), Transportation Planning (TP), GM – Transportation

Departmental Overview

Summary

The Transportation Department works to provide a safe, reliable, efficient, customer focused transportation system that supports all modes of travel while promoting sustainability and smart growth. The system contributes significantly to making Calgary a healthy, vibrant and dynamic community supporting the needs of residents, businesses and guests of our city. The following adjustments are in response to citizens' priorities for accessible, affordable and safe transportation alternatives that are convenient and reliable.

Non-Flood Adjustment Highlights

1. To cover insurance, life-safety, mechanical systems, security and other operating and maintenance costs of the new Airport Trail Tunnel, an increase to the Roads base operating budget is required. These costs were anticipated and identified during the project planning and approvals stage. The City is obligated to fulfill these commitments as part of the tunnel agreement with the Calgary Airport Authority.
2. To maintain the structural integrity of roadway infrastructure when utilities are cut into existing pavement, an excavation permit user fee will cover lifecycle maintenance costs.
3. To respond to ridership growth and increase the effectiveness of transit service, Calgary Transit has four net-zero operating budget adjustments related to additional transit service, public safety, transit reliability and customer care. These adjustments support the CFP-M5 directional statement "Strive to continuously improve the customer-oriented culture at Calgary Transit" as well as strategies outlined in RouteAhead approved by Council in March 2013. Some highlights include:
 - additional 55,000 transit service hours, including increased frequency to reduce wait times on various routes; will help to achieve Performance Metric 2.1 "Transit service per capita"
 - additional 10,000 Access Calgary rides to meet an increase in demand for accessible transit service
 - additional Peace Officers will help meet Public Safety and Engagement targets
 - additional resources to reduce the frequency and impact of service disruptions
 - extending the hours of operation for two Customer Service locations
 - adjustments related to staffing cost changes including more accurately budgeting for planned overtime (in response to the Overtime Audit Recommendations)
4. The capital budget is being adjusted to align funding with business priorities, Investing in Mobility plan and funding availability:
 - Glenmore Trail improvements to sound wall fence from 37 Street SW to Crowchild Trail is to be completed in 2014
 - design and construction of the Glenmore Trail and Ogden Road interchange and adjacent roadways.
 - McKnight Boulevard widening from 12 Street NE to 19 Street NE.
 - NE LRT Stations require upgrades to allow for four car trains and additional amenities to help meet growth in ridership
 - various street improvement projects in 2014 using Transportation Levy (development funded levies)
 - pavement rehabilitation program to maintain current overall Pavement Quality Index (PQI) and pavement conditions for 2014

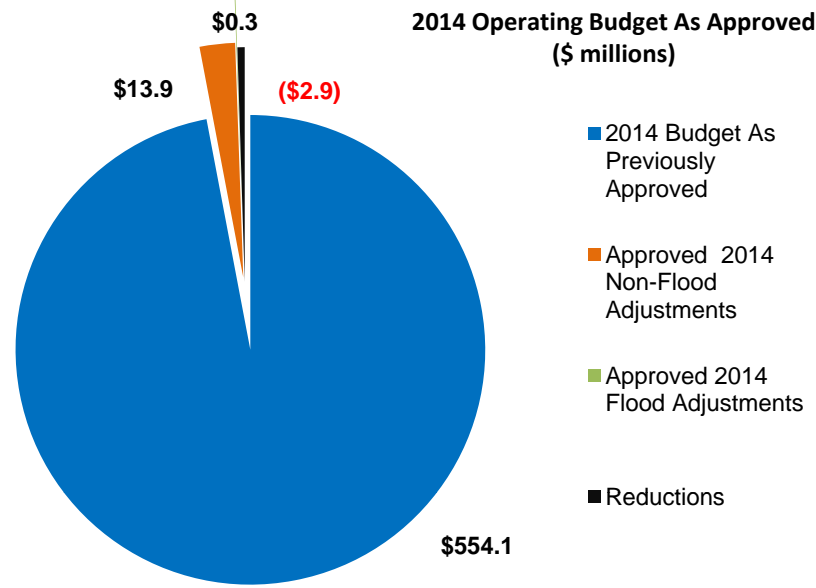
Transportation: Departmental Adjustments

Departmental Overview

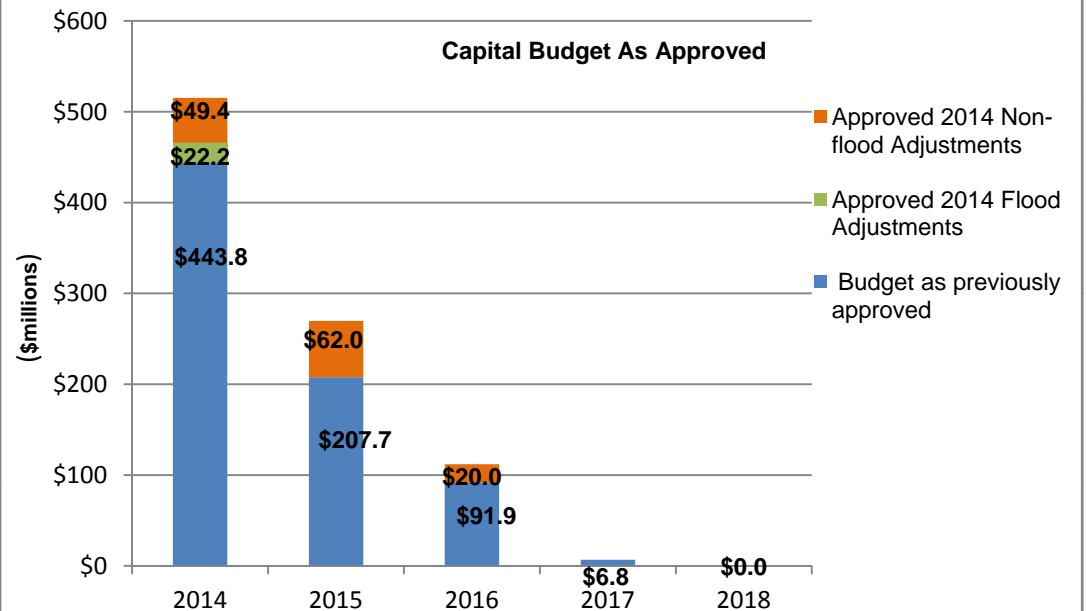
These adjustments will allow Transportation to continue providing effective and efficient transportation services that address customer needs and aligns with the actions identified in the Transportation department section of The City's Business Plan and Budget.

Flood-Related Adjustment Highlights

1. Structures and bridges investigation and repair to assess flood damage is expected to take place in 2014. The projects include Centre Street lower deck hangers, bank erosion and scour protection.
2. Slope and adjacent road stability concerns arising from the flood event need to be addressed in four known locations across the City.
3. Pavement and sidewalk rehabilitation work is required to rectify the multiple sinkholes and safety hazard concerns in various locations including MacLeod Trail, 9 Avenue South, Olympic Way, Pump House snow dump site and others.
4. Demolition, design and construction of three pedestrian bridges along the Elbow River, destroyed by the flood event; construction will begin in 2014.
5. Guardrails, landscaping and fence repair to boulevard areas damaged by floods.



(Numbers are gross expenditures net of recoveries)



Transportation: Departmental Adjustments

Adjustments to the Performance Targets for Council Approval

Adj. #	Mobility	Measure	Existing Target		New Target	
			2013	2014	2013	2014
1		PM2.1 Transit Service Hours Per Capita	2.41	2.38	2.38	2.39

With the additional transit service hours, the 2014 performance target are closer to the 2020 Sustainability Direction target of 2.60 hours per capita.

Adj. #	Mobility	Measure	Existing Target		New Target	
			2013	2014	2013	2014
2		PM3.3 Number of traffic signal installations incorporating crosswalks that are equipped with pedestrian countdown timers.	168	188	168	220

The 2013 target has already been surpassed. A new target is required.

Details of Adjustments to Operating Budget (Non Flood Related)

Adj. #	110 CALGARY TRANSIT		2014 (in \$000s)				
			Expen.	Rec.	Rev	Net	FTEs
3	Service Hours & Safety	Base	\$6,402	\$0	(\$6,402)	\$0	51.5

To respond to ridership growth and increase the effectiveness of transit service, this adjustment is required to fulfill strategies outlined in RouteAhead (approved by Council in March 2013):

- increase the frequency of service to reduce waiting times between connections on routes that are part of the primary transit network; and to improve feeder bus frequency in evenings at connection points to the CTrain in accordance with demand. Specifically, an additional 55,000 service hours to support peak service in new communities (hiring additional transit operators) will help achieve Performance Metric 2.1 "Transit service per capita" and an additional 10,000 Access Calgary rides will help meet an increase in demand for accessible transit service in 2014.
- increase the number of peace officers each year to meet Public Safety and Enforcement targets; this year's resource increase will be specifically targeted to improving enforcement and safety on the bus system.

Funding for this adjustment comes from increased revenue from higher ridership.

 Approved by Council

Transportation: Departmental Adjustments

Details of Adjustments to Operating Budget (Non Flood Related)

Adj. #	110 CALGARY TRANSIT		2014 (in \$000s)				
			Expen.	Rec.	Rev	Net	FTEs
4	Reliability and Resiliency	Base	\$1,580	\$0	(\$1,580)	\$0	10.0
<p>This adjustment is required to improve reliability and resiliency of the transit system, strategies outlined in RouteAhead (approved by Council in March 2013):</p> <ul style="list-style-type: none"> • improve response to disruptions and delays through real-time information, current technology and communication among staff • develop an action plan to address on-time performance issues including service hours, fleet, maintenance strategies and facilities • reduce risks of service disruptions through proactive repairs and lifecycle maintenance • develop priorities for service improvements throughout the base transit network through analysis of travel times, delays, operational data and customer feedback <p>Specifically, additional staff with skillsets in infrastructure, strategy and technology are required. Increased vendor commissions are necessary to offset rising vendor costs, predominantly for credit cards. Funding for this adjustment comes from increased revenue from higher ridership.</p>							

Adj. #	110 CALGARY TRANSIT		2014 (in \$000s)				
			Expen.	Rec.	Rev	Net	FTEs
5	Budget Realignment	Base	\$2,900	\$0	(\$2,900)	\$0	0.0
<p>This adjustment is required to align budget and actual expenditures. Adjustments include budget shortfalls as a result of position reclassifications, fringe benefit and premium changes, relief staff changes, and maintenance costs. This includes a \$600 thousand adjustment to more accurately budget for planned overtime in response to the Overtime Audit recommendation. Funding for this adjustment comes from increased revenue from higher ridership.</p>							

Adj. #	110 CALGARY TRANSIT		2014 (in \$000s)				
			Expen.	Rec.	Rev	Net	FTEs
6	Customer Relations	Base	\$375	\$0	(\$375)	\$0	4.0
<p>An investment in resources focused on interacting with customers is required to fulfill strategies outlined in RouteAhead (approved by Council in March 2013):</p> <ul style="list-style-type: none"> - continually improve the availability, timeliness and usefulness of customer information in person, on mobile devices, at major stops and stations, over the phone, on the web and through new technologies as they evolve. Specifically, this will allow our two Customer Service locations to open on Saturdays to meet customer needs and help support various customer care initiatives. Funding for this adjustment comes from increased revenue from higher ridership. 							

Transportation: Departmental Adjustments

Details of Adjustments to Operating Budget (Non Flood Related)

Adj. #	132 ROADS	2014 (in \$000s)					
		Expen.	Rec.	Rev	Net	FTEs	
7	Airport Trail Tunnel	Base	\$475	\$0	\$0	\$475	0.0
<p>To cover insurance, life-safety, mechanical systems, security and other operating and maintenance costs of the new Airport Trail Tunnel, an increase to the Roads base operating budget is required. Specifically, this will accommodate ongoing costs including lighting, signals, Roads emergency response, cameras, fans, and heat, smoke and gas detection systems. The City is obligated to fulfill these commitments as part of the tunnel agreement with the Calgary Airport Authority.</p> <p>Initial project cost estimates were based on preliminary information from 2011. Following the detailed design of the tunnel, Roads issued a Request for Proposal (RFP) to operate and maintain the various systems. Administration met with industry experts to review the RFP submissions, the cost estimates and to confirm the required budget associated with meeting contractual obligations. These costs were anticipated and identified during the project planning and approvals stage.</p>							

Adj. #	132 ROADS	2014 (in \$000s)					
		Expen.	Rec.	Rev	Net	FTEs	
8	Excavation Permit Degradation Fee	Base	\$2,188	\$0	(\$2,188)	\$0	0.0
<p>This adjustment is required to help The City maintain and resurface roads damaged by utility cuts which reduce the overall life cycle of the asset. The current excavation permit fees account for the cost of repairing only the utility cut in the asphalt surface but not the associated reduction of life cycle. Utility cuts reduce the surface quality and integrity of roads requiring The City to pay the full cost for early resurfacing of the entire road. This will help maintain the road infrastructure at the optimum level of service for citizens. The funding source for this adjustment comes from the approved addition of an excavation permit degradation fee (Bylaw 20M88).</p>							

Details of Adjustments to Operating Budget (Flood Related)

Adj. #	132 ROADS	2014 (in \$000s)					
		Expen.	Rec.	Rev	Net	FTEs	
9	Guardrails, Landscaping and Fence Repair	One-time	\$307	\$0	(\$307)	\$0	0.0
<p>Category #3: Restores critical infrastructure or key operations</p> <p>Much of the repair work to boulevard areas damaged by floods (i.e. covered in silt) was delayed because of on-going residential flood repair work in these areas. This residential work often entails storing bins and driving contractor vehicles over boulevards making it difficult to effectively repair the boulevards at this time. Funding of these repairs has been recommended to be recovered from the Disaster Recovery Program (DRP).</p>							

Flood Recovery Task Force Categories

Category 1

Category 2

Category 3

Category 4

Transportation: Departmental Adjustments

Summary: Adjustments to Operating Budget Approved by Council

	Prog. #	Adj. #	Page #	2014				FTEs
				(\$000s)				
				Expen.	Rec.	Rev.	Net	
Department Budget as Approved*				611,270	(57,142)	(188,137)	365,991	3,892.8
Calgary Transit	110							
Non-flood: Base		3 to 6	47-48	11,257	0	(11,257)	0	65.5
Reductions				(1,692)	0	0	(1,692)	0.0
Roads	132							
Non-flood: Base		7, 8	49	2,663	0	(2,188)	475	0.0
Flood: One-time		9	49	307	0	(307)	0	0.0
Reductions				(1,147)	0	0	(1,147)	0.0
Transportation Infrastructure	615							
Reductions				(100)	100	0	0	0.0
Transportation Planning	617							
Reductions				(82)	0	0	(82)	0.0
GM - Transportation	905							
Reductions				(16)	0	0	(16)	0.0
Non-flood Adjustments				13,920	0	(13,445)	475	65.5
Flood Adjustments				307	0	(307)	0	0.0
Reductions				(3,037)	100	0	(2,937)	0.0
Approved Budget as Adjusted				622,460	(57,042)	(201,889)	363,529	3,958.3

* As at 2013 September 30

Approved by Council

Transportation: Departmental Adjustments

Details of Non-flood Adjustments to Capital Budget

Adj. #	Calgary Transit 656-15W LRT Station Refurbishment	Project Category	Project type	Approved Adjustments/New Requests (in \$000s)					
				2014	2015	2016	2017	2018	Total
10		Project in progress	Growth	\$14,000	\$0	\$0	\$0	\$0	\$14,000

The NE platforms require upgrades to allow for 4 car trains and additional amenities (including CCTV camera upgrades, shelters) to help meet growth in ridership. This project is funded by Municipal Sustainability Initiative (MSI).

Adj. #	Calgary Transit 668-02W Fare Collection Systems	Project Category	Project type	Proposed Adjustments/New Requests (in \$000s)					
				2014	2015	2016	2017	2018	Total
11		Pre-approved projec	New services	\$0	\$5,915	\$3,350	\$1,785	\$0	\$11,050

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Adj. #	Roads 127-140 Various Streets Improvements	Project Category	Project type	Approved Adjustments/New Requests (in \$000s)					
				2014	2015	2016	2017	2018	Total
12		New project	Maintenance	\$227	\$0	\$0	\$0	\$0	\$227

Require budget for various street improvement projects in 2014 using Transportation Acreage Assessment Levy.

Adj. #	Roads 128-132 Pavement Rehabilitation	Project Category	Project type	Approved Adjustments/New Requests (in \$000s)					
				2014	2015	2016	2017	2018	Total
13		Project in progress	Maintenance	\$6,000	\$0	\$0	\$0	\$0	\$6,000

Increase of 2014 budget in pavement rehabilitation program to maintain current overall Pavement Quality Index (PQI) and pavement condition for 2014, funded by fuel tax.

Adj. #	Transportation Infrastructure 149-001 Glenmore Trail Widening	Project Category	Project type	Approved Adjustments/New Requests (in \$000s)					
				2014	2015	2016	2017	2018	Total
14		New project	Growth	\$2,175	\$0	\$0	\$0	\$0	\$2,175

As part of the improvements along Glenmore Trail, a sound wall fence from 37th St SW and Crowchild Trail is to be completed in 2014. This project was approved under the Investing in Mobility plan, funded by Transportation Acreage Assessments of \$1.475 million and Fuel Tax of \$700 thousand.

Adj. #	Transportation Infrastructure 150-001 McKnight Boulevard Widening	Project Category	Project type	Approved Adjustments/New Requests (in \$000s)					
				2014	2015	2016	2017	2018	Total
15		New project	Growth	\$7,000	\$0	\$0	\$0	\$0	\$7,000

Widening of McKnight Boulevard from 12th St to 19th St NE. This project is funded by Transportation Acreage Assessment levy of \$7 million.

Transportation: Departmental Adjustments

Adj. #	Transportation Infrastructure 151-001 Glenmore & Ogden Road Interchange	Project Category New project	Project type Growth	Approved Adjustments/New Requests (in \$000s)					
				2014	2015	2016	2017	2018	Total
16				\$20,000	\$62,000	\$20,000	\$0	\$0	\$102,000

This project was approved under the Investing in Mobility plan (Goods Movement). The scope includes design and construction of the Glenmore Trail and Ogden Roads interchange and adjacent roadways. This project is funded by Fuel Tax of \$9.8 million, MSI of \$92 million and Transportation Acreage Assessment levy of \$200 thousand.

Summary: Non-flood Adjustments to Capital Budget

Adj. #	Page #	Program -Project	Project Name	Cat**	Approved Budget up to 2013	Prev. Approved Budget for 2014-2018	Approved Adjustment	Approved Adjustments/New Requests (in \$000s)					Total
								2014	2015	2016	2017	2018	
Department Budget as approved *								443,772	207,714	91,945	6,810	0	750,241
Calgary Transit	10	51	656-15W LRT Station Refurbishment	A	28,000	0	14,000	14,000	0	0	0	0	14,000
Roads	12	51	127-140 Various Street Improvements	C	0	0	227	227	0	0	0	0	227
	13	51	128-132 Pavement Rehabilitation	A	20,449	4,900	6,000	6,000	0	0	0	0	6,000
Transportation Infrastructure	14	51	149-001 Glenmore Tr Widening	C	0	0	2,175	2,175	0	0	0	0	2,175
	15	51	150-001 McKnight Widening	C	0	0	7,000	7,000	0	0	0	0	7,000
	16	52	151-001 Glenmore & Ogden Interchange	C	0	0	102,000	20,000	62,000	20,000	0	0	102,000
Total Approved Budget Adjustments (Non-flood)							131,402	49,402	62,000	20,000	0	0	131,402
Approved Budget as Adjusted (Non-flood)								493,174	269,714	111,945	6,810	0	881,643

* As at 2013 September 30

** A = Project in Progress; C = New Project

 **Approved by Council**


Transportation: Departmental Adjustments

Details of Flood Adjustments to Capital Budget

Adj. #	Pavement and Sidewalk Reconstruction	Roads	Program/Project #		Previously Approved for 2013	2014 Capital Budget Request	Preliminary Budget Required for Future Years	Total
			948	001				
17								
Project Category		Project in Progress						
Project Type		Maintenance						
ROC Category		Category #3: Restores critical infrastructure or key operations						
Asset Location		Flood Fringe			(\$000s)			
Expected Funding Source		DRP			\$100	\$6,900	\$8,535	\$15,535
<p>The 2013 flood resulted in multiple sinkholes and safety hazard concerns relating to subsurface conditions in the following locations: MacLeod Trail NB Lanes from Elbow River to 9 Avenue; MacLeod Trail SB lanes from Elbow River to 9 Avenue, 11 Avenue SE from Olympic Way to 6 Street, Pump House Snow Dump Site, 25 Avenue from MacLeod Trail to 5 Street SW, and 38 Avenue SW from 8A Street to Edison Crescent. In addition, Roads expects new sinkholes to form during the freeze/thaw cycles of winter 2013-2014 and new investigations will need to be completed as these new sites are identified. This adjustment has been recommended to be funded from the Disaster Recovery Program (DRP).</p> <p>Another location at 8 Avenue SE, from 22 Street to Cul-de-sac west was removed from initial project list as it will be funded under Water Resources Riverbank Stabilization Program.</p>								

Adj. #	Slope Stability Projects	Roads	Program/Project #		Previously Approved for 2013	2014 Capital Budget Request	Preliminary Budget Required for Future Years	Total
			948	002				
18								
Project Category		Project in Progress						
Project Type		Maintenance						
ROC Category		Category #1: Immediate need for public safety						
Asset Location		Other			(\$000s)			
Expected Funding Source		DRP			\$600	\$6,000	\$0	\$6,600
<p>The flood resulted in slope and adjacent road stability concerns at four known locations in Calgary: Highfield Road SE, Hill Road NE, 5 Trafford Crescent NW (north of McKnight Boulevard) and 5328 32 Ave NW (Klippert gravel pit road). Road repair work at these locations will be required in 2014. This adjustment has been recommended to be funded from the Disaster Recovery Program (DRP).</p>								

Flood Recovery Task Force Categories

Category 1 

Category 2 

Category 3 

Category 4 


Transportation: Departmental Adjustments

Details of Flood Adjustments to Capital Budget

Adj. #	Structures & Bridges Repair	Roads	Program/Project #		Previously Approved for 2013	2014 Capital Budget Request	Preliminary Budget Required for Future Years	Total
			948	003				
19								
Project Category		New Project						
Project Type		Maintenance						
ROC Category		Category #1: Immediate need for public safety						
Asset Location		Flood Way						
Expected Funding Source		DRP			(\$000s)			
					\$0	\$1,300	\$0	\$1,300
<p>Repair work to flood damaged bridges/structures is expected to take place in 2014. Initial project cost estimates are: \$300 thousand for the Centre Street lower deck hangers and \$1 million for bank erosion and scour protection (including the scour study and underwater inspections to assess the damage). There are many bridges in need of complete inspections therefore specific locations are not available yet. This adjustment is expected to be funded from the Disaster Relief Program (DRP).</p>								

Adj. #	Pedestrian Bridges	Transportation Infrastructure	Program/Project #		Previously Approved for 2013	2014 Capital Budget Request	Preliminary Budget Required for Future Years	Total
			949	001				
20								
Project Category		Project in Progress						
Project Type		Maintenance						
ROC Category		Category #3: Restores critical infrastructure or key operations						
Asset Location		Flood Way						
Expected Funding Source		DRP			(\$000s)			
					\$1,428	\$7,950	\$0	\$9,378
<p>The flood resulted in significant damage to three pedestrian bridges along the Elbow River:</p> <ul style="list-style-type: none"> - Rideau Park Pedestrian Bridge (between Elbow Drive SW and Rideau Road SW at 32 Avenue SW) - Riverdale Avenue Pedestrian Bridge (between Sifton Blvd SW and Riverdale Avenue Road SW at 8 Street SW); and - Sandy Beach Pedestrian Bridge (at Sandy Beach Park) <p>Demolition work was completed by Roads in September 2013. Preliminary onsite investigation will be conducted in Q4 2013. Bridge design will commence in late 2013. Construction is anticipated to commence in Q2 2014. Detailed cost estimates will be developed as the design evolves. This adjustment has been recommended to be funded from the Disaster Recovery Program (DRP).</p>								

Flood Recovery Task Force Categories

Category 1 

Category 2 

Category 3 


Category 4 

Transportation: Departmental Adjustments

Summary: Flood Adjustments to Capital Budget

Adj. #	Page #	Program -Project	Project Name	Cat**	Approved Budget up to 2013	Prev. Approved Budget for 2014-2018	Approved Adjustment	2014	2015	2016	2017	2018	Total
								(\$000s)					
Approved Budget as Adjusted (Non-flood)								493,174	269,714	111,945	6,810	0	881,643
Roads	17	53	948-001	Pavement and Sidewalk Reconstruction	A	100	0	6,900	6,900	0	0	0	6,900
	18	53	948-002	Slope Stability Projects	A	600	0	6,000	6,000	0	0	0	6,000
	19	54	948-003	Structures and Bridges Repair	C	0	0	1,300	1,300	0	0	0	1,300
Transportation Infrastructure	20	54	949-001	Pedestrian Bridges	A	1,428	0	7,950	7,950	0	0	0	7,950
Total Approved Budget Adjustments (Flood)								22,150	0	0	0	0	22,150
Approved Budget as Adjusted (Non-flood and Flood)								515,324	269,714	111,945	6,810	0	903,793
Preliminary budget required for future years is not included in the table above									8,535	0	0	0	8,535

** A = Project in Progress; C = New Project

 Approved by Council

Note: Council approved only the 2014 capital budget requests for flood-related projects

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Utilities & Environmental Protection: Departmental Adjustments

Department Business Units: Environmental & Safety Management (ESM), Waste & Recycling Services (WRS), Utilities (Water Resources & Water Services), GM - Utilities & Environmental Protection

Departmental Overview

Summary

Utilities & Environmental Protection (UEP) has both non-flood and flood-related adjustments. Environmental & Safety Management (ESM) has one adjustment to remove a performance measure from the UEP Business Plan and Budget. The flood had a significant impact on the Utilities and requires operating and capital adjustments. Utilities (Water Resources & Water Services) non-flood capital adjustments will address changes in project timelines, cost estimate revisions and growth needs. Utilities flood-related capital adjustments affect projects in water, wastewater and drainage and are categorized as safety, protection, restoration and resiliency as set out by the Flood Recovery Task Force.

Non-Flood Adjustment Highlights

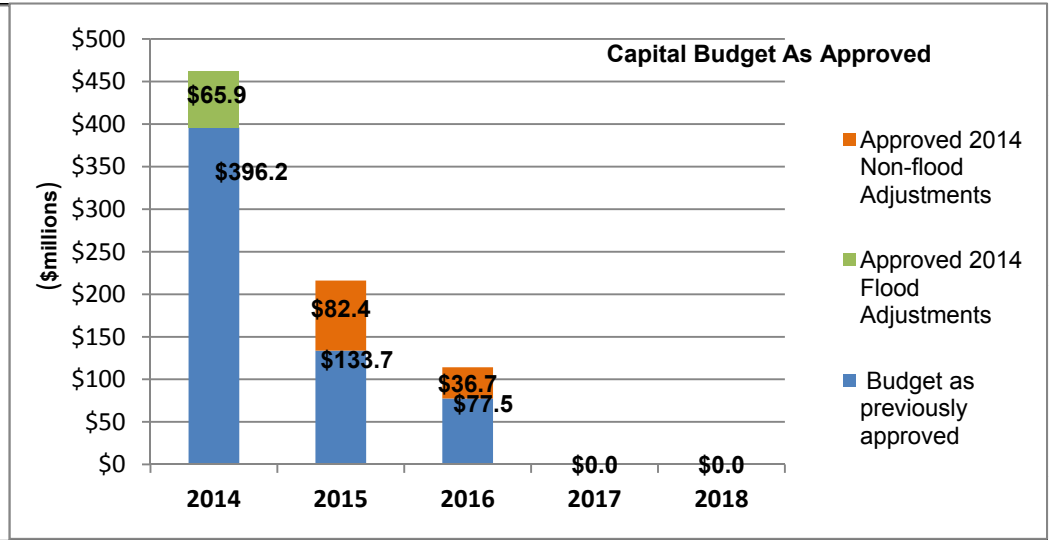
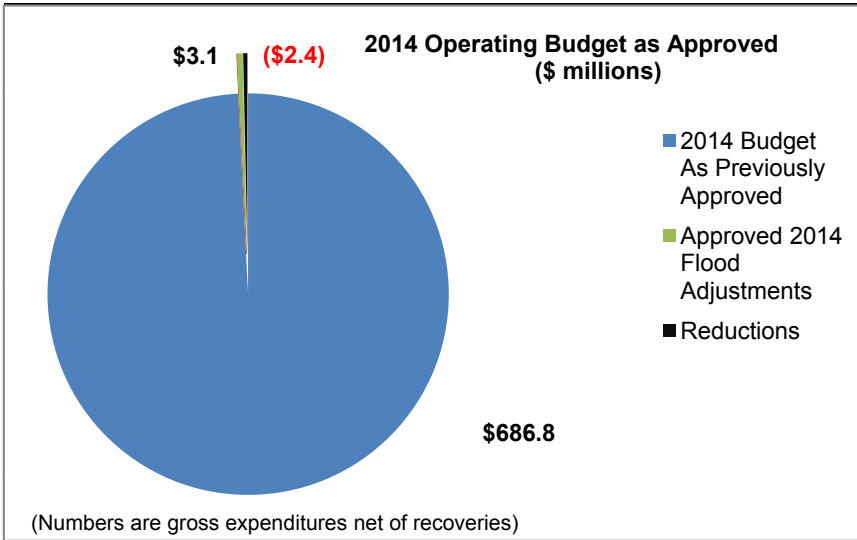
- The ESM adjustment addresses Council direction (UCS2013-0016) to remove the Corporate Carbon Finance performance measure (UEP PM2.1) from the UEP Business Plan and Budget.
- The Utilities is requesting a net zero capital budget adjustment for 12 projects which is largely a transfer of funds to align with corporate growth sequencing and the change in priorities based on the flood.
- Two of the capital budget adjustment requests are for pre-approval of funds for 2015 and 2016:
 - Biosolids Dewatering Facility (PFC2013-0409) (UEP, Adj. #7)
 - Bowness Sanitary Sewer Upgrade (C2013-0540) (UEP, Adj. #8)

Flood-Related Adjustment Highlights

- The Utilities has two flood-related drainage operating adjustments:
 - A one-time operating budget adjustment is being requested for the Bow River Debris Clean-up and the costs associated with the River Flood Mitigation Panel; and
 - A base operating adjustment of 3.0 FTEs is approved in Water Resources to accommodate the additional flood related river engineering work. The funding for 3 FTEs for 2014 will be funded from a one-time transfer from the Fiscal Stability Reserve (FSR).
- The Utilities has a total of \$65.9 million flood-related capital adjustments for 8 projects in 2014.

Utilities & Environmental Protection: Departmental Adjustments

Departmental Overview



Utilities & Environmental Protection: Departmental Adjustments

Adjustments to the Performance Measures for Council Approval

Adj. #	Community	Existing Measure	Existing Target		New Measure	New Target	
			2013	2014		2013	2014
1		PM2.1 - Tonnes of Carbon registered per year on a public offset registry	200,000	200,000	Remove performance measure from UEP business plan	200,000	N/A

Council directed Administration to remove PM (UEP PM2.1) during the Business Plan and Budget adjustments in 2013 November.


Details of Adjustments to Operating Budget (Flood Related)

Adj. #	270 UTILITIES (WATER RESOURCES & WATER SERVICES)		2014 (in \$000s)				
			Expen.	Rec.	Rev	Net	FTEs
2	Adjustment to Drainage Operating Budget for non-recoverable Flood Related Expenses	One-time	\$512	\$0	\$0	\$512	0.0
		Base	\$0	\$0	\$0	\$0	3.0

Categories #2 & #4: Protection and Resiliency

Work required post the June 20 flood event will have a significant impact on the operating budget for Drainage services. Out of the total \$65.9 million Utilities capital adjustment, \$61.9 million is within the Drainage line of service. Of those Drainage capital expenditures to restore pre-flood services, \$7.0 million is not expected to be recoverable from insurance, the Provincial Flood Recovery Erosion Control Program or the Disaster Recovery Program (DRP). To increase Calgary's resiliency in future flood events, \$13.2 million of the Drainage capital expenditures has been identified at the critical erosion sites, and at a number of lift stations and outfalls.

This operating budget adjustment includes the budget for 3.0 FTEs in Water Resources to accommodate the additional flood related river engineering work to be funded in 2014 only by a one-time transfer from the Fiscal Stability Reserve (FSR).

 Approved by Council

Flood Recovery Task Force Categories

Category 1 

Category 2 

Category 3 

Category 4 

Utilities & Environmental Protection: Departmental Adjustments

Details of Adjustments to Operating Budget (Flood Related)

Adj. #	270 UTILITIES (WATER RESOURCES & WATER SERVICES)		2014 (in \$000s)				
			Expen.	Rec.	Rev	Net	FTEs
3	River Clean Up and Flood Mitigation Panel	One-time	\$2,578	\$0	(\$2,578)	\$0	0.0

Category #2: Protects key vulnerable areas or populations

Removal of flood related debris from the Bow River. Debris consists of natural woody debris (fallen trees) and non-natural debris that may cause a hazard to the public safety or the environment. The scope does not include reinstatement of erosion affected areas or re-profiling of river channels. Due to the length of the Bow River, all of the debris will not be removed in 2013 prior to the Fish Habitat window and ultimately the river freeze up. This operating adjustment only includes the \$278 thousand required for the clean-up of the remaining debris in 2014. These costs are expected to be recoverable through the DRP.

The costs associated with the work of the River Flood Mitigation Panel is included in this operating budget adjustment. The Panel will review means of reducing the impact of future flood events on the City of Calgary. The work of the panel and associated Task Forces will result in recommendations The City can action through infrastructure investments and changes to design specifications, operating procedures and other City policies. The \$2.3 million River Flood Mitigation Panel expenditures will be recovered from the Utilities Sustainment reserve.

Flood Recovery Task Force Categories

Category 1 

Category 2 

Category 3 

Category 4 

Utilities & Environmental Protection: Departmental Adjustments

Summary: Adjustments to Operating Budget Approved by Council

	Prog. #	Adj. #	Page #	2014				FTEs
				(\$000s)				
				Expen.	Rec.	Rev.	Net	
Department Budget as Approved*				723,001	(36,158)	(639,110)	47,733	1,856.1
Environmental & Safety Management Reductions	817			(71)	0	0	(71)	0.0
Waste & Recycling Services Reductions	252			(908)	0	600	(308)	0.0
Utilities	270							
Flood: Base		2	59	0	0	0	0	3.0
Flood: One-Time Reductions		2, 3	59,60	3,090 (1,900)	0 500	(2,578) 1,400	512 0	0.0 0.0
GM - Utilities & Environmental Protection Reductions	906			(4)	0	0	(4)	0.0
Flood Adjustments				3,090	0	(2,578)	512	3.0
Reductions				(2,883)	500	2,000	(383)	0.0
Approved Budget as Adjusted				723,208	(35,658)	(639,688)	47,862	1,859.1

* As at 2013 September 30

 Approved by Council

Utilities & Environmental Protection: Departmental Adjustments

Details of Non-flood Adjustments to Capital Budget

Adj. #	Utilities	Project Category	Project type	Approved Adjustments/New Requests (in \$000s)					
				2014	2015	2016	2017	2018	Total
4	892-295 Water Efficiency and Metering	Project in progress	Growth	(\$750)	\$0	\$0	\$0	\$0	(\$750)

Funds are available from Meters program due to exchange project costs being lower than anticipated.

Adj. #	Utilities	Project Category	Project type	Approved Adjustments/New Requests (in \$000s)					
				2014	2015	2016	2017	2018	Total
5	892-305 Feeder mains, Pumpstations & Reservoirs	Project in progress	Growth	\$750	\$0	\$0	\$0	\$0	\$750

In order to align with Corporate growth sequencing and meet serviced suburban land supply targets, funds are required to begin design of infrastructure necessary to service the East Silverado and the West McLeod Area Structure Plan (ASP) lands. The 2014 timing for this design work aligns with an installation target of 2016.

Adj. #	Utilities	Project Category	Project type	Approved Adjustments/New Requests (in \$000s)					
				2014	2015	2016	2017	2018	Total
6	894-348 Wastewater Treatment Plant	Project in progress	Upgrade	\$3,715	\$0	\$0	\$0	\$0	\$3,715

Transfer of funds to 894-348 to align with consultant estimates for the Effluent Water System Upgrade at Bonnybrook Wastewater Treatment plant.

Adj. #	Utilities	Project Category	Project type	Approved Adjustments/New Requests (in \$000s)					
				2014	2015	2016	2017	2018	Total
7	894-348 Wastewater Treatment Plant	Project in progress	New Service	\$0	\$52,059	\$12,892	\$0	\$0	\$64,951

In order to complete the Dewatering project by 2017, in accordance with the objectives of The City's Biosolids Management Strategy and Composting Program, preapproval is required to be able to tender the design and major construction and procurement contracts in 2014. This tendering strategy is expected to achieve cost efficiencies and reduce delivery risks by allowing the tendering packages to be structured to minimize costs and achieve synergies. Previous Council Report PFC2013-0409.

Adj. #	Utilities	Project Category	Project type	Approved Adjustments/New Requests (in \$000s)					
				2014	2015	2016	2017	2018	Total
8	895-329 Wastewater Trunk Lift	Project in progress	Growth	\$0	\$25,200	\$23,760	\$0	\$0	\$48,960

Additional funds are required to complete the Bowness Sanitary Sewer Upgrade. The upgrade will eliminate the capacity constraint in Bowness and allow for a projected 30-year growth within the catchment area. Preapproval is required to ensure the project is on schedule, with the tendering complete in 2014 Q4. Previous Council Report C2013-0540.

Utilities & Environmental Protection: Departmental Adjustments

Details of Non-flood Adjustments to Capital Budget Continued

Adj. #	Utilities	Project Category	Project type	Approved Adjustments/New Requests (in \$000s)					
				2014	2015	2016	2017	2018	Total
9	895-329 Wastewater Trunk Lift	Project in progress	Growth	(\$3,715)	\$0	\$0	\$0	\$0	(\$3,715)

Transfer of funds to align with updated cost estimates for several projects.

Adj. #	Utilities	Project Category	Project type	Approved Adjustments/New Requests (in \$000s)					
				2014	2015	2016	2017	2018	Total
10	897-352 Infrastructure Upgrade	Project in progress	Upgrade	\$2,009	\$0	\$0	\$0	\$0	\$2,009

A stormwater sewer and outfall located in Evergreen and discharging to Fish Creek is at risk of damage due to slope instability. Funds are required to relocate this infrastructure. This relocation will eliminate potential future repair costs if pipe were to remain in its current location.

Adj. #	Utilities	Project Category	Project type	Approved Adjustments/New Requests (in \$000s)					
				2014	2015	2016	2017	2018	Total
11	897-356 Stormwater Infrastructure for New Development	Project in progress	Growth	\$308	\$0	\$0	\$0	\$0	\$308

In order to align with Corporate growth sequencing and meet serviced suburban land supply targets, funds are required to begin design of infrastructure necessary to service East Silverado and the West MacLeod Area Structure Plan (ASP) lands. The 2014 timing for this design work aligns with an installation target of 2016.

Adj. #	Utilities	Project Category	Project type	Approved Adjustments/New Requests (in \$000s)					
				2014	2015	2016	2017	2018	Total
12	897-363 Storm Relief Projects	Project in progress	Upgrade	\$4,841	\$0	\$0	\$0	\$0	\$4,841

Increase funding to address Community Drainage Improvement (CDI) projects in older communities. The CDI program delivers stormwater infrastructure upgrades in older communities that were built before the use of modern drainage techniques and standards. Budget became available out of program 897-372 due to flood impact on South Highfield Storm Water Quality Retrofit Project. Project was put on hold as a redesign of South Highfield Pond is required.

Adj. #	Utilities	Project Category	Project type	Approved Adjustments/New Requests (in \$000s)					
				2014	2015	2016	2017	2018	Total
13	897-372 Stormwater Quality	Project in progress	Upgrade	\$0	\$5,161	\$0	\$0	\$0	\$5,161

Reducing the sediment loadings to the river is part of the City's regulatory compliance with the Province and meets Council's priority of enhancing, protecting and respecting our environment. The purpose of the Bowmont East Stormwater Quality Retrofit project is to reduce the sediment loading to the Bow River. Additional funds are requested to complete this project for construction in 2014 / 2015 and maintenance in 2015 / 2016. Preapproval is required to ensure the project is on schedule (construction begins in spring 2014 and continues into 2015). Referenced in previous Council Report UE2011-03.

Utilities & Environmental Protection: Departmental Adjustments

Details of Non-flood Adjustments to Capital Budget Continued

Adj. #	Utilities	Project Category	Project type	Approved Adjustments/New Requests (in \$000s)					
				2014	2015	2016	2017	2018	Total
14	897-372 Stormwater Quality Improvements	Project in progress	Maintenance	(\$6,991)	\$0	\$0	\$0	\$0	(\$6,991)

Funds transferred out of program 897-372 due to flood impact for South Highfield Storm Water Quality Retrofit Project. Project has been put on hold as a redesign of South Highfield Pond is required.

Adj. #	Utilities	Project Category	Project type	Approved Adjustments/New Requests (in \$000s)					
				2014	2015	2016	2017	2018	Total
15	898-436 Stormwater Monitoring	Project in progress	Maintenance	(\$167)	\$0	\$0	\$0	\$0	(\$167)

Transfer of funds to align with updated cost estimates.

Utilities & Environmental Protection: Departmental Adjustments

Summary: Non-flood Adjustments to Capital Budget

Adj. #	Page #	Program -Project	Project Name	Cat**	Prev. Approved Budget up to 2013	Prev. Approved Budget for 2014-2018	Approved Adjustment	(\$000s)					Total	
								2014	2015	2016	2017	2018		
Department Budget as approved *								396,236	133,654	77,546	0	0	607,436	
Utilities	4	62	892-295	Water Efficiency and Metering	A	91,425	11,200	(750)	(750)	0	0	0	0	(750)
	5	62	892-305	Feeder mains, Pumpstations &	A	299,611	29,989	750	750	0	0	0	0	750
	6/7	62	894-348	Wastewater Treatment Plant	A	231,695	79,567	68,666	3,715	52,059	12,892	0	0	68,666
	8/9	62-63	895-329	Wastewater Trunk Lift Station	A	211,339	33,278	45,245	(3,715)	25,200	23,760			45,245
	10	63	897-352	Infrastructure Upgrade	A	26,353	4,990	2,009	2,009	0	0	0	0	2,009
	11	63	897-356	Stormwater Infrastructure for New Development	A	49,576	507	308	308	0	0	0	0	308
	12	63	897-363	Storm Relief Projects	A	117,494	615	4,841	4,841	0	0	0	0	4,841
	13/14	63-64	897-372	Stormwater Quality	A	68,588	16,283	(1,830)	(6,991)	5,161	0	0	0	(1,830)
	15	64	898-436	Stormwater Monitoring	A	3,802	1,263	(167)	(167)	0	0	0	0	(167)
Total Approved Budget Adjustments (Non-flood)								119,072	0	82,420	36,652	0	0	119,072
Approved Budget as Adjusted (Non-flood)								396,236	216,074	114,198	0	0	726,508	

* As at 2013 September 30

** A = Project in Progress

Approved by Council

Utilities & Environmental Protection: Departmental Adjustments

Detail of Flood Adjustments to Capital Budget

Adj. #	River Crossings Waterworks	Utilities	Program/Project #		Previously Approved for 2013	2014 Capital Budget Request	Preliminary Budget Required for Future Years	Total
			952	001				
16								
Project Category		Project in Progress						
Project Type		Maintenance						
ROC Category		Category #3 & 4: Restoration and Resiliency						
Asset Location		Flood Way						
Expected Funding Source		DRP, Non-corporate			\$278	\$388	\$8,213	\$8,879

There are over 80 utility river crossings (water and sanitary) in areas affected by the flood. These areas are the Bow and Elbow Rivers, Fish Creek and Nose Creek. Whilst there are no signs yet of any of these river crossings being compromised (i.e. they continue to function in a normal operating manner), survey work being undertaken may reveal areas of concern such as river bed and bank erosion affecting protection to pipes. The River Crossing project will use bathymetric data being collected as part of the Erosion Sites project to determine areas of concern. Should areas of concern be identified, then further investigation work such as in pipe inspections and a dive survey of the river may be required. Depending on the outcome, remedial work may also be necessary.

If a utility crossing is compromised, then there is a potential for operational difficulties, pollution of a watercourse and supply interruption to citizens.

Of the 2014 request for \$388 thousand, \$278 thousand is for recovery, and \$110 thousand is for resiliency. It is estimated that \$200 thousand will be recovered from DRP and the remainder will be funded from self-supported debt.

Flood Recovery Task Force Categories

Category 1 Category 2 Category 3 Category 4

Utilities & Environmental Protection: Departmental Adjustments

Detail of Flood Adjustments to Capital Budget

Adj. #	River Crossings Wastewater	Utilities	Program/Project #		Previously Approved for 2013	2014 Capital Budget Request	Preliminary Budget Required for Future Years	Total
			952	002				
17								
Project Category	Project in Progress							
Project Type	Maintenance							
ROC Category	Category #3 & 4: Restoration and Resiliency							
Asset Location	Flood Way							
Expected Funding Source	DRP, Non-corporate				\$0	\$388	\$8,213	\$8,601

There are over 80 utility river crossings (water and sanitary) in areas affected by the flood. These areas are the Bow and Elbow Rivers, Fish Creek and Nose Creek. Whilst there are no signs yet of any of these river crossings being compromised (i.e. they continue to function in a normal operating manner), survey work being undertaken may reveal areas of concern such as river bed and bank erosion affecting protection to pipes. The River Crossing project will use bathymetric data being collected as part of the Erosion Sites project to determine areas of concern. Should areas of concern be identified, then further investigation work such as in pipe inspections and a dive survey of the river may be required. Depending on the outcome, remedial work may also be necessary.

If a utility crossing is compromised, then there is a potential for operational difficulties, pollution of a watercourse and supply interruption to citizens.

Of the 2014 request for \$388 thousand, \$278 thousand is for recovery, and \$110 thousand is for resiliency. It is estimated that \$200 thousand will be recovered from DRP and the remainder will be funded from self-supported debt.

Flood Recovery Task Force Categories

Category 1

Category 2

Category 3

Category 4

Utilities & Environmental Protection: Departmental Adjustments

Detail of Flood Adjustments to Capital Budget

Adj. #	Lift Stations Wastewater	Utilities	Program/Project #		Previously Approved for 2013	2014 Capital Budget Request	Preliminary Budget Required for Future Years	Total
			952	002				
18								
Project Category		Project in Progress						
Project Type		Maintenance						
ROC Category		Category #2 & 4: Protection and Resiliency						
Asset Location		Other - Multiple Locations						
Expected Funding Source		Insurance, Non-corporate						
					(\$000s)			
					\$549	\$3,289	\$3,333	\$7,171

Flood recovery work to return the ten flood-impacted, Water-owned, sanitary lift stations to their pre-flood condition.

Without repair, there would be failure of the sanitary system for the homes / communities sending sanitary flows to these lift stations. There would also be significant impact (i.e. overflows, flooding) both upstream and downstream.

Of the 2014 request for \$3.3 million, \$101 thousand is for recovery, and \$3.2 million is for resiliency. It is estimated that all of the recovery costs will be recovered from insurance. The resiliency costs will be funded from self-supported debt.

Flood Recovery Task Force Categories

Category 1 

Category 2 

Category 3 

Category 4 

Utilities & Environmental Protection: Departmental Adjustments

Detail of Flood Adjustments to Capital Budget

Adj. #	Erosion Protection: 6 Priority Sites on Bow River	Utilities	Program/Project #		Previously Approved for 2013	2014 Capital Budget Request	Preliminary Budget Required for Future Years	Total
			952	003				
19								
Project Category		Project in Progress						
Project Type		Maintenance						
ROC Category		Category #1 and 4: Safety and Resiliency						
Asset Location		Flood Way						
Expected Funding Source		DRP, Non-corporate, Fiscal Stability Reserve (FSR), Utilities Sustainment Reserve			\$11,209	\$55,722	\$0	\$66,931

Bank rehabilitation is required at six sites along the Bow River. The scope of this project is to develop permanent bank restoration works and associated infrastructure (pathways, outfalls, flood barriers, landscaping and plantings) for 6 sites:

- 52 Street NW (Home Road)
- Memorial Dr at 19th Street
- Memorial Dr at 3rd Street
- 8th Avenue in Inglewood
- ENMAX substation 32 environs
- Diamond Cove

Concept design work is to be complete by end of September. Construction will follow immediately.

Work is required to protect or re-instate public and private infrastructure, abate human safety risks, address potential hydraulic obstruction or morphologic risk and control impacts on the riparian environment. The work must proceed immediately; otherwise, The City will miss the construction window and infrastructure and public safety will continue to be at risk.

Of the 2014 request for \$55.7 million, \$44.4 million is for recovery and \$11.3 million is for resiliency. It is estimated that \$28.3 million will be recovered through the DRP program and \$10.3 million will be recovered through the Provincial Flood Recovery Erosion Control Program (FREC). It is estimated that the remainder will be funded with \$16.393 million from the Fiscal Stability Reserve (FSR) and \$707 thousand from the Utilities Sustainment Reserve.

Flood Recovery Task Force Categories

Category 1 

Category 2 

Category 3 

Category 4 

Utilities & Environmental Protection: Departmental Adjustments

Detail of Flood Adjustments to Capital Budget

Adj. #	Stormwater Outfalls	Utilities	Program/Project #		Previously Approved for 2013	2014 Capital Budget Request	Preliminary Budget Required for Future Years	Total
			952	003				
	Project Category	Project in Progress						
	Project Type	Maintenance						
	ROC Category	Category #2 & 4: Protection and Resiliency						
	Asset Location	Flood Way						
	Expected Funding Source	DRP, Fiscal Stability Reserve (FSR)			\$222	\$1,465	\$3,996	\$5,683
<p>Project scope includes damage assessment of all outfalls on the Bow and Elbow River as well as those on Nose Creek and Fish Creek.</p> <p>Without the functioning outfalls, there would be significant flooding risk to communities. In addition, broken outfalls cause risk to riverbanks and rivers if they are to break down completely.</p> <p>Of the 2014 request for \$1.5 million, \$721 thousand is for recovery and \$744 thousand is for resiliency. It is estimated that \$520 thousand will be recovered from DRP and the remaining \$980 thousand will be funded from the Fiscal Stability Reserve (FSR).</p>								

Flood Recovery Task Force Categories

Category 1

Category 2

Category 3

Category 4

Utilities & Environmental Protection: Departmental Adjustments

Detail of Flood Adjustments to Capital Budget

Adj. #	Stormwater Management Facilities (Ponds)	Utilities	Program/Project #		Previously Approved for 2013	2014 Capital Budget Request	Preliminary Budget Required for Future Years	Total
			952	003				
21								
Project Category		Project in Progress						
Project Type		Maintenance						
ROC Category		Category #2 & 4: Protection and Resiliency						
Asset Location		Other - Multiple locations						
Expected Funding Source		DRP, Fiscal Stability Reserve						
					(\$000s)			
					\$222	\$2,131	\$2,486	\$4,839

This scope of work includes remediation for twelve stormwater management facilities that sustained flood damage in 2013 flood. Depending on the nature of the remediation at each site, a combination of capital and operating dollars may be necessary. The remediation includes: a rebuild of large eroded areas of compacted soil at headwall locations; re-build of emergency overland escape routes and access areas to facilities that have been washed out; clean-up and removal of sediment and debris that has deposited within voids of riprap utilized in stabilizing banks; replacement of riprap that has been washed away; cleaning concrete control structures and manholes deluged with floodwater; repair/replacement of weir structures and/or grates at outlet locations; removal of sediment and debris and rebuilding open channel systems conveying stormwater directly to the Bow River. Bathymetric surveys will be conducted to assess the level of sedimentation in the main body of the facilities (i.e., below normal water level). They are considered necessary to assess the normal operating function of the facilities within the flood plain.

Damage/blockage to flow control structures create higher than normal water levels in some facilities, and large amounts of sediment and debris not only create safety issues for the public and field crews but also inhibit the intended function, behaviour and proper maintenance of these twelve facilities.

Of the 2014 request for \$2.1 million, \$1.8 million is for recovery and \$300 thousand is for resiliency. It is estimated that \$1.3 million will be recovered through DRP and the remaining \$800 thousand will be funded from the Fiscal Stability Reserve (FSR).

Flood Recovery Task Force Categories

Category 1 

Category 2 

Category 3 

Category 4 

Utilities & Environmental Protection: Departmental Adjustments

Detail of Flood Adjustments to Capital Budget

Adj. #	Lift Stations Drainage	Utilities	Program/Project #		Previously Approved for 2013	2014 Capital Budget Request	Preliminary Budget Required for Future Years	Total
			952	003				
22								
Project Category		Project in Progress						
Project Type		Maintenance						
ROC Category		Category #2 & 4: Protection and Resiliency						
Asset Location		Other - Multiple locations						
Expected Funding Source		Insurance, Fiscal Stability Reserve			\$0	\$325	\$330	\$655
<p>lood recovery work to return the two flood impacted, Water-owned, Stormwater lift stations to their pre-flood condition.</p> <p>Without repair, there would be failure of the storm system for the homes/communities sending storm flows to these lift stations.</p> <p>Of the 2014 request of \$325 thousand, \$10 thousand is for recovery and is expected to be recovered by insurance. The remaining \$315 thousand is for resiliency and will be funded from the Fiscal Stability Reserve (FSR).</p>								

Adj. #	Low-Medium Erosion Sites	Utilities	Program/Project #		Previously Approved for 2013	2014 Capital Budget Request	Preliminary Budget Required for Future Years	Total
			952	003				
23								
Project Category		Project in Progress						
Project Type		Maintenance						
ROC Category		Category #3 & 4: Restoration and Resiliency						
Asset Location		Flood Way						
Expected Funding Source		DRP, Non-corporate, Fiscal Stability Reserve			\$1,110	\$2,220	\$51,615	\$54,945
<p>Assessment and repair of low-medium erosion sites along the Bow and Elbow River. There are in one hundred and fifteen (115) sites in total.</p> <p>Without assessment and repair, these erosion sites can potentially become worse causing greater issues along the riverbank.</p> <p>Of the 2014 request for \$2.2 million, \$1.7 million is for recovery and \$500 thousand is for resiliency. It is expected that \$1.2 million will be recovered from DRP and the remaining \$1.0 million will be funded from the Fiscal Stability Reserve (FSR).</p>								

Flood Recovery Task Force Categories

Category 1

Category 2

Category 3

Category 4

Utilities & Environmental Protection: Departmental Adjustments

Summary: Flood Adjustments to Capital Budget

Adj. #	Page #	Program-Project	Project Name	Cat**	Prev. Approved Budget up to 2013	Prev. Approved Budget for 2014-2018	Approved Adjustment	2014	2015	2016	2017	2018	Total
								(\$000s)					
Approved Budget as Adjusted (Non-flood)								396,236	216,074	114,198	0	0	726,508
Utilities	16	66	952-001	Flood-Waterworks	A	278	0	388	388	0	0	0	388
	17-18	67-68	952-002	Flood-Wastewater	A	549	0	3,677	3,677	0	0	0	3,677
	19-23	69-72	952-003	Flood-Drainage	A	12,763	0	61,863	61,863	0	0	0	61,863
Total Approved Budget Adjustments (Flood)								65,928	65,928	0	0	0	65,928
Approved Budget as Adjusted (Non-flood and Flood)								462,164	216,074	114,198	0	0	792,436
Preliminary budget required for future years is not included in the table above									19,003	18,336	15,428	25,419	78,186

** A = Project in Progress

 Approved by Council

Note: Council approved only the 2014 capital budget requests for flood-related projects

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Calgary Police Service: Adjustments

Department Business Units: Calgary Police Service (CPS)

Departmental Overview

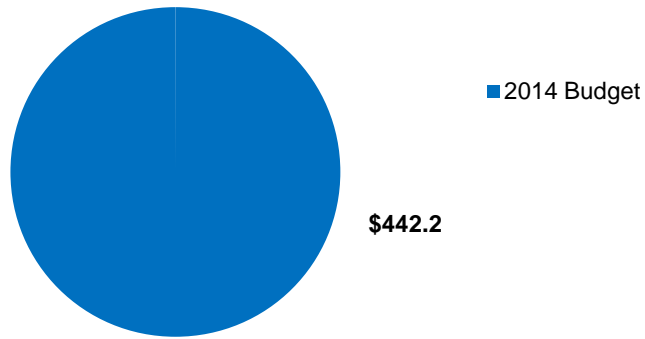
Summary

The CPS adjustments fell into two categories. The first was adjustments to Objectives and Action Plans relating to the suspension of the Provincial Records Management System and withdrawal of Provincial funds. The second is an update on performance measurements and targets that were outstanding.

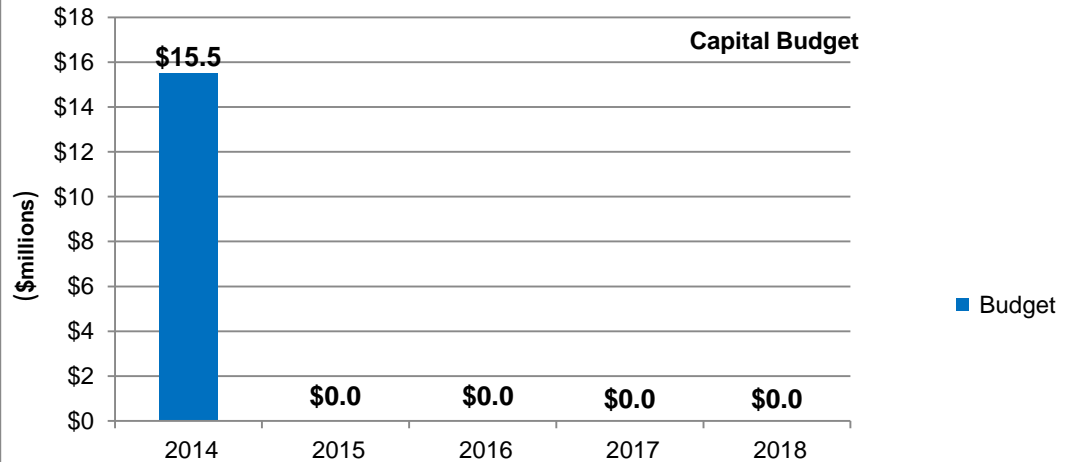
1. One Objective adjustment that discussed implementation of the Provincial Records Management System that is no longer in existence.
2. Four Action Plan adjustments that were also related to the Provincial Records Management System.
3. Eight Performance Measures and Targets updated that were outstanding.

CPS does not have any flood-related adjustments.

2014 Operating Budget as Approved (\$ millions)



(Numbers are gross expenditures net of recoveries)



Calgary Police Service: Adjustments

Adjustments to the Objectives, Actions and Performance Targets for Council Information

Adj. #	Existing Objective	New Objective
Strategic Goal #3		
1	3.2 Ensure the effective implementation of the Provincial records management system.(APi3)	3.2 Ensure the effective implementation of a new records management system.

Adj. #	Existing Action	New Action
2	3.2-01 Deliver service-wide APi3 training to ensure employees are prepared for the new system.	Deliver Service wide CAD, BI, and RMS training to ensure employees are prepared for the new system.

This adjustment is the result of a suspension of the Alberta Police Integrated Information Initiative project following the withdrawal of Provincial funds

Adj. #	Existing Action	New Action
3	3.2-02 Provide technical implementation and rollout of Alberta Police Integrated Information Initiative applications.	Provide technical implementation and rollout of Computer Aided Dispatch, Business Intelligence, and Records Management System applications.

This adjustment is the result of a suspension of the Alberta Police Integrated Information Initiative project following the withdrawal of Provincial funds

Adj. #	Existing Action	New Action
4	3.4-05 Facilitate data exchange with Alberta Justice through Alberta Police Integrated Information Initiative and Court Case Management Phase Two technology.	Facilitate data exchange with Alberta Justice.Management System applications.

This adjustment is the result of a suspension of the Alberta Police Integrated Information Initiative project following the withdrawal of Provincial funds

Adj. #	Existing Action	New Action
5	3.4-07 Implement a new time, attendance and payroll system that is integrated with Alberta Justice and Alberta Police Integrated Information Initiative.	Implement new time, attendance and payroll system that is integrated with Alberta Justice.

This adjustment is the result of a suspension of the Alberta Police Integrated Information Initiative project following the withdrawal of Provincial funds

Calgary Police Service: Adjustments

Adjustments to the Objectives, Actions and Performance Targets for Council Information

Adj. #	Existing Measure	Existing Target		New Measure	New Target	
		2013	2014		2013	2014
6	PACT(Statistics to be further developed)	TBD	TBD	Number of total referrals for the Police and Crises Team program.	Maintain	Maintain
Statistics needed to be further developed						

Adj. #	Existing Measure	Existing Target		New Measure	New Target	
		2013	2014		2013	2014
7	Police and Crises Team (Statistics to be further developed)	TBD	TBD	Number of CPS referrals to the Police and Crises Team program.	Maintain	Maintain
Statistics needed to be further developed						

Adj. #	Existing Measure	Existing Target		New Measure	New Target	
		2013	2014		2013	2014
8	Diversity strategy indicators (be developed)	NA	NA	Completion of the Diversity Framework	Complete	NA
The framework document was completed in 2013 and the actual Diversity strategy is involving many programs which are just commencing their work, therefore identifying measurement at this time is not practicable.						

Adj. #	Existing Measure	Existing Target		New Measure	New Target	
		2013	2014		2013	2014
9	Number of employees accessing Health and Wellness Centre services	NA	NA	Number of employees who have completed a wellness evaluation (medical and physical assessment)	Maintain	Maintain
As the Health and Wellness Centre establishes itself at CPS more statistics will become available to measure the Centre's success.						

Calgary Police Service: Adjustments

Adjustments to the Objectives, Actions and Performance Targets for Council Information

Adj. #	Existing Measure	Existing Target		New Measure	New Target	
		2013	2014		2013	2014
10	Social Media Analytics	NA	NA	Facebook views	Maintain	Maintain
Needed to identify measures for social media.						

Adj. #	Existing Measure	Existing Target		New Measure	New Target	
		2013	2014		2013	2014
11	Social Media Analytics	NA	NA	Twitter followers	Increase	Increase
Needed to identify measures for social media.						

Adj. #	Existing Measure	Existing Target		New Measure	New Target	
		2013	2014		2013	2014
12	Police and Crises Team (Statistics to be further developed)	TBD	TBD	Percentage of total client file closures from the PACT program that are concluded by reason of the client being connected or re-connected with appropriate AHS or other community based programs, or currently presenting crises has been resolved.	75%	75%
Statistics needed to be developed						

Calgary Police Service: Adjustments

Adjustments to the Objectives, Actions and Performance Targets for Council Information

Adj. #	Measure	Existing Target		New Target	
		2013	2014	2013	2014
13	Completion of Court Services Centre Project	TBD	TBD	Land secured and titled for facility	Secure financing and begin building
The targets were TBD and needed to be decided upon.					

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Corporate Administration: Departmental Adjustments

Department Business Units: City Manager's Office (CMO), City Clerks (CC), Chief Financial Officer's Department (CFOD), Law (LAW)

Departmental Overview

Summary

Corporate Administration consists of the City Manager, City Solicitor, City Clerk and Chief Financial Officer which fulfil legislated duties for The Corporation as well as provide high-quality professional services to the public and other City departments. Corporate Administration's approved adjustments respond to emergent business needs as well as recovering from the June flood event.

Non-Flood Adjustment Highlights

Corporate Administration's non-flood related approved adjustments include increases of:

- \$275 thousand and 1.0 FTE (base) to assist the Subdivision and Development Appeal Board's legal obligation to hear appeals and \$21 thousand (one-time) to operate a case-management pilot project
- \$500 thousand and 1.0 FTE (base) within the City Manager's Office to maintain the Corporate Secretariat which allows Council to better liaise with wholly-owned City subsidiaries
- 1.0 FTE (base) within Law (funded through salary savings from another position) to support the increasing workload for Prosecutions within adult and youth court as well as traffic court
- \$400 thousand and 2.0 FTEs (base) within Law to properly architect and secure information systems critical to City of Calgary infrastructure.
- A target change for performance measure 4.5 which will more accurately assess progress on the implementation of the 2020 Sustainability Direction by measuring the percentage of 2020 Sustainability Direction objectives that are "on-track".

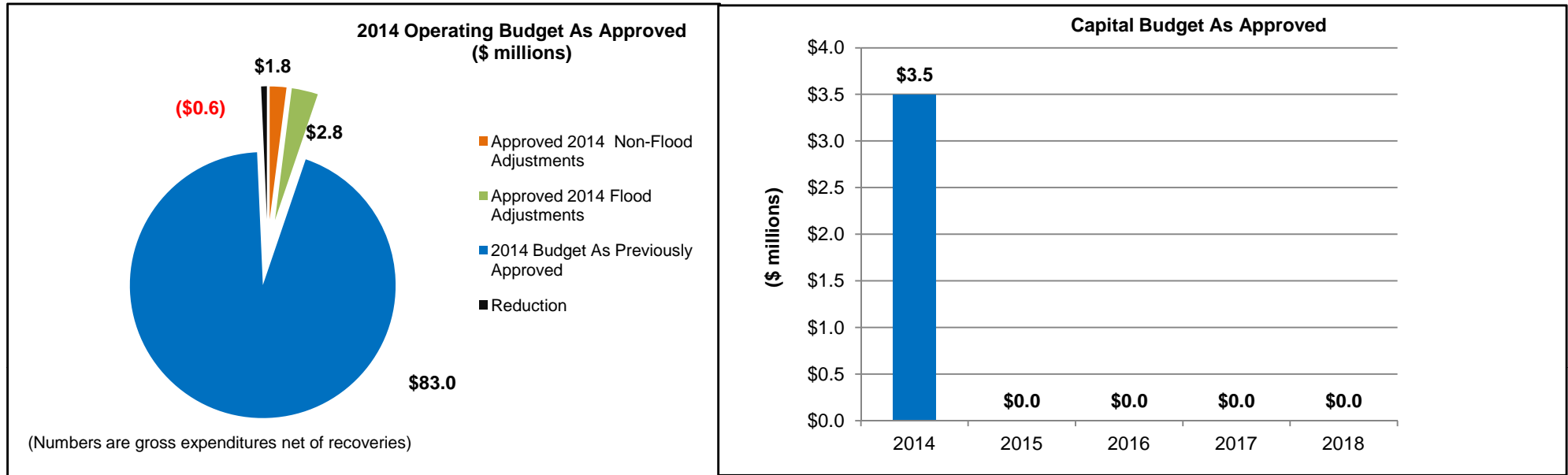
Flood-Related Adjustment Highlights

Corporate Administration's approved adjustments that pertain to the June flood event include increases of:

- \$2.5 million (one-time, funded through the Fiscal Stability Reserve) within Law to address insurance premium increases on City assets. Amounts and funding sources for 2015 - 2018 are to be determined.
- \$250 thousand (one-time) within Law to retain external expertise to assist with producing and certifying the particulars of The City's property and business interruption claims to ensure The City's insurance claims are comprehensive. The costs incurred for professional fees are recoverable under the City's insurance policy up to \$250 thousand.
- \$35 thousand (one-time) within Law for information technology equipment to ensure the Legal division is adequately prepared in the event of an emergency.

Corporate Administration: Departmental Adjustments

Departmental Overview



Corporate Administration: Departmental Adjustments

Adjustments to the Performance Targets Approved by Council

Adj. #	Existing Measure	Existing Target		New Measure	New Target	
		2013	2014		2013	2014
1	PM 4.5 Percentage progress toward 2020 Sustainability Direction targets as reported to Council on an annual basis.	5%	10%	PM 4.5 The percentage of 2020 Sustainability Direction objectives that are "on-track".	87%	93%

Through the first reporting process (2012), it became apparent that not all of the 2020 Sustainability Direction targets were able to be measured quantitatively; therefore, percentage progress is not possible to measure. The proposed new performance measure is in the spirit of progress towards the 2020 Sustainability Direction goals, but focuses on the percentage of objectives that are identified as "on-track" and is consistent with the annual reporting methods.

Details of Adjustments to Operating Budget (Non Flood Related)

Adj. #	775 CITY MANAGER'S OFFICE		2014 (in \$000s)				
			Expen.	Rec.	Rev	Net	FTEs
2	Corporate Secretariat for Governance	Base	\$500	\$0	\$0	\$500	1.0

Council recognized the value of being more engaged with the relationships between Council as shareholder, and its wholly-owned subsidiaries. In 2012 July, Council approved a Framework of Principles for Governance Relationships that is to be applied to The City's wholly-owned subsidiaries. One of these principles included establishing a Corporate Secretariat to clarify and enhance the communication and reporting responsibilities of the subsidiary entities to Council.

In 2012, a budget adjustment to establish the Corporate Secretariat and fund a one-year implementation plan for 2013 was approved (C2012-0717). In 2013, the Corporate Secretariat has established a benchmark set of Model Governance Documents and Evaluation Framework that will form the underpinning of the ongoing work of the Corporate Secretariat. The FTE and operating budget will be used to staff and support the function of a Corporate Secretariat, and provide funds for consulting services.

This ongoing work is aligned with Council's Fiscal Plan objective of becoming a more effective and disciplined organization by increasing transparency and accountability in the oversight of The City's wholly-owned subsidiaries.

Corporate Administration: Departmental Adjustments

Details of Adjustments to Operating Budget (Non Flood Related)

Adj. #	778 CITY CLERK'S OFFICE	2014 (in \$000s)					
		Expen.	Rec.	Rev	Net	FTEs	
3	Subdivision and Development Appeal Board - Bylaw and Budget Implications	Base	\$284	\$0	(\$9)	\$275	1.0
		One-time	\$21	\$0	\$0	\$21	0.0

For the past several years, meeting the Subdivision and Development Appeal Board's legal obligation to hear appeals within the requirements of the Municipal Government Act and the Land Use Bylaw 1P2007 has required an extra staff member and budget allocations for member remuneration to be exceeded.

Because of the deficit position described above, the increased costs of adequately resourcing the Board and implementing the recommendations of PFC2013-0431 is \$275 thousand over the existing budget. In addition, there are approximately \$21 thousand in one-time expenditures associated with the case management pilot project.

Adj. #	810 LAW	2014 (in \$000s)					
		Expen.	Rec.	Rev	Net	FTEs	
4	Prosecution lawyer	Base	\$0	\$0	\$0	\$0	1.0

The volume of workload flowing through the Prosecution Section has increased due to:

- A decision by Alberta Justice in the last year requiring matters previously heard in the office of the Municipal First Appearance Center now be heard in open court. This change has left the Prosecutions Section unable to adequately cover this requirement and still meet other client needs.
- Tickets being handled in both adult and youth court have more than doubled since 2004 with 8,308 tickets being handled in 2012.
- A number of business units have emphasized the need for enforcement, resulting in increased charges.
- Usage of the traffic court system has grown steadily by 20% in each of the last 4 years. Further, Alberta Justice wishes to decrease time frames between laying charges and first appearances.

A FTE is requested for a lawyer within the Prosecution section. This will be funded by cost savings from reducing one lawyer's hours in another section of the Law Department.

Adj. #	810 LAW	2014 (in \$000s)					
		Expen.	Rec.	Rev	Net	FTEs	
5	Security Architecture & Engineering	Base	\$400	\$0	\$0	\$400	2.0

There is a requirement to have Information Security expertise related to Supervisor Control and Data Acquisition Industrial Control Systems and Intrusion Protection in order to properly architect and secure these systems related to City of Calgary Critical Infrastructure – Water Treatment, Public Safety Communications Dispatch, Traffic Management, Signal Control for Transit. This was a highlighted deficiency in the 2013 network security audit. Additional funding is required.

Corporate Administration: Departmental Adjustments

Details of Adjustments to Operating Budget (Non Flood Related)

Adj. #	781 CHIEF FINANCIAL OFFICER'S DEPARTMENT		2014 (in \$000s)				
			Expen.	Rec.	Rev	Net	FTEs
6	Engage strategy for business planning and budgeting for 2015 - 2018	One-time	\$550	\$0	\$0	\$550	0.0

The fourth cycle of the Business Plan and Budget Program (BPBC4) will be fully underway in early 2014 as all City departments prepare their 2015 - 2018 business plans and budgets for Council approval in 2014 November.

As in previous business plan and budget cycles, Council has directed Administration to prepare an engagement strategy to obtain stakeholder input. Administration brought forth an engagement strategy aimed at 'continuing the conversation' with Calgarians with a focus on an open and transparent government by providing Calgarians with the opportunity to describe 'how' they want their services delivered.

During the 2014 budget adjustment deliberations in 2013 November, Council approved Option C (Consult), the comprehensive, inclusive, outcome-based engagement strategy, as well as the associated one-time funding in the amount of \$550 thousand, to be drawn from the Fiscal Stability Reserve (FSR).

Details of Adjustments to Operating Budget (Flood Related)

Adj. #	810 LAW		2014 (in \$000s)				
			Expen.	Rec.	Rev	Net	FTEs
7	Insurance premium increase	One-time	\$2,500	\$0	\$0	\$2,500	0.0

Category #2: Protects key vulnerable areas or populations.

The City has made a claim in excess of \$144 million against external property insurance policy coverage for damages sustained to insured buildings as a result of the June flood. Insurance markets have indicated that rates will increase in upcoming years given large flood claims. These increases in premium costs will start in 2014, and are estimated at a \$2.5 million base increase. The increased premiums will be funded through the FSR on a one-time basis in 2014, while more definitive cost estimates and funding strategies are developed.

Adj. #	810 LAW		2014 (in \$000s)				
			Expen.	Rec.	Rev	Net	FTEs
8	Insurance claim submission support	One-time	\$250	\$0	(\$250)	\$0	0.0

Category #2: Protects key vulnerable areas or populations

Given the size and scope of the insurance claim that is being presented to the insurers arising from the June flood, The City will need to secure external professional expertise to assist with producing and certifying the particulars of The City's property and business interruption claims. This will ensure that the claim against the insurance policy is comprehensive with a view to ensuring recovery of all benefits available under the policy. The costs incurred for professional fees are recoverable under the City's insurance policy up to \$250 thousand.

Corporate Administration: Departmental Adjustments

Adj. #	810 LAW		2014 (in \$000s)				
			Expen.	Rec.	Rev	Net	FTEs
9	Legal Division Staffing Resilience	One-time	\$35	\$0	\$0	\$35	0.0

Category #4: Protects key vulnerable areas or populations

During the 2013 flood event the Legal Services Division's lack of information technology and preparedness resulted in deficiencies in the division's ability to respond to the emergency situation. Insufficient numbers of staff had access to City systems, preventing access to Legal Services Division matters, documents and files. This did not allow the Division to both respond to the emergency and continue to protect The City's interest adequately on existing matters and caused problems in communicating effectively with staff. A number of legal staff do not have devices as basic as a smartphone to access standard E-mail accounts. To remedy this additional hardware such as smartphones and laptop computers will be purchased. The new hardware will be deployed in the most effective manner as can be funded by realignment of the expense items from within the Law Department budget to cover the monthly charges of deployment.

Flood Recovery Task Force Categories

- Category 1
- Category 2
- Category 3
- Category 4

Corporate Administration: Departmental Adjustments

Summary: Adjustments to Operating Budget Approved by Council

	Prog. #	Adj. #	Page #	2014				FTEs
				Expen.	Rec.	Rev.	Net	
				(\$000s)				
Department Budget as Approved*				134,656	(51,702)	(14,070)	68,884	709.7
Chief Financial Officer's Department	781							
Non-flood: One-time		6	85	550	0	0	550	0.0
Reductions				(288)	0	0	(288)	0.0
City Manager's Office	775							
Non-flood: Base		2	83	500	0	0	500	1.0
Reductions				(54)	0	0	(54)	0.0
City Clerk's Office	778							
Non-flood: Base		3	84	284	0	(9)	275	1.0
Non-flood: One-time		3	84	21	0	0	21	0.0
Reductions				(97)	0	0	(97)	0.0
Law	810							
Non-flood: Base		4, 5	84	400	0	0	400	3.0
Flood: One-time		7, 8, 9	85-86	2,785	0	(250)	2,535	0.0
Reductions				(114)	0	0	(114)	0.0
Non-flood Adjustments				1,755	0	(9)	1,746	5.0
Flood Adjustments				2,785	0	(250)	2,535	0.0
Reductions				(553)	0	0	(553)	0.0
Approved Budget as Adjusted				138,643	(51,702)	(14,329)	72,612	714.7

* As at 2013 September 30

Approved by Council

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Civic Partners: Departmental Adjustments

Details of Adjustments to Operating Budget (Non-Flood Related)

Adj. #	449 CIVIC PARTNERS	One-time	2014 (in \$000s)				
			Expen.	Rec.	Rev	Net	FTEs
1	Heritage Park 50th Anniversary Project		\$683	\$0	\$0	\$683	0.0

As per Council approved Notice of Motion (NM2013-17), Heritage Park is requesting one-time funding of \$683 thousand to support their 50th Anniversary Project in 2014. This request will support cultural tourism, culture product development, festival events, and marketing for Calgary and surrounding region.

Adj. #	449 CIVIC PARTNERS	One-time	2014 (in \$000s)				
			Expen.	Rec.	Rev	Net	FTEs
2	EPCOR Centre for the Performing Arts (EPCOR Centre) One-Time Funding Request		\$315	\$0	\$0	\$315	0.0

In 2013, the Government of Alberta announced the elimination of the Major Facilities Operating Grant. Operating grants help ensure that non-profit resident companies can access the facility at a reasonable cost. The elimination of this grant puts the ongoing sustainability of the EPCOR Centre and its resident companies at risk. The \$315 thousand one-time request will help offset the impact of the grant reduction through 2014.

Adj. #	449 CIVIC PARTNERS	One-time	2014 (in \$000s)				
			Expen.	Rec.	Rev	Net	FTEs
3	Tourism Calgary/Calgary Sport Tourism Association One-Time Funding Request		\$150	\$0	\$0	\$150	0.0

In 2013 May, the Calgary Hotel Association (CHA) announced its intention to discontinue funding Tourism Calgary and moved towards a Request For Proposal (RFP) process for marketing Calgary's leisure, sport and major events. Consequently, Tourism Calgary and Calgary Sport Tourism Association are requesting the one-time budget increase of \$150 thousand to maintain current operations and aggressively pursue opportunities that will continue showcasing Calgary as a major tourist destination.


Details of Adjustments to Operating Budget (Flood Related)


Adj. #	449 CIVIC PARTNERS	One-time	2014 (in \$000s)				
			Expen.	Rec.	Rev	Net	FTEs
4	Talisman Business Continuity Funding		\$520	\$0	(\$520)	\$0	0.0

Category #3 - Restores critical infrastructure or key operations

The Talisman Centre sustained significant damages to the electrical and mechanical infrastructure. This budget adjustment will cover lost revenue due to closure of the aquatics area. It is anticipated that lost revenue will be recovered from the business continuity insurance program.

Flood Recovery Task Force Categories

Category 1 

Category 2 

Category 3 

Category 4 

Civic Partners: Departmental Adjustments

Summary: Adjustments to Operating Budget Approved by Council

	Prog. #	Adj. #	Page #	2014				FTEs
				(\$000s)				
				Exp.	Rec.	Rev.	Net	
Department Budget as Approved*				76,423	(376)	0	76,047	3.0
Civic Partners	449							
Non-flood: One-time		1, 2, 3	89	1,148	0	0	1,148	0.0
Flood: One-time		4	89	520	0	(520)	0	0.0
Reductions				(610)	0	0	(610)	0.0
Non-flood Adjustments				1,148	0	0	1,148	0.0
Flood Adjustments				520	0	(520)	0	0.0
Reductions				(610)	0	0	(610)	0.0
Approved Budget as Adjusted				77,481	(376)	(520)	76,585	3.0

* As at 2013 September 30

Approved by Council

Civic Partners: Departmental Adjustments

Flood Adjustments to Capital Budget Approved by Council

Adj. #	Talisman Centre	Civic Partners	Program/Project #		Previously Approved for 2013	2014 Capital Budget Request	Preliminary Budget Required for Future Years	Total
			956	001				
5								
Project Category		Project in Progress						
Project Type		Maintenance						
ROC Category		Category #3: Restores critical infrastructure or key operations						
Asset Location		Talisman Centre - Macleod Trail South			(\$000s)			
Expected Funding Source		Insurance			\$7,300	\$2,700	\$0	\$10,000
<p>The Talisman Centre sustained significant damage to the electrical and mechanical infrastructure. Repairs or replacement of damaged infrastructure including the HVAC and electrical panels and components are required. It is anticipated that the damage will be recoverable through insurance.</p>								

Adj. #	Calgary Public Library	Civic Partners	Program/Project #		Previously Approved for 2013	2014 Capital Budget Request	Preliminary Budget Required for Future Years	Total
			956	002				
6								
Project Category		Project in Progress						
Project Type		Maintenance						
ROC Category		Category #3: Restores critical infrastructure or key operations						
Asset Location		Central Library - located on Macleod Trail SE and 7th Avenue			(\$000s)			
Expected Funding Source		Insurance			\$6,500	\$1,500	\$0	\$8,000
<p>Extensive damage to lower level including electrical, elevators and contents of Central Library. Demolition of basement. Repair of electrical, fire alarms, equipment and elevators. Re-construction of basement. Restoration or replacement of damaged contents.</p>								

Flood Recovery Task Force Categories

Category 1

Category 2

Category 3


Category 4

Civic Partners: Departmental Adjustments

Flood Adjustments to Capital Budget Approved by Council

Adj. #	Calgary Zoo Buildings	Civic Partners	Program/Project #		Previously Approved for 2013	2014 Capital Budget Request	Preliminary Budget Required for Future Years	Total
			956	003				
7								
Project Category		Project in Progress						
Project Type		Maintenance						
ROC Category		Category #3: Restores critical infrastructure or key operations						
Asset Location		Flood Fringe						
Expected Funding Source		Insurance						
					(\$000s)			
					\$31,600	\$4,200	\$0	\$35,800
<p>Funding for damaged building and contents. Demolition of damage caused by flooding in approximately 40 buildings at the Calgary Zoo. Construction to repair and restore 38 buildings and demolish two buildings. Replacement of damaged contents. Scope of work reimbursable by insurance.</p>								

Flood Recovery Task Force Categories

Category 1 

Category 2 

Category 3 

Category 4 

Civic Partners: Departmental Adjustments

Summary: Flood Adjustments to Capital Budget

Adj. #	Program -Project	Project Name	Cat**	Prev. Approved Budget up to 2013	Approved Budget for 2014-2018	Approved Adjustment	2014	2015	2016	2017	2018	Total	
							(\$000s)						
Department Budget as approved *							124,597	55,000	0	0	0	179,597	
Civic Partners	5	91	956-001	Talisman Centre	A	7,300	0	2,700	2,700	0	0	0	2,700
	6	91	956-002	Calgary Public Library	A	6,500	0	1,500	1,500	0	0	0	1,500
	7	92	956-003	Calgary Zoo Buildings	A	31,600	0	4,200	4,200	0	0	0	4,200
Total Approved Budget Adjustments (Flood)								8,400	0	0	0	0	8,400
Approved Budget as Adjusted (Non-flood and Flood)								132,997	55,000	0	0	0	187,997

* As at 2013 September 30

** A = Project in Progress

Approved by Council

Note: Council approval is only for the 2014 capital budget requests for flood-related projects
Civic Partners have no non-flood capital budget adjustment

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Calgary Parking Authority: Adjustments

Adjustments to the Performance Targets Approved by Council

Adj. #	Measure	Existing Target		New Target	
		2013	2014	2013	2014
1	Contribution to The City of Calgary including municipal taxes (000's)	\$25,324	\$24,442	\$27,203	\$27,364

Targets increased due to higher activity levels and increased number of paid on-street spaces.

Adj. #	Measure	Existing Target		New Target	
		2013	2014	2013	2014
2	Customer complaints per annum (ParkPlus) % of total call volume	5,065 n/a	4,865 n/a	5,820 9%	6,000 9%

The 2012 actual ParkPlus customer complaints was 8,745 (14% of total customer contacts). The target for 2014 is based on a higher volume of calls due to a larger population base, but a reduced number of customer complaints by percentage of calls.

Adj. #	Measure	Existing Target		New Target	
		2013	2014	2013	2014
3	% share of market (off-street) % average price below market	-	-	15% 16%	14% 20%

The Calgary Parking Authority (CPA) share of the off-street (surface lots and parkades) market is currently 15% and may decrease as more inventory is added with new developments. The off-street parking price rates established by CPA are based on market prices less 15-20%.

Adj. #	Measure	Existing Target		New Target	
		2013	2014	2013	2014
4	% of customers paying other than coin	-	-	76%	78%

As CPA increases payment options for customer convenience (i.e. cellphone accounts, text-to-park, credit card), the percentage of customers paying for parking by other options other than coin increases. In 2012, the percentage was 71% compared to the current projected for 2013 of 76% on an average per annum total number of transactions of six million.

Approved by Council

Calgary Parking Authority: Adjustments

Adjustments to the Performance Targets Approved by Council

Adj. #	Measure	Existing Target		New Target	
		2013	2014	2013	2014
5	Customer complaints per pay machine	-	-	4.5	4.0

CPA strives to resolve customer concerns for pay machines (i.e. website login concern, no receipt at the pay machines, coins not recognized, etc.). The 2012 actual was an average of 9.5 issues per pay machine.

Adj. #	Measure	Existing Target		New Target	
		2013	2014	2013	2014
6	# of payment tags (ParkPlus) % of on-street payment compliance	-	-	110,570 86%	125,000 87%

CPA seeks compliance rather than enforcement by tag or tow. There are lower tags in 2013 primarily due to the flood.

Details of Adjustments to Operating Budget (Non Flood Related)

Adj. #	104 CALGARY PARKING AUTHORITY	2014 (in \$000s)				
		Expen.	Rec.	Rev	Net	FTEs
7	Base	\$1,050	\$0	(\$1,050)	\$0	3.0

The adjustment in expenditures is to provide for base funding to market the ParkPlus system and additional positions to develop customer service depth in the organization as the Calgary Parking Authority continues to grow its business. There is also an adjustment to employee benefits as the Calgary Parking Authority will be contributing a greater percentage in addition to exploring other employee wellness and benefits programs.

The adjustment in revenue is mainly due to a projected increased activity in hourly and monthly revenues. The adjustment of 3.0 FTE is required for a ParkPlus Information Technology Supervisor, an Administrative Assistant and a Payroll Coordinator position. The Calgary Parking Authority reduced its FTE by 10 budgeted positions in 2012. Additional positions are required in 2014 for effective business continuity.

The Calgary Parking Authority Board has approved the 2014 budget adjustments and they are provided to Council for final approval.

Approved by Council

Calgary Parking Authority: Adjustments

Summary: Adjustments to Operating Budget Approved by Council

	Prog. #	Adj. #	Page #	2014				FTEs
				Expen.	Rec.	Rev	Net	
Calgary Parking Authority Budget as Approved*				50,609	0	(75,825)	(25,216)	80.0
Calgary Parking Authority Non-Flood: base	104	7	96	1,050	0	(1,050)	0	3.0
Non-Flood Adjustments				1,050	0	(1,050)	0	3.0
Approved Budget as Adjusted				51,659	0	(76,875)	(25,216)	83.0

*As at 2013 September 30

 Approved by Council

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Corporate Programs: Adjustments

Details of Adjustments to Operating Budget (Non-Flood Related)

Adj. #	857 FRANCHISE FEES		2014 (in \$000s)				
			Expen.	Rec.	Rev	Net	FTEs
1	Increase in franchise fees revenue	Base	\$0	\$0	(\$3,000)	(\$3,000)	0.0

Higher utility franchise fee revenue due to forecasted higher prices (\$3 million).

Adj. #	860 GENERAL REVENUE		2014 (in \$000s)				
			Expen.	Rec.	Rev	Net	FTEs
2	Net increase in debt management fees	Base	\$0	\$0	(\$168)	(\$168)	0.0

Higher Enmax debt management fee revenue of \$342 thousand partially offset mainly by lower Calgary Municipal Land Corporation debt management fee revenue of \$174 thousand. The net adjustment is an increase to revenue of \$168 thousand.

Adj. #	860 GENERAL REVENUE		2014 (in \$000s)				
			Expen.	Rec.	Rev	Net	FTEs
3	Transfer from the Fiscal Stability Reserve to fund one-time expenditures	One-time	\$0	\$0	(\$2,119)	(\$2,119)	0.0

One-time adjustment is due to draws from the Fiscal Stability Reserve (FSR) of \$2.1 million to fund the following one-time expenditures: Heritage Park 50th Anniversary Project (\$683 thousand), Calgary Poverty Reduction Initiative (\$400 thousand), EPCOR Centre for the Performing Arts (\$315 thousand), Tourism Calgary/Calgary Sport Tourism Association (\$150 thousand), Subdivision & Development Appeal Board (\$21 thousand) and Business Planning & Budget Coordination (BPBC4) for engagement (\$550 thousand) .

Adj. #	858 INVESTMENT INCOME & FINANCIAL CHARGES		2014 (in \$000s)				
			Expen.	Rec.	Rev	Net	FTEs
4	Higher income due to increase in principal balances	Base	\$0	\$0	(\$1,400)	(\$1,400)	0.0

Increase in investment income due to an increase in investment principal balances (\$1.4 million).

Corporate Programs: Adjustments

Details of Adjustments to Operating Budget (Non-Flood Related)

Adj. #	856 TAXATION		2014 (in \$000s)				
			Expen.	Rec.	Rev	Net	FTEs
5	Reduction in taxation revenue	Base	\$0	\$0	\$12,313	\$12,313	0.0
Adjustment reflects growth in the business assessment base of \$1.8 million and taxation revenue reduced by \$14.1 million to reflect Council's changes during 2014 Business Plans and Budget Adjustments deliberations.							

Adj. #	856 TAXATION		2014 (in \$000s)				
			Expen.	Rec.	Rev	Net	FTEs
6	One-time 2014 Property Tax Room Rebate	One-time	\$0	\$0	\$52,115	\$52,115	0.0
One-time 2014 Property Tax Room Rebate, offset in Capital Financing Costs program 840.							

Adj. #	840 CAPITAL FINANCING COSTS		2014 (in \$000s)				
			Expen.	Rec.	Rev	Net	FTEs
7	Debt payments for recreation facilities offset by contributions from the Community Investment Reserve (CIR).	Base	\$17,004	\$0	(\$16,780)	\$224	0.0
Principal and interest debt payments of \$16.8 million for four recreation facilities offset by the contributions of \$16.8 million from the Community Investment Reserve (CIR) as per Council approval C2012-10. Higher contribution to the Lifecycle Maintenance & Upgrade Reserve (LMUR) of \$224 thousand due to higher property tax revenue.							

Adj. #	840 CAPITAL FINANCING COSTS		2014 (in \$000s)				
			Expen.	Rec.	Rev	Net	FTEs
8	One-time 2014 Property Tax Room Rebate	One-time	(\$52,115)	\$0	\$0	(\$52,115)	0.0
One-time 2014 Property Tax Room Rebate, offset in Taxation program 856.							

Adj. #	861 CORPORATE COSTS		2014 (in \$000s)				
			Expen.	Rec.	Rev	Net	FTEs
9	A Council-approved reduction offset by higher utility costs	Base	(\$619)	\$0	\$0	(\$619)	0.0
Adjustment reflects a Council-approved reduction, offset by higher utility costs.							

Corporate Programs: Adjustments

Details of Adjustments to Operating Budget (Flood Related)

Adj. #	860 GENERAL REVENUE		2014 (in \$000s)				
			Expen.	Rec.	Rev	Net	FTEs
10	Transfer from the Fiscal Stability Reserve to fund one-time expenditures	One-time	\$0	\$0	(\$3,347)	(\$3,347)	0.0

One-time adjustment is due to draws from the Fiscal Stability Reserve (FSR) of \$3.3 million to fund the following one-time expenditures: Insurance Premium (\$2.5 million), Shouldice Park Turf Lost Revenue (\$300 thousand), Legal Division Staffing Resilience (\$35 thousand) and Water Resources drainage (\$512 thousand).

Corporate Programs: Adjustments

Summary: Adjustments to Operating Budget Approved by Council

	Prog. #	Adj. #	Page #	2014				FTEs
				Expen.	Rec.	Rev.	Net	
Corporate Programs Budgets as Approved*				561,180	(2,936)	(2,065,490)	(1,507,246)	0.0
Franchise Fees	857							
Non-flood: Base		1	99	0	0	(3,000)	(3,000)	0.0
General Revenue	860							
Non-flood: Base		2	99	0	0	(168)	(168)	0.0
Non-flood: One-time		3	99	0	0	(2,119)	(2,119)	0.0
Flood: One-time		10	101	0	0	(3,347)	(3,347)	0.0
Investment Income & Financial Charges	858							
Non-flood: Base		4	99	0	0	(1,400)	(1,400)	0.0
Taxation	856							
Non-flood: Base		5	100	0	0	(606)	(606)	0.0
Non-flood: One-time		6	100	0	0	52,115	52,115	0.0
Reductions		5	100	0	0	12,919	12,919	0.0
Capital Financing Costs	840							
Non-flood: Base		7	100	17,004	0	(16,780)	224	0.0
Non-flood: One-time		8	100	(52,115)	0	0	(52,115)	0.0
Corporate Costs	861							
Non-flood: Base		9	100	3,000	0	0	3,000	0.0
Reductions		9	100	(3,619)	0	0	(3,619)	0.0
Non-flood Adjustments				(32,111)	0	28,042	(4,069)	0.0
Flood Adjustments				0	0	(3,347)	(3,347)	0.0
Reductions				(3,619)	0	12,919	9,300	0.0
Approved Budget as Adjusted				525,450	(2,936)	(2,027,876)	(1,505,362)	0.0

* As at 2013 September 30

Approved by Council

Council: Departmental Adjustments

Summary: Adjustments to Operating Budget Approved by Council

	Prog. #	Adj. #	Page #	2014				FTEs
				(\$000s)				
				Expen.	Rec.	Rev.	Net	
Department Budget as Approved*				11,831	(76)	0	11,755	62.0
Audit Committee Reductions	835			(6)	0	0	(6)	0.0
City Auditor's Office Reductions	790			(18)	0	0	(18)	0.0
Mayor's Office Reductions	834			(14)	0	0	(14)	0.0
Office of the Councillors Reductions	836			(56)	0	0	(56)	0.0
Reductions				(94)	0	0	(94)	0.0
Approved Budget as Adjusted				11,737	(76)	0	11,661	62.0

* As at 2013 September 30

 Approved by Council

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Financing and Funding Strategy

INTERIM AND PERMANENT FINANCING AND FUNDING STRATEGY

Background

This attachment on Administration's proposed financing and funding strategy for flood-related operating and capital expenditures was brought forward for Council's consideration at the 2014 budget deliberations. Details of Administration's recommendations, including what was and was not subsequently approved by Council, is provided here. The recommendations approved by Council are highlighted within a blue box. In summary, Recommendations #1 and #3 were approved by Council. New Council-approved motions which respond to Recommendation #4 are also provided below.

The City's financial resources and availability of reserves are identified as funding options. The funding solution for the immediate 2013 flood operating expenditures is provided. For capital expenditures, a summary of the interim financing and funding solutions is provided. These solutions are necessary to mitigate the funding gap caused by timing issues, as The City awaits third party funding from external sources such as insurance and Provincial Disaster Recovery Program (DRP) support. Administration also identifies and recommends long term or permanent funding sources for capital, coming from reserves and other sources that require Council approval. In addition, the Table on page 110 provides an illustration of the flood related capital requests (adjustments), recommended and adjusted financing and funding sources and their recommendation sequence.

Normally, Administration would identify the appropriate funding sources by program and projects and obtain Council approval before undertaking any respective operating or capital expenditures. However, this was not possible, as emergency expenses and urgent capital goods and infrastructure repair needed to proceed immediately which impacted both operating and capital budgets. Identifying the exact funding sources for the flood-related capital projects is even more difficult as The City relies on substantial funding from external third parties (insurance and DRP) which may take years to finalize.

Interim Financing Resources Available

Due to prudent financial management The City has built up significant operating and capital reserves (\$1.298 billion), as well as holding capital deposits (\$687 million), and funding employee benefit liabilities (\$362 million). As a result, The City has substantial financial assets and a healthy working capital position with adequate cash and liquidity available to bridge a funding shortfall while waiting for funds from third parties. The investments related to these reserves and liabilities will be used to fund future obligations, capital projects, and provide contingencies against unexpected events. A significant portion of these reserves and liabilities are not required in the short term and will be used to interim finance current operating or capital expenditure requirements.



Financing and Funding Strategy

Operating Budget

Regarding the 2013 operating budget, the unplanned flood expenses incurred are currently projected to be recoverable from third parties or partly funded by a favourable non-flood related 2013 operating surplus. The best estimate on the incremental operating cost relating to the flood, as of 2013 July 31, is \$55 million. The City anticipates recovering the majority of the cost from third parties. Any unfunded portion would be covered firstly by any year-end operating surplus and the remainder by the FSR. The FSR is designed to fund operational emergencies, urgent capital expenditures, unplanned revenue reductions and is available for contingency purposes. The current FSR balance of \$295 million is 12% compared to Council target of a minimum balance of 5% of The City's tax-supported gross expenditures (net of recoveries), but below the target of 15%. Using the FSR to fund flood related capital expenditures is discussed in the next section.

The 2014 flood related operating budget requests will be included in the 2014 budget adjustment process.

Capital Budget

Interim Financing Strategy

A significant portion of the unplanned capital expenditures resulting from the 2013 flood are expected to be recoverable from third parties. However, interim funding gaps will occur, as City spending precedes the receipt of funding from insurance and the DRP. To date \$182.4 million of capital expenditures have been approved (including \$95.6 million approved by Council on 2013 September 16).

As previously discussed, given The City's strong financial position, utilizing some of The City's liquidity for interim financing will not in any way jeopardize or adversely impact the cash needed to meet The City's ongoing operations and financial obligations. Using our liquidity to fund internally is a flexible and cost effective approach. While The City's significant investment portfolio supports The City's AA+ credit rating, it is unlikely that a temporary modest reduction of investments to bridge finance contingencies will negatively impact our credit rating. Moreover, given the dollar amount of bridge funding that might be required and the low level of interest rates in Canada, the reduction in investment income in the operating budget would not be material; likely less than \$1 million and has been reflected in the 2014 outlook.

Also, it should be noted, to date The City has received \$50 million advance from insurance and \$63 million advance from the Province. Administration continues to press for more advances from third parties and will advise Council of any subsequent new information. Advances received will be used to interim finance until the full funding is received. These interim advances will reduce the need for interim financing using City liquidity.

Recommendation #1 (approved): That Council approve the Administration utilizing working capital investments to bridge finance capital expenditures, until the sources of permanent funding amounts are determined.



Financing and Funding Strategy

Permanent / Long Term Financing and Funding Strategies

The Flood Recovery Task Force has been refining the master list for the flood related capital projects and cost estimates (the Table) including resiliency and betterment aspects of the projects, which has been challenging given the magnitude and complexity of assets and infrastructure impacted by the flood. It is anticipated that a significant portion of the permanent funding for flood related capital projects will come from insurance proceeds and the DRP. However a funding shortfall is expected and needs to be addressed. Different financing and funding strategies will be needed for capital projects depending on whether the projects are tax supported or utilities as discussed below.

A) 2013 - \$52 million tax room: This funding was previously approved by Council for funding capital flood related expenditures at the 2013 July 29 meeting of Council (Report – Green Sheet, Re: Flood Relief and Recovery Fund [Mayor Nenshi], Recommendation 2 - That was to allocate money to flood relief for City and Civic Partners not covered by insurance or provincial and federal governments). Council also authorized Administration, in Recommendation 3, “additional use of these funds for bridge financing purposes for flood relief and recovery expenses, if needed”. Recommendation 4 further directed Administration to “utilize surplus funds from this \$52 million, if any, on betterment of disaster mitigation and prevention infrastructure (e.g. “hardening” city assets against natural disaster, moving critical infrastructure to higher ground, strengthening the capacity of the Emergency Operations Centre)”.

All of these funds are forecast to be used on recovery and repair projects. There is not anticipated to be any additional capacity within this amount for other purposes. The City will not have additional clarity on this situation until insurance and Provincial Disaster Recovery Program support are resolved.

B) Debt: This funding source is not recommended for tax supported flood related capital projects. Flood related capital projects within utilities operations not funded from insurance proceeds or DRP will create a residual capital shortfall, requiring additional funding sources. Utilities recovery efforts include some resiliency projects. Consistent with current practice relating to utilities capital projects, the Utility Sustainment Reserve and self-supported debt can be utilized for this purpose, recovered through future utility rates. Recovery of these additional costs will likely result in higher current and future utility rates.

Recommendation #2 (not approved): That Council approve the Administration utilizing utility reserves or self-supported debt to fund the residual capital funding shortfalls for flood related utility capital projects.

Financing and Funding Strategy

- C) FSR:** Given the uncertainty surrounding both the capital expenditure requirements and the amount of ultimate funding from external third parties, other permanent funding sources need to be identified to fund residual tax supported flood related capital projects funding shortfalls.

The FSR is designed to fund operational emergencies, urgent capital expenditures, unplanned revenue reductions and is available for contingency purposes. The FSR is required to have a minimum balance of 5% of The City's tax-supported gross expenditures (net of recoveries) which equates to \$130 million and has a current balance of \$295 million. Therefore, it is judged that \$100 million could be utilized for flood-related projects, resulting in the FSR reaching a balance of \$195 million or 7.5% of tax-supported gross expenditures net of recoveries. The 7.5% ratio represents one half of the reserve's target balance set at 15% which still leaves a healthy balance to finance future contingencies if required. Any requirement above this level would require Council approval.

Recommendation #3 (approved): That Council approve the Administration utilizing as required, the Fiscal Stability Reserve to fund the residual tax supported flood related capital projects funding shortfalls to a maximum of \$100 million.

- C) Reserve for Future Capital (RFC).** It should be noted that Administration is not recommending the use of the RFC as a funding source. As per FCS2011-34, the RFC target balance for contingency purpose is 10% of previous year's capital spending less Municipal Sustainability Initiatives (MSI) and self funded capital projects. Based on approved direction the targeted minimum balance for 2013 is 10% or \$46.6 million. Currently the uncommitted reserve balance is \$88.4 million which is modestly higher at an additional \$41.8 million. The target level can change significantly year to year and the uncommitted funds in the RFC are needed to address unforeseen cost escalation, changes to project scope, project contingency, etc, relating to current approved capital projects and unforeseen new capital projects or new emerging needs.

The financing and funding strategies address the funding requirement for 2013, 2014 and future years for flood related capital projects based on the cash-flows identified in the Adjustments Report. Going forward it is prudent and imperative that any future requests for capital project appropriations or increases to existing capital project appropriation will be required to identify and secure a source of funding before seeking Council approval. This will help to remove uncertainty regarding the funding sources for any future capital requirements.

- D) 2014 - \$52 million tax room:** In Mayor Nenshi's Motion, Green Sheet, Re: Flood Relief and Recovery Fund, Council, Recommendation 6, "Directed Administration to bring a report to the Budget Adjustments in November 2013 with proposals, if needed, for the \$52 million in the 2014 tax room to be used for flood recovery, mitigation and prevention." This amount is being recommended by Administration as a source of funding for resiliency and betterment aspects of the projects rather than current flood recovery capital projects. Resiliency and betterment enhance capacity or strength of infrastructure and assets reducing the risk that The City will be significantly impacted by another future flood event.

Financing and Funding Strategy

The Flood Recovery Task Force continues to implement the deliverables contained within the 2013 Flood Recovery Framework including aligning The City's effort with other levels of government, community partners and citizens to fully understand the impacts of the flood to leverage opportunities to build resilience. At its provincial symposium held 2013 October 4, the Government of Alberta communicated an aggressive Comprehensive Flood Mitigation Strategy of which individual households, municipalities and other levels of government are considered partners in ensuring community preparedness and public resiliency. More information on resiliency is available in the companion report from the ROC.

Administration is seeking Council direction to use the tax room for 2014 for resiliency and betterment projects, and not on recovery or repair projects. The current tax-supported capital estimates do not include any resiliency work. Administration is not recommending using any of the 2014 tax room to fund any specific projects at this time, pending Council approval. If Council approved, Administration will come forward in 2014 and beyond with specific projects that meet resiliency requirements. In the meantime, these funds will be held in reserves pending Council approvals.

Recommendation #4 (not approved): That Council approve utilizing the \$52 million tax room, in 2014 only, to finance tax-supported resiliency projects and that the amount be transferred to the Lifecycle Maintenance and Upgrade Reserve - Resiliency - for future use as approved by Council.

Council approved the following motions for the use of the \$52 million tax room in 2014 and in the future:

- (i) The unallocated \$52 million in tax room for 2014 be allocated for a tax rebate to residential and non-residential taxpayers, to be shown as a separate line item on the 2014 property tax bill;
- (ii) The \$52 million in tax room for 2015 to 2024 be used to create a dedicated transit fund (the "Green Line Fund") to build the Green Line transitway in both North Central and Southeast Calgary as described in Calgary Transit's *RouteAhead* plan, so that other sources of funding can be used for other *RouteAhead* priorities;
- (iii) The Administration be authorized to use the Green Line Fund as matching funds for future provincial and/or federal transit funding that is specifically dedicated to the Green Line;
- (iv) The Administration use existing sources of working capital as a source of bridge financing for the Green Line Fund, should cash flows to the fund not match expenditures for the construction of the Green Line; and
- (v) The Administration return to Council through the SPC on Transportation and Transit with a detailed workplan for this new transit fund no later than Q3 2014.

Financing and Funding Strategy

Table – Flood Related Capital Project Adjustments and Permanent Funding Solutions

While The City awaits third party funding from external sources such as insurance and Provincial Disaster Recovery Program (DRP) support, Administration has identified long term or permanent funding sources for flood related capital projects including some resiliency projects, in the Utilities area only.

The table below provides an illustration of the total flood related capital adjustments, the recommended permanent funding sources and the sequence on the application of the funds. Including the 2014 and future year capital requests the total adjustment amounts to \$445 million; tax supported operations \$270 million and \$175 million for utilities.

Activity	Tax Supported	Utilities (\$millions)	Total
Flood Related Capital Project Cost	\$270	\$175	\$445
Application of Funding Sources :			
Third Parties - Insurance and DRP	212	107	319
2013 Tax Room			
- Recovery and Repair Projects (excludes resiliency projects)	52	0	52
Self Supported Debt - See Note 1			
- Recovery and Repair Projects (includes some resiliency projects)	0	48	48
Fiscal Stability Reserve	6	19	25
Utilities Sustainment Reserve		1	1
Total Funding	\$270	\$175	\$445

Note 1 – Utilities project expenditures include \$13 million for soil erosion which is to be recovered from the Provincial Erosion Program.

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Schedule 1:

Operating Budget Summary by Department (\$000s)

Department	Approved 2013 Budget	Previously Approved 2014 Budget	Approved 2014 Adjustments - Non-Flood		Approved 2014 Adjustments - Flood		Approved 2014 Adjustments - Reductions		Approved 2014 Adjustments		Approved 2014 Budget
			\$	%	\$	%	\$	%	\$	%	
COMMUNITY SERVICES & PROTECTIVE SERVICES											
Expenditures	512,012	516,499	2,970	0.6 %	0	0.0 %	(3,162)	(0.6)%	(192)	(0.0)%	516,307
Recoveries	(14,142)	(14,142)	0	0.0 %	0	0.0 %	0	0.0 %	0	0.0 %	(14,142)
Revenues	(107,084)	(108,268)	(170)	0.2 %	300	(0.3)%	0	0.0 %	130	(0.1)%	(108,138)
Net Budget	390,786	394,089	2,800	0.7 %	300	0.1 %	(3,162)	(0.8)%	(62)	(0.0)%	394,027
FTEs	3,300.3	3,346.3	1.0	0.0 %	0.0	0.0 %	0.0	0.0 %	1.0	0.0 %	3,347.3
CORPORATE SERVICES											
Expenditures	485,866	500,779	0	0.0 %	0	0.0 %	(1,650)	(0.3)%	(1,650)	(0.3)%	499,129
Recoveries	(256,121)	(265,505)	0	0.0 %	0	0.0 %	400	(0.2)%	400	(0.2)%	(265,105)
Revenues	(74,831)	(79,373)	0	0.0 %	0	0.0 %	0	0.0 %	0	0.0 %	(79,373)
Net Budget	154,914	155,901	0	0.0 %	0	0.0 %	(1,250)	(0.8)%	(1,250)	(0.8)%	154,651
FTEs	1,580.4	1,578.9	0.0	0.0 %	0.0	0.0 %	0.0	0.0 %	0.0	0.0 %	1,578.9
PLANNING, DEVELOPMENT & ASSESSMENT											
Expenditures	119,664	121,680	0	0.0 %	0	0.0 %	(911)	(0.7)%	(911)	(0.7)%	120,769
Recoveries	(6,736)	(6,909)	(2,100)	30.4 %	0	0.0 %	0	0.0 %	(2,100)	30.4 %	(9,009)
Revenues	(72,182)	(76,077)	0	0.0 %	0	0.0 %	600	(0.8)%	600	(0.8)%	(75,477)
Net Budget	40,746	38,694	(2,100)	(5.4)%	0	0.0 %	(311)	(0.8)%	(2,411)	(6.2)%	36,283
FTEs	766.2	769.2	0.0	0.0 %	0.0	0.0 %	0.0	0.0 %	0.0	0.0 %	769.2
TRANSPORTATION											
Expenditures	604,966	611,270	13,920	2.3 %	307	0.1 %	(3,037)	(0.5)%	11,190	1.8 %	622,460
Recoveries	(57,541)	(57,142)	0	0.0 %	0	0.0 %	100	(0.2)%	100	(0.2)%	(57,042)
Revenues	(186,865)	(188,137)	(13,445)	7.1 %	(307)	0.2 %	0	0.0 %	(13,752)	7.3 %	(201,889)
Net Budget	360,560	365,991	475	0.1 %	0	0.0 %	(2,937)	(0.8)%	(2,462)	(0.7)%	363,529
FTEs	3,882.8	3,892.8	65.5	1.7 %	0.0	0.0 %	0.0	0.0 %	65.5	1.7 %	3,958.3
UTILITIES & ENVIRONMENTAL PROTECTION											
Expenditures	663,376	723,001	0	0.0 %	3,090	0.4 %	(2,883)	(0.4)%	207	0.0 %	723,208
Recoveries	(34,927)	(36,158)	0	0.0 %	0	0.0 %	500	(1.4)%	500	(1.4)%	(35,658)
Revenues	(581,381)	(639,110)	0	0.0 %	(2,578)	0.4 %	2,000	(0.3)%	(578)	0.1 %	(639,688)
Net Budget	47,068	47,733	0	0.0 %	512	1.1 %	(383)	(0.8)%	129	0.3 %	47,862
FTEs	1,840.1	1,856.1	0.0	0.0 %	3.0	0.2 %	0.0	0.0 %	3.0	0.2 %	1,859.1

Schedule 1:

Operating Budget Summary by Department (\$000s)

Department	Approved 2013 Budget	Previously Approved 2014 Budget	Approved 2014 Adjustments - Non-Flood		Approved 2014 Adjustments - Flood		Approved 2014 Adjustments - Reductions		Approved 2014 Adjustments		Approved 2014 Budget
			\$	%	\$	%	\$	%	\$	%	
CALGARY POLICE SERVICE											
Expenditures	432,317	444,123	0	0.0 %	0	0.0 %	0	0.0 %	0	0.0 %	444,123
Recoveries	(1,900)	(1,900)	0	0.0 %	0	0.0 %	0	0.0 %	0	0.0 %	(1,900)
Revenues	(93,802)	(94,071)	0	0.0 %	0	0.0 %	0	0.0 %	0	0.0 %	(94,071)
Net Budget	336,615	348,152	0	0.0 %	0	0.0 %	0	0.0 %	0	0.0 %	348,152
FTEs	2,708.0	2,758.0	0.0	0.0 %	0.0	0.0 %	0.0	0.0 %	0.0	0.0 %	2,758.0
CORPORATE ADMINISTRATION											
Expenditures	138,229	134,656	1,755	1.3 %	2,785	2.1 %	(553)	(0.4)%	3,987	3.0 %	138,643
Recoveries	(51,455)	(51,702)	0	0.0 %	0	0.0 %	0	0.0 %	0	0.0 %	(51,702)
Revenues	(15,685)	(14,070)	(9)	0.1 %	(250)	1.8 %	0	0.0 %	(259)	1.8 %	(14,329)
Net Budget	71,089	68,884	1,746	2.5 %	2,535	3.7 %	(553)	(0.8)%	3,728	5.4 %	72,612
FTEs	706.7	709.7	5.0	0.7 %	0.0	0.0 %	0.0	0.0 %	5.0	0.7 %	714.7
CIVIC PARTNERS											
Expenditures	76,651	76,423	1,148	1.5 %	520	0.7 %	(610)	(0.8)%	1,058	1.4 %	77,481
Recoveries	(376)	(376)	0	0.0 %	0	0.0 %	0	0.0 %	0	0.0 %	(376)
Revenues	0	0	0	0.0 %	(520)	0.0 %	0	0.0 %	(520)	0.0 %	(520)
Net Budget	76,275	76,047	1,148	1.5 %	0	0.0 %	(610)	(0.8)%	538	0.7 %	76,585
FTEs	3.0	3.0	0.0	0.0 %	0.0	0.0 %	0.0	0.0 %	0.0	0.0 %	3.0
CORPORATE PROGRAMS -- COMMON REVENUES											
Expenditures	53,500	55,056	0	0.0 %	0	0.0 %	0	0.0 %	0	0.0 %	55,056
Recoveries	(100)	0	0	0.0 %	0	0.0 %	0	0.0 %	0	0.0 %	0
Revenues	(1,897,656)	(1,991,680)	44,822	(2.3)%	(3,347)	0.2 %	12,919	(0.6)%	54,394	(2.7)%	(1,937,286)
Net Budget	(1,844,256)	(1,936,624)	44,822	(2.3)%	(3,347)	0.2 %	12,919	(0.7)%	54,394	(2.8)%	(1,882,230)
FTEs	0.0	0.0	0.0	0.0 %	0.0	0.0 %	0.0	0.0 %	0.0	0.0 %	0.0
CORPORATE PROGRAMS -- CORPORATE COSTS & DEBT SERVICING											
Expenditures	448,625	506,124	(32,111)	(6.3)%	0	0.0 %	(3,619)	(0.7)%	(35,730)	(7.1)%	470,394
Recoveries	(2,908)	(2,936)	0	0.0 %	0	0.0 %	0	0.0 %	0	0.0 %	(2,936)
Revenues	(91,179)	(73,810)	(16,780)	22.7 %	0	0.0 %	0	0.0 %	(16,780)	22.7 %	(90,590)
Net Budget	354,538	429,378	(48,891)	(11.4)%	0	0.0 %	(3,619)	(0.8)%	(52,510)	(12.2)%	376,868
FTEs	0.0	0.0	0.0	0.0 %	0.0	0.0 %	0.0	0.0 %	0.0	0.0 %	0.0

Schedule 1:

Operating Budget Summary by Department (\$000s)

Department	Approved 2013 Budget	Previously Approved 2014 Budget	Approved 2014 Adjustments - Non-Flood		Approved 2014 Adjustments - Flood		Approved 2014 Adjustments - Reductions		Approved 2014 Adjustments		Approved 2014 Budget
			\$	%	\$	%	\$	%	\$	%	
COUNCIL											
Expenditures	11,737	11,831	0	0.0 %	0	0.0 %	(94)	(0.8)%	(94)	(0.8)%	11,737
Recoveries	(72)	(76)	0	0.0 %	0	0.0 %	0	0.0 %	0	0.0 %	(76)
Revenues	0	0	0	0.0 %	0	0.0 %	0	0.0 %	0	0.0 %	0
Net Budget	11,665	11,755	0	0.0 %	0	0.0 %	(94)	(0.8)%	(94)	(0.8)%	11,661
FTEs	62.0	62.0	0.0	0.0 %	0.0	0.0 %	0.0	0.0 %	0.0	0.0 %	62.0
TOTAL CITY											
Expenditures	3,546,943	3,701,442	(12,318)	(0.3)%	6,702	0.2 %	(16,519)	(0.4)%	(22,135)	(0.6)%	3,679,307
Recoveries	(426,278)	(436,846)	(2,100)	0.5 %	0	0.0 %	1,000	(0.2)%	(1,100)	0.3 %	(437,946)
Revenues	(3,120,665)	(3,264,596)	14,418	(0.4)%	(6,702)	0.2 %	15,519	(0.5)%	23,235	(0.7)%	(3,241,361)
Net Budget	0	0	0	0.0 %	0	0.0 %	0	0.0 %	0	0.0 %	0
FTEs	14,849.5	14,976.0	71.5	0.5 %	3.0	0.0 %	0.0	0.0 %	74.5	0.5 %	15,050.5

Approved 2013 Budget reflects removal of Provincial Property Tax requisition of \$636 million.

Approved 2013 Budget and Previously Approved 2014 Budget reflect revisions and adjustments up to 2013 September 30

This summary does not reflect elimination of payments to The City from utilities.

This schedule does not include Calgary Parking Authority or Calgary Housing Company.

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Schedule 2:

Approved 2014 Operating Budget by Business Unit (\$000s)

Department

COMMUNITY SERVICES & PROTECTIVE SERVICES

Community & Neighbourhood Services

Parks

Recreation

Animal & Bylaw Services

Fire

Public Safety Communications

GM - Community Services & Protective Services

TOTAL

CORPORATE SERVICES

Corporate Properties & Buildings

Customer Service & Communications

Fleet Services

Human Resources

Information Technology

Infrastructure & Information Services

Office of Land Servicing & Housing

GM - Corporate Services

TOTAL

PLANNING DEVELOPMENT & ASSESSMENT

Assessment

Development & Building Approvals

Land Use Planning & Policy

GM - Planning Development & Assessment

TOTAL

TRANSPORTATION

Calgary Transit

Roads

Transportation Infrastructure

Transportation Planning

GM - Transportation

TOTAL

	FTEs	Expenditures	Recoveries	Revenues	Net Budget
Community & Neighbourhood Services	284.7	66,127	(6,509)	(28,341)	31,277
Parks	576.0	93,277	(3,280)	(10,025)	79,972
Recreation	560.5	85,508	(2,196)	(39,565)	43,747
Animal & Bylaw Services	158.6	25,736	(1,384)	(6,255)	18,097
Fire	1,469.0	204,888	(773)	(8,658)	195,457
Public Safety Communications	295.5	40,040	0	(15,294)	24,746
GM - Community Services & Protective Services	3.0	731	0	0	731
TOTAL	3,347.3	516,307	(14,142)	(108,138)	394,027
Corporate Properties & Buildings	214.5	65,640	(19,172)	(12,318)	34,150
Customer Service & Communications	158.4	22,030	(3,692)	0	18,338
Fleet Services	224.5	81,804	(82,191)	(2,084)	(2,471)
Human Resources	229.6	37,406	(8,233)	(1,200)	27,973
Information Technology	426.9	99,590	(43,168)	(970)	55,452
Infrastructure & Information Services	269.5	120,813	(103,656)	(1,402)	15,755
Office of Land Servicing & Housing	52.5	71,193	(4,993)	(61,399)	4,801
GM - Corporate Services	3.0	653	0	0	653
TOTAL	1,578.9	499,129	(265,105)	(79,373)	154,651
Assessment	165.2	20,271	0	(2)	20,269
Development & Building Approvals	484.5	79,289	(5,298)	(73,495)	496
Land Use Planning & Policy	107.5	19,269	(2,635)	(1,980)	14,654
GM - Planning Development & Assessment	12.0	1,940	(1,076)	0	864
TOTAL	769.2	120,769	(9,009)	(75,477)	36,283
Calgary Transit	2,889.5	395,282	(8,383)	(177,819)	209,080
Roads	916.8	197,865	(35,729)	(19,797)	142,339
Transportation Infrastructure	54.0	11,918	(11,918)	0	0
Transportation Planning	79.0	14,919	(459)	(4,273)	10,187
GM - Transportation	19.0	2,476	(553)	0	1,923
TOTAL	3,958.3	622,460	(57,042)	(201,889)	363,529

Schedule 2:

Approved 2014 Operating Budget by Business Unit (\$000s)

Department

UTILITIES & ENVIRONMENTAL PROTECTION

Environmental & Safety Management

Waste & Recycling Services

Utilities (Water Resources and Water Services)

GM - Utilities & Environmental Protection

TOTAL

CALGARY POLICE SERVICE

Calgary Police Service

TOTAL

CORPORATE ADMINISTRATION

Chief Financial Officer's Department

City Clerk's Office

City Manager's Office

Law

TOTAL

CIVIC PARTNERS

Civic Partners

TOTAL

CORPORATE PROGRAMS

Common Revenues

Franchise Fees

General Revenue

Investment Income & Financial Charges

Taxation

Subtotal Common Revenues

Corporate Costs & Debt Financing

Capital Financing Costs

Civic & Intergovernmental Affairs

Corporate Costs

Employee Benefits

Gas, Power and Telecom. Committee

Scholarships

Subtotal Corporate Costs & Debt Financing

TOTAL

	FTEs	Expenditures	Recoveries	Revenues	Net Budget
Environmental & Safety Management	61.6	12,111	(2,920)	(445)	8,746
Waste & Recycling Services	574.0	134,132	(4,518)	(91,550)	38,064
Utilities (Water Resources and Water Services)	1,220.5	576,172	(27,967)	(547,693)	512
GM - Utilities & Environmental Protection	3.0	793	(253)	0	540
TOTAL	1,859.1	723,208	(35,658)	(639,688)	47,862
CALGARY POLICE SERVICE					
Calgary Police Service	2,758.0	444,123	(1,900)	(94,071)	348,152
TOTAL	2,758.0	444,123	(1,900)	(94,071)	348,152
CORPORATE ADMINISTRATION					
Chief Financial Officer's Department	504.5	70,429	(24,614)	(9,766)	36,049
City Clerk's Office	59.7	13,455	(124)	(1,028)	12,303
City Manager's Office	22.0	7,231	0	0	7,231
Law	128.5	47,528	(26,964)	(3,535)	17,029
TOTAL	714.7	138,643	(51,702)	(14,329)	72,612
CIVIC PARTNERS					
Civic Partners	3.0	77,481	(376)	(520)	76,585
TOTAL	3.0	77,481	(376)	(520)	76,585
CORPORATE PROGRAMS					
Common Revenues					
Franchise Fees	0.0	0	0	(218,666)	(218,666)
General Revenue	0.0	28,461	0	(154,004)	(125,543)
Investment Income & Financial Charges	0.0	19,755	0	(46,165)	(26,410)
Taxation	0.0	6,840	0	(1,518,451)	(1,511,611)
Subtotal Common Revenues	0.0	55,056	0	(1,937,286)	(1,882,230)
Corporate Costs & Debt Financing					
Capital Financing Costs	0.0	327,969	0	(88,750)	239,219
Civic & Intergovernmental Affairs	0.0	387	0	0	387
Corporate Costs	0.0	138,981	(2,466)	0	136,515
Employee Benefits	0.0	2,310	(470)	(1,840)	0
Gas, Power and Telecom. Committee	0.0	674	0	0	674
Scholarships	0.0	73	0	0	73
Subtotal Corporate Costs & Debt Financing	0.0	470,394	(2,936)	(90,590)	376,868
TOTAL	0.0	525,450	(2,936)	(2,027,876)	(1,505,362)

Schedule 2:

Approved 2014 Operating Budget by Business Unit (\$000s)

Department

COUNCIL

Audit Committee

City Auditor's Office

Mayor's Office

Office of the Councillors

TOTAL

TOTAL CITY

	FTEs	Expenditures	Recoveries	Revenues	Net Budget
	2.0	800	(76)	0	724
	14.0	2,236	0	0	2,236
	10.0	1,770	0	0	1,770
	36.0	6,931	0	0	6,931
	62.0	11,737	(76)	0	11,661
	15,050.5	3,679,307	(437,946)	(3,241,361)	0

This summary does not reflect elimination of payments to The City from utilities.

This schedule does not include Calgary Parking Authority or Calgary Housing Company.

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Schedule 3:

Full Time Equivalents by Business Unit

Department	Approved 2013 Budget	Previously Approved 2014 Budget	Approved 2014 Adjustments - Non-Flood	Approved 2014 Adjustments - Flood	Approved 2014 Adjustments	Approved 2014 Budget
COMMUNITY SERVICES & PROTECTIVE SERVICES						
Community & Neighbourhood Services	284.7	284.7	0.0	0.0	0.0	284.7
Parks	573.0	576.0	0.0	0.0	0.0	576.0
Recreation	562.5	560.5	0.0	0.0	0.0	560.5
Subtotal Community Services	1,420.2	1,421.2	0.0	0.0	0.0	1,421.2
Animal & Bylaw Services	158.6	158.6	0.0	0.0	0.0	158.6
Fire	1,432.0	1,468.0	1.0	0.0	1.0	1,469.0
Public Safety Communications	286.5	295.5	0.0	0.0	0.0	295.5
Subtotal Protective Services	1,877.1	1,922.1	1.0	0.0	1.0	1,923.1
GM - Community Services & Protective Services	3.0	3.0	0.0	0.0	0.0	3.0
TOTAL	3,300.3	3,346.3	1.0	0.0	1.0	3,347.3
CORPORATE SERVICES						
Corporate Properties & Buildings	213.5	214.5	0.0	0.0	0.0	214.5
Customer Service & Communications	158.4	158.4	0.0	0.0	0.0	158.4
Fleet Services	224.5	224.5	0.0	0.0	0.0	224.5
Human Resources	232.1	229.6	0.0	0.0	0.0	229.6
Information Technology	426.9	426.9	0.0	0.0	0.0	426.9
Infrastructure & Information Services	269.5	269.5	0.0	0.0	0.0	269.5
Office of Land Servicing & Housing	52.5	52.5	0.0	0.0	0.0	52.5
GM - Corporate Services	3.0	3.0	0.0	0.0	0.0	3.0
TOTAL	1,580.4	1,578.9	0.0	0.0	0.0	1,578.9
PLANNING, DEVELOPMENT & ASSESSMENT						
Assessment	163.2	165.2	0.0	0.0	0.0	165.2
Development & Building Approvals	484.5	484.5	0.0	0.0	0.0	484.5
Land Use Planning & Policy	106.5	107.5	0.0	0.0	0.0	107.5
GM - Planning, Development & Assessment	12.0	12.0	0.0	0.0	0.0	12.0
TOTAL	766.2	769.2	0.0	0.0	0.0	769.2
TRANSPORTATION						
Calgary Transit	2,810.0	2,824.0	65.5	0.0	65.5	2,889.5
Roads	916.8	916.8	0.0	0.0	0.0	916.8
Transportation Infrastructure	58.0	54.0	0.0	0.0	0.0	54.0
Transportation Planning	79.0	79.0	0.0	0.0	0.0	79.0
GM - Transportation	19.0	19.0	0.0	0.0	0.0	19.0
TOTAL	3,882.8	3,892.8	65.5	0.0	65.5	3,958.3

Schedule 3:

Full Time Equivalents by Business Unit

Department	Approved 2013 Budget	Previously Approved 2014 Budget	Approved 2014 Adjustments - Non-Flood	Approved 2014 Adjustments - Flood	Approved 2014 Adjustments	Approved 2014 Budget
UTILITIES & ENVIRONMENTAL PROTECTION						
Environmental & Safety Management	62.6	61.6	0.0	0.0	0.0	61.6
Waste & Recycling Services	562.0	574.0	0.0	0.0	0.0	574.0
Subtotal Environmental Protection	624.6	635.6	0.0	0.0	0.0	635.6
Utilities (Water Resources and Water Services)	1,212.5	1,217.5	0.0	3.0	3.0	1,220.5
GM - Utilities & Environmental Protection	3.0	3.0	0.0	0.0	0.0	3.0
TOTAL	1,840.1	1,856.1	0.0	3.0	3.0	1,859.1
CALGARY POLICE SERVICE	2,708.0	2,758.0	0.0	0.0	0.0	2,758.0
CORPORATE ADMINISTRATION						
Chief Financial Officer's Department	500.5	504.5	0.0	0.0	0.0	504.5
City Clerk's Office	58.7	58.7	1.0	0.0	1.0	59.7
City Manager's Office	22.0	21.0	1.0	0.0	1.0	22.0
Law	125.5	125.5	3.0	0.0	3.0	128.5
TOTAL	706.7	709.7	5.0	0.0	5.0	714.7
CIVIC PARTNERS	3.0	3.0	0.0	0.0	0.0	3.0
COUNCIL						
Audit Committee	2.0	2.0	0.0	0.0	0.0	2.0
City Auditor's Office	14.0	14.0	0.0	0.0	0.0	14.0
Mayor's Office	10.0	10.0	0.0	0.0	0.0	10.0
Office of the Councillors	36.0	36.0	0.0	0.0	0.0	36.0
TOTAL	62.0	62.0	0.0	0.0	0.0	62.0
TOTAL CITY	14,849.5	14,976.0	71.5	3.0	74.5	15,050.5

This schedule does not include Calgary Parking Authority or Calgary Housing Company.

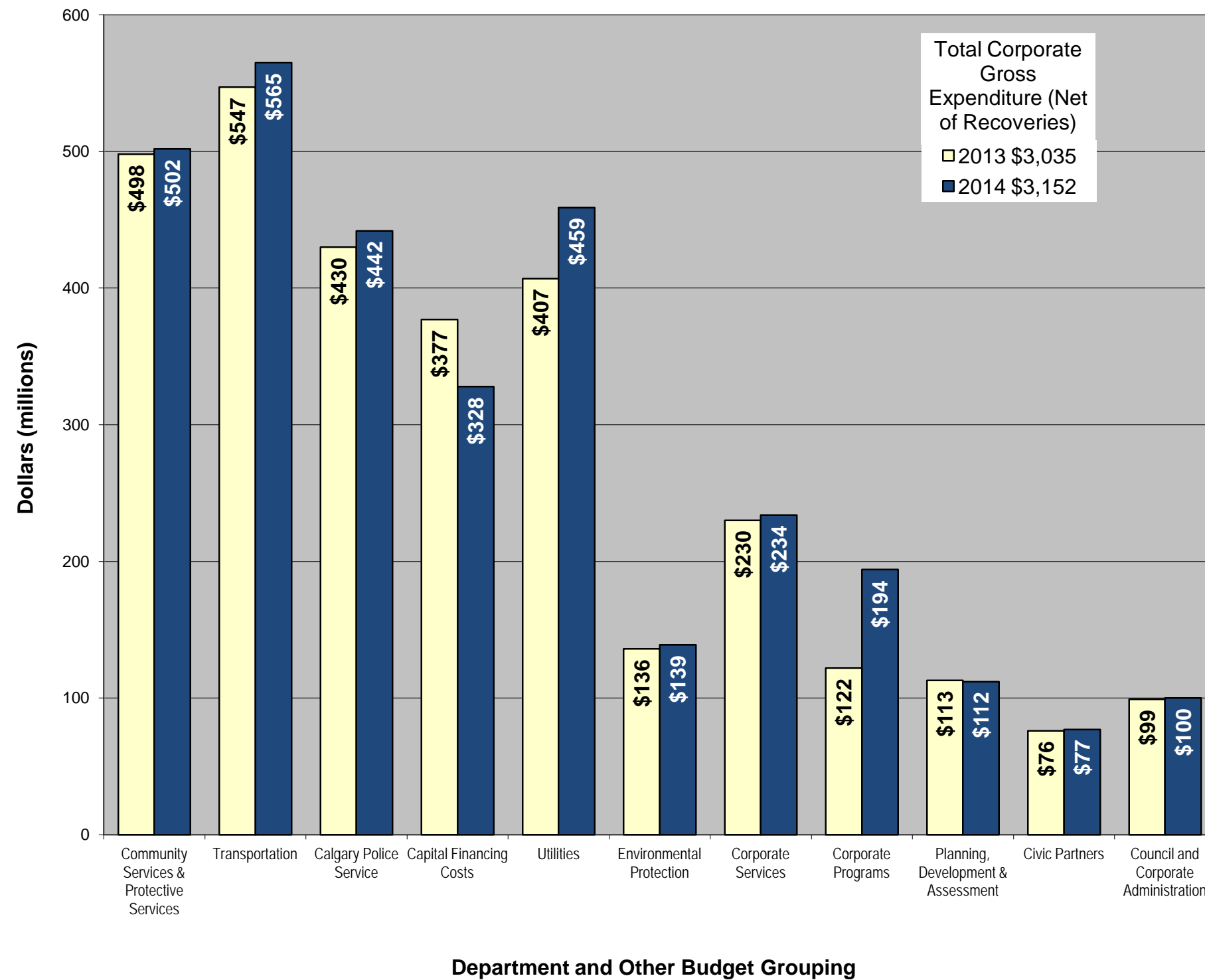
Approved 2013 Budget and Previously Approved 2014 Budget reflect adjustments up to 2013 September 30.

Of the 74.5 FTEs approved to be added in 2014, 3.0 are flood-related.

Chart 1

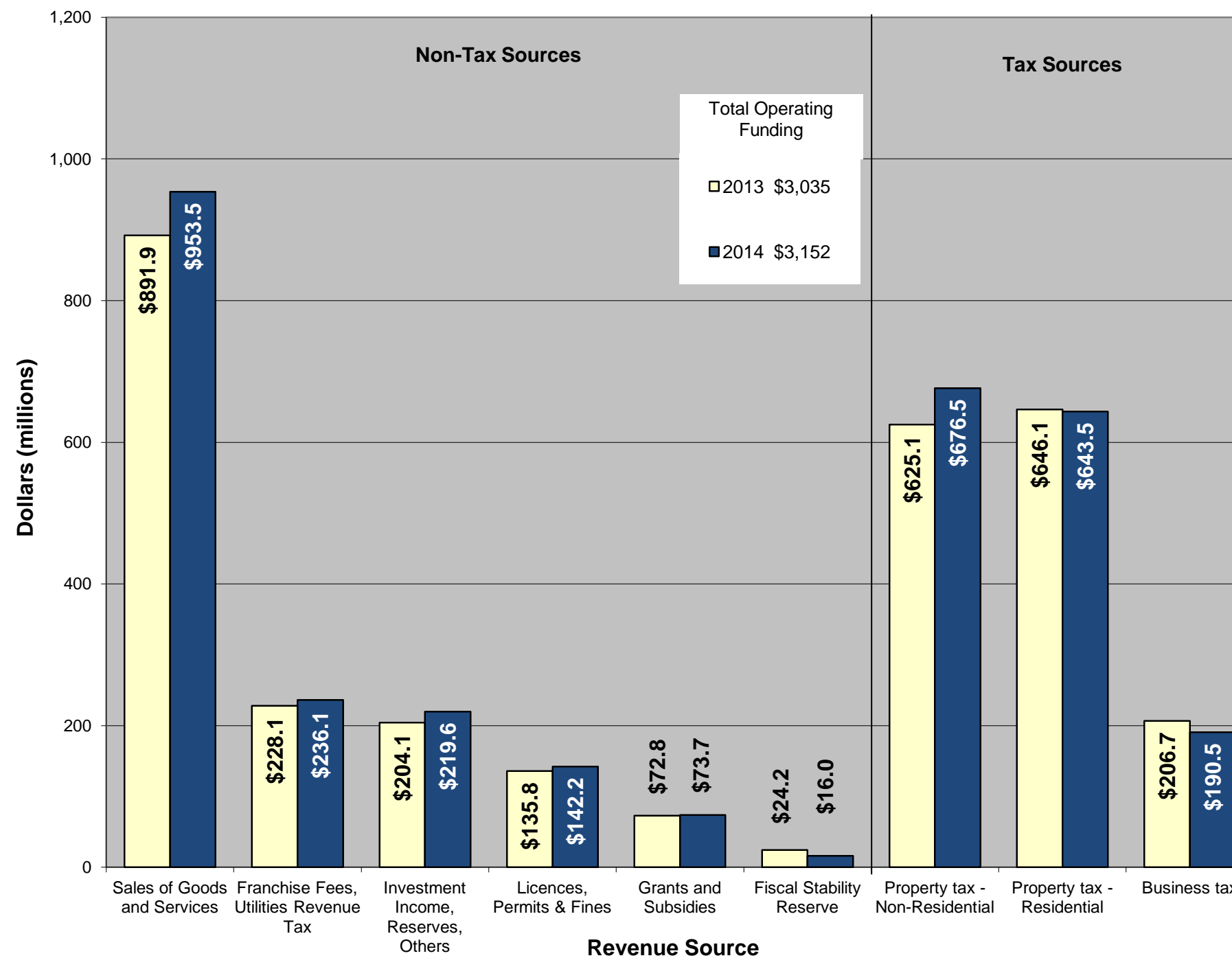
Spending the Operating Budget Total City 2013-2014

- The largest budget areas correspond to Council's priorities: transportation, protective services and community services.
- Areas of major spending are also our most people-intensive services, such as Calgary Transit and the Calgary Police Service.
- About 3% of total spending is for the corporate governance functions, including Council and the corporate administration offices.
- Figures have been adjusted to remove double counting of franchise fees and dividend payments made by utilities to The City's operating fund.
- This chart does not include Calgary Parking Authority or Calgary Housing Company.



Funding the Operating Budget Total City 2013-2014

- The City of Calgary has a limited number of revenue sources with which to fund its operations. The single largest non-tax contributor to our revenues (approximately 30 per cent of the corporate total) is the sale of goods and services.
- Other funding sources include franchise fees, investment income, contributions from operating reserves, licences, permits and fines.
- Grants and subsidies as a portion of overall revenue (approximately 2 percent) are declining.
- The property and business tax revenues are the factors that produce a balanced budget; together they constitute approximately 48 per cent of corporate revenue.
- Figures have been adjusted to remove double counting of franchise fees and dividend payments made by utilities to The City's operating fund.



Schedule 4

Schedule 4: 2014 - 2018 Capital Plan by Department (\$000s)

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>TOTAL</u>
COMMUNITY SERVICES & PROTECTIVE SERVICES						
Projects in Progress & Pre-approved	342,516	222,227	160,961	66,534	0	792,238
Approved adjustments and new projects	32,620	20,719	0	0	0	53,339
Projects commencing in 2015 and beyond	0	39,650	39,900	300	0	79,850
TOTAL	375,136	282,596	200,861	66,834	0	925,427
CORPORATE SERVICES						
Projects in Progress & Pre-approved	260,643	296,281	13,160	6,000	0	576,084
Approved adjustments and new projects	4,400	3,000	0	0	0	7,400
Projects commencing in 2015 and beyond	0	52,946	54,325	57,017	58,571	222,859
TOTAL	265,043	352,227	67,485	63,017	58,571	806,343
CALGARY HOUSING COMPANY						
Projects in Progress & Pre-approved	1,672	0	0	0	0	1,672
Approved adjustments and new projects	839	0	0	0	0	839
Projects commencing in 2015 and beyond	0	2,785	834	185	80	3,884
TOTAL	2,511	2,785	834	185	80	6,395
PLANNING, DEVELOPMENT & ASSESSMENT						
Projects in Progress & Pre-approved	5,975	0	0	0	0	5,975
Approved adjustments and new projects	6,400	1,000	0	0	0	7,400
Projects commencing in 2015 and beyond	0	0	0	0	0	0
TOTAL	12,375	1,000	0	0	0	13,375

Schedule 4

Schedule 4: 2014 - 2018 Capital Plan by Department (\$000s)

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>TOTAL</u>
TRANSPORTATION						
Projects in Progress & Pre-approved	443,772	207,714	91,945	6,810	0	750,241
Approved adjustments and new projects	71,552	62,000	20,000	0	0	153,552
Projects commencing in 2015 and beyond	0	102,072	116,242	116,751	115,835	450,900
TOTAL	515,324	371,786	228,187	123,561	115,835	1,354,693
UTILITIES & ENVIRONMENTAL PROTECTION						
Projects in Progress & Pre-approved	396,235	133,654	77,546	0	0	607,435
Approved adjustments and new projects	65,928	82,420	36,652	0	0	185,000
Projects commencing in 2015 and beyond	0	300,111	391,504	414,387	437,195	1,543,197
TOTAL	462,163	516,185	505,702	414,387	437,195	2,335,632
CALGARY POLICE SERVICE						
Projects in Progress & Pre-approved	15,479	0	0	0	0	15,479
Approved adjustments and new projects	0	0	0	0	0	0
Projects commencing in 2015 and beyond	0	13,910	15,560	12,689	13,120	55,279
TOTAL	15,479	13,910	15,560	12,689	13,120	70,758
CORPORATE ADMINISTRATION						
Projects in Progress & Pre-approved	3,505	0	0	0	0	3,505
Approved adjustments and new projects	0	0	0	0	0	0
Projects commencing in 2015 and beyond	0	0	0	0	0	0
TOTAL	3,505	0	0	0	0	3,505

Schedule 4

Schedule 4: 2014 - 2018 Capital Plan by Department (\$000s)

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>TOTAL</u>
CIVIC PARTNERS						
Projects in Progress & Pre-approved	124,597	55,000	0	0	0	179,597
Approved adjustments and new projects	8,400	0	0	0	0	8,400
Projects commencing in 2015 and beyond	0	3,680	3,680	180	0	7,540
TOTAL	132,997	58,680	3,680	180	0	195,537
CALGARY PARKING AUTHORITY						
Projects in Progress & Pre-approved	13,750	7,650	0	0	0	21,400
Approved adjustments and new projects	0	0	0	0	0	0
Projects commencing in 2015 and beyond	0	5,725	5,500	5,250	5,250	21,725
TOTAL	13,750	13,375	5,500	5,250	5,250	43,125
TOTAL CITY						
Projects in Progress & Pre-approved	1,608,144	922,526	343,612	79,344	0	2,953,626
Approved adjustments and new projects	190,139	169,139	56,652	-	0	415,930
Approved 2014-2018 Capital Budget	1,798,283	1,091,665	400,264	79,344	0	3,369,556
Projects commencing in 2015 and beyond	0	520,879	627,545	606,759	630,051	2,385,234
TOTAL	1,798,283	1,612,544	1,027,809	686,103	630,051	5,754,790

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Schedule 5

Schedule 5: 2014 - 2018 Capital Budget by Business Unit

(include approved adjustments)

(\$000s)

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>TOTAL</u>
COMMUNITY SERVICES & PROTECTIVE SERVICES						
Community & Neighbourhood Services	114,983	161,396	115,211	64,144	0	455,734
Parks	76,638	16,350	42,000	0	0	134,988
Recreation	79,268	24,809	3,750	2,390	0	110,217
Community Services	<u>270,889</u>	<u>202,555</u>	<u>160,961</u>	<u>66,534</u>	<u>0</u>	<u>700,939</u>
Animal and Bylaw Services	692	0	0	0	0	692
Fire	96,733	35,951	0	0	0	132,684
Public Safety Communications	6,822	4,440	0	0	0	11,262
Protective Services	<u>104,247</u>	<u>40,391</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>144,638</u>
Total Community Services & Protective Services	<u>375,136</u>	<u>242,946</u>	<u>160,961</u>	<u>66,534</u>	<u>0</u>	<u>845,577</u>
CORPORATE SERVICES						
Corporate Properties & Buildings	97,939	25,274	7,500	6,000	0	136,713
Customer Service & Communications	9,600	0	0	0	0	9,600
Fleet Services	36,101	0	0	0	0	36,101
Information Technology	39,498	3,375	0	0	0	42,873
Infrastructure & Information Services	15,876	660	660	0	0	17,196
Office of Land Servicing & Housing	66,029	269,972	5,000	0	0	341,001
Total Corporate Services	<u>265,043</u>	<u>299,281</u>	<u>13,160</u>	<u>6,000</u>	<u>0</u>	<u>583,484</u>
Calgary Housing Company	2,511	0	0	0	0	2,511
PLANNING, DEVELOPMENT & ASSESSMENT						
Development & Building Approvals	12,200	1,000	0	0	0	13,200
Land Use Planning & Policy	175	0	0	0	0	175
Total Planning, Development & Assessment	<u>12,375</u>	<u>1,000</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>13,375</u>
TRANSPORTATION						
Calgary Transit	193,220	113,821	56,000	2,000	0	365,041
Roads	99,299	16,600	4,000	4,000	0	123,899
Transportation Infrastructure	222,805	139,293	51,945	810	0	414,853
Total Transportation	<u>515,324</u>	<u>269,714</u>	<u>111,945</u>	<u>6,810</u>	<u>0</u>	<u>903,793</u>
UTILITIES & ENVIRONMENTAL PROTECTION						
Environmental & Safety Management	1,386	0	0	0	0	1,386
Waste & Recycling Services	91,795	103,754	77,546	0	0	273,095
Environmental Protection	<u>93,181</u>	<u>103,754</u>	<u>77,546</u>	<u>0</u>	<u>0</u>	<u>274,481</u>
Utilities	368,982	112,320	36,652	0	0	517,954
Total Utilities & Environmental Protection	<u>462,163</u>	<u>216,074</u>	<u>114,198</u>	<u>0</u>	<u>0</u>	<u>792,435</u>

Schedule 5

Schedule 5: 2014 - 2018 Capital Budget by Business Unit

(include approved adjustments)

(\$000s)

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>TOTAL</u>
Calgary Police Service	15,479	0	0	0	0	15,479
CORPORATE ADMINISTRATION						
Chief Financial Officer's Department	3,155	0	0	0	0	3,155
Law	350	0	0	0	0	350
Total Corporate Administration	<u>3,505</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>3,505</u>
CIVIC PARTNERS						
Capital Investment in Civic Partners	5,867	0	0	0	0	5,867
Calgary Public Library	53,752	55,000	0	0	0	108,752
Calgary Technologies Inc.	37,000	0	0	0	0	37,000
Calgary TELUS Convention Centre	180	0	0	0	0	180
Culture Related Infrastructure	25,388	0	0	0	0	25,388
Fort Calgary	1,890	0	0	0	0	1,890
Recreation Culture Artifact	520	0	0	0	0	520
2013 Flood Related Projects	8,400	0	0	0	0	8,400
Total Civic Partners	<u>132,997</u>	<u>55,000</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>187,997</u>
Calgary Parking Authority	13,750	7,650	0	0	0	21,400
TOTAL CITY	<u>1,798,283</u>	<u>1,091,665</u>	<u>400,264</u>	<u>79,344</u>	<u>0</u>	<u>3,369,556</u> *
Less: Utilities	(368,982)	(112,320)	(36,652)	0	0	(517,954)
TOTAL TAX-SUPPORTED	<u>1,429,301</u>	<u>979,345</u>	<u>363,612</u>	<u>79,344</u>	<u>0</u>	<u>2,851,602</u>

* The approved capital budget of \$3.37 billion does not include projects commencing in 2015 and beyond of \$2.39 billion that has been included in the Capital Plan of \$5.75 billion. Projects commencing in 2015 and beyond of \$2.39 billion does not require Council approval at this time and will be included in Action Plan 2015-2018.

Chart 3

Spending the 2014-2018 Capital Plan (\$millions)

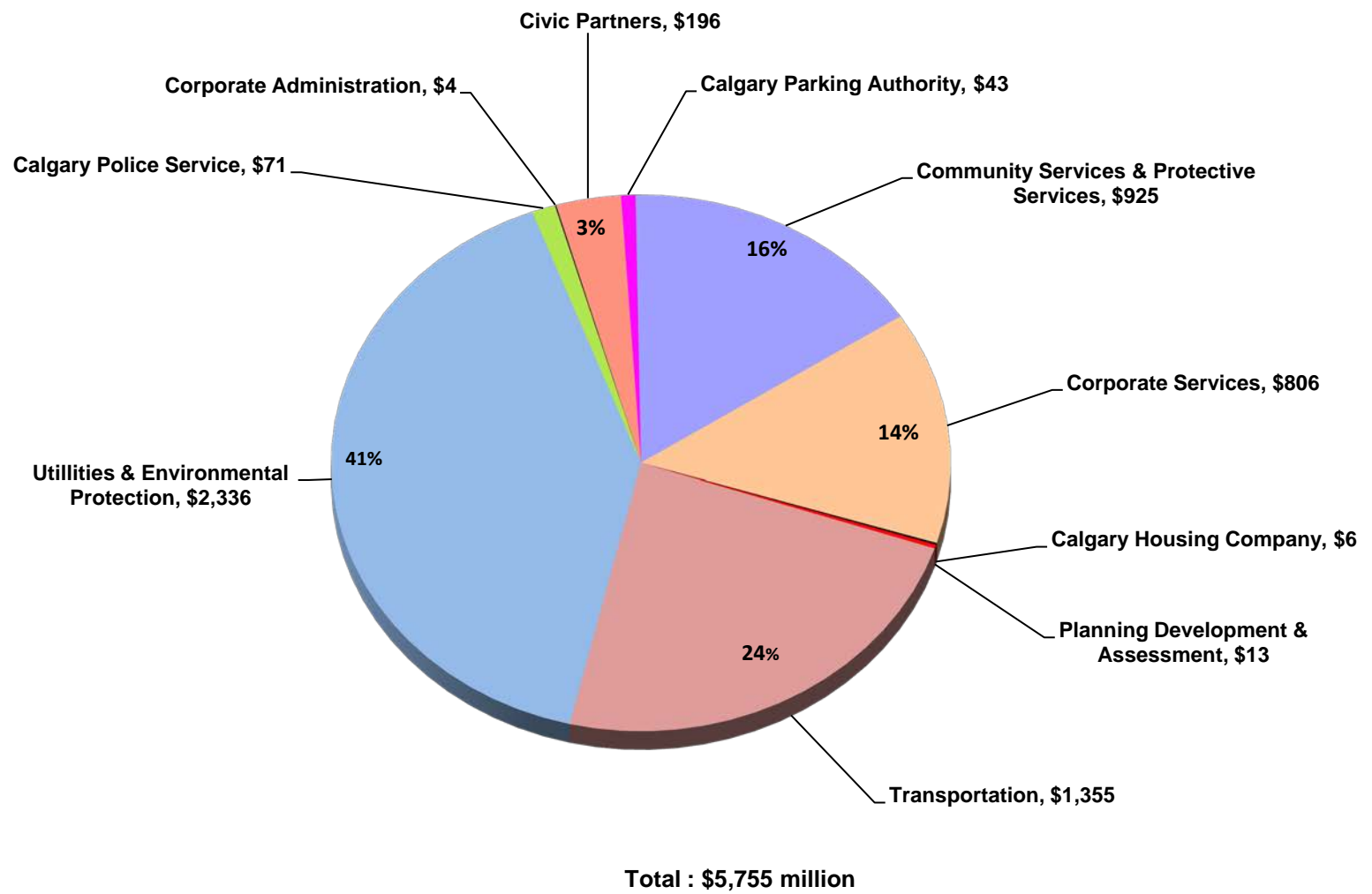
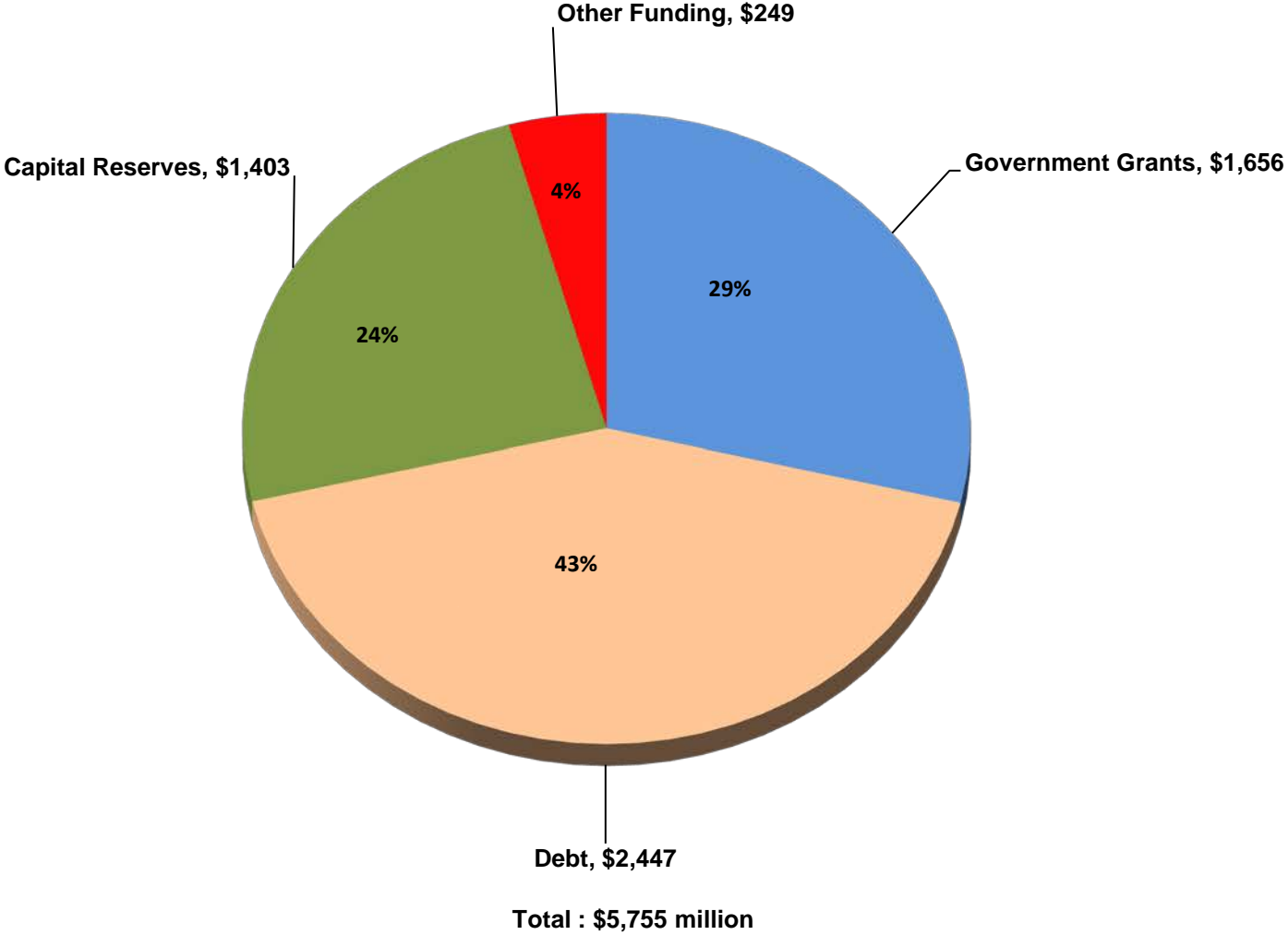


Chart 4

Funding the 2014-2018 Capital Plan (\$millions)



Schedule 6: 2015 – 2016 Financial Projection

Updated Municipal Price Index (MPI), Population Growth and Economic Outlook - 2015 & 2016 Financial Projections

MPI: The following represents a current view of MPI, updated with the most current information on the individual components, versus what was presented last year to Council. In summary, there is no material overall change in the updated MPI outlook. A forecast for 2015-16 has also been included.

Calgary population growth: Growth projections have also been updated. While current forecasts are higher than what was presented last year to Council, such forecasts are volatile and may not be realized should global economic conditions slow, thereby reducing global demand for energy. The upcoming semi-annual Economic report on Calgary projects the population growth rate will decline gradually from 2013 through 2018. A forecast for 2015 and 2016 has also been included.

Approved tax rates: The updated combined 2014 & 2015 MPI + population growth estimates are in line with the 2014 & 2015 rates presented to Council last year.

	Approved Tax Rates		2012 - 2014 Plan (Nov. 2011)			Current Estimate (Sep. 2013)		
	Original*	Actual**	MPI	Pop'n. Growth	Total	MPI	Pop'n. Growth	Total
2012	6.0%	6.0%	3.7%	1.8%	5.5%	3.6%	2.7%	6.3%
2013	5.7%	5.5%	3.5%	1.5%	5.0%	3.5%	2.6%	6.1%
2014	6.1%	-	3.6%	1.4%	5.0%	3.5%	2.2%	5.7%
2015	-	-	-	-	-	3.5%	1.8%	5.3%
2016	-	-	-	-	-	3.3%	2.2%	5.5%

* Original increase approved in 2012 - 2014 Business Plan and Budget document

** Final increase approved in 2012 and 2013 Property Tax Bylaw respectively

September 27 Semi-Annual Economic Outlook release: Corporate Economics will release their latest outlook on September 27. The executive summary confirms a positive outlook for the Calgary economy. While Calgary itself will continue to outperform other

Schedule 6: 2015 – 2016 Financial Projection

Canadian regions, the continuing expectation for a restrained global economy will temper any extraordinary growth expectations for Calgary. Some highlights (covering the 2013-18 period) from the upcoming report are:

- Real GDP growth for U.S. will be in the 2% range, while Canada is expected to outperform the U.S. with forecast GDP growth of 2.5% in 2014.
- Commodity price growth will be modest, as a reflection of a continuing weak global economy with only modest recovery in the current budget cycle.
- Transportation pipeline bottlenecks for crude oil have moderated by the increased use of rail cars to ship Alberta unconventional crude to the U.S. Gulf Coast. The average (WTI) oil price should remain under \$100/bbl, the AECO natural gas price will test \$4 by 2015 driven by increased power generation demand as well as higher residential requirements, although it still remains weak in comparison to the prior decade.
- Alberta's GDP is expected to level off in 2013 and grow above the national average for the rest of the forecast period. Alberta's economy is expected to grow at 2.7% in 2013, and 3.2% in 2014.
- Calgary's economic growth should quicken in 2014 and 2015 in response to higher regional, national and global growth, and increased investment activity arising from the need to repair residential and non-residential structures damaged by the flood.
- Calgary's construction activity should improve in late 2013 and gain momentum through 2014 and 2015, partially boosted by flood recovery efforts.
- Calgary's consumer inflation rate for 2013 is estimated at 1.8%, up from 1.0% in 2012. The forecast is for residential vacancy rates to remain low in 2014 and this will again push accommodation costs and consumer prices higher.
- The City's population growth rate (as noted above) should top out at 2.6% in 2013, then gradually decline to approximately 2% in the latter half of the next budget cycle (i.e. 2016 to 18).

A comparison of prior and current key assumptions is included in the following table:

Schedule 6: 2015 – 2016 Financial Projection

Assumption	2012 October Economic Outlook			2013 September Economic Outlook		
	2014	2015	2016	2014	2015	2016
MPI (%)	4.1	3.7	-	3.5	3.5	3.3
Total City Population Growth (%)	2.2	2.1	2.0	2.2	1.8	2.2
Calgary Economic Region CPI (%)	2.2	2.1	2.0	2.2	2.1	2.1
Alberta GDP (%)	3.4	3.2	3.0	3.2	2.9	2.7
U.S. GDP (%)	2.7	3.1	2.9	2.6	3.2	3.0
Crude Oil Price – WTI (US\$/bbl)	95.0	99.0	100.0	96.7	94.9	96.6
Alberta Natural Gas Price – AECO/NIT (\$/GJ)	3.5	4.1	4.5	3.4	4.2	4.2

2015-16 Financial Projection

Council has supported a multi-year approach to business planning and budgeting since 2004, when the approach to the 2006-2008 plans was approved. To further facilitate the principles of achieving long-term goals and transparency, Council, in accepting Recommendation 2 of PFC2012-33 (Final Debrief: 2012-2014 BPBC Program), directed Administration accordingly:

That Council direct Administration to develop projections for the mid-cycle business plan and budget adjustments and approvals such that Council has a three-year projected scenario for information at each budget adjustment.

The 2015-16 projection was developed at a corporate level using 2014 tax-supported budget data as the foundation. Where appropriate, factors and inflators, provided by credible internal and external sources, were applied to individual revenue and expenditure categories to project 2015-16 results, based on a set of underlying assumptions. For example, the projection includes the assumption that the property tax-base increases proportionately to forecasted population growth. In addition, where appropriate and available, discrete 2015-16 data projections were included. For example, a discrete projection of investment income for 2015-16 was prepared based on forecast investment balances and returns for that year.

In recent years, growth has been a significant and challenging factor when considering The City's financial situation. An allowance for growth has been included in this projection by analyzing The City's historical costs of growth included in operating expenditures.



Schedule 6: 2015 – 2016 Financial Projection

Analysis of The City's growth expenditure profile over several recent budget cycles allowed for the development of a growth factor that mitigates some of the short-term volatility inherent in The City's financial commitments. This factor was then applied to 2015-16 projected operating revenues and expenditures, where appropriate.

Projection results for 2015-16 indicate a projected operating budget shortfall of between approximately zero and \$25 million in 2015 and approximately zero and \$50 million in 2016. This is consistent with the findings of The City's Long Range Financial Plan (LRFP) which has identified systemic and emerging issues that potentially threaten The City's long-term financial sustainability, as projected expenditure growth continues to outpace projected revenue growth. These projected results reinforce the need for continued action in managing expenditures and ultimately aligning with Council's vision of a municipal government that is more citizen-centred, cost-conscious and innovative.

Schedule 6: 2015 – 2016 Financial Projection

The City of Calgary
 Projected Total City Statement of Operations - 2015 and 2016
 \$ millions

Description	2013 Budget	2014 Budget	2015 Projection		2016 Projection	
			MPI only	MPI + Population	MPI only	MPI + Population
Tax Supported						
Revenues						
Property and Business Tax	1,479	1,576	1,650	1,675	1,722	1,780
Franchise Fees	207	216	225	225	230	230
General Revenues	133	119	109	109	109	109
Other	654	670	714	714	757	757
Total Revenues	2,472	2,580	2,698	2,723	2,818	2,876
Expenses						
Salaries & Wages (including Benefits)	-1,526	-1,548	-1,657	-1,657	-1,767	-1,767
Materials, Equipment & Supplies	-695	-712	-692	-692	-732	-732
Corporate Costs and Debt Servicing	-355	-430	-431	-431	-432	-432
Other	104	110	60	60	64	64
Total Expenses	-2,472	-2,580	-2,720	-2,720	-2,867	-2,868
Surplus/(Deficit)	0	0	-22	3	-49	8
Total City						
Revenues						
Property and Business Tax	1,479	1,576	1,650	1,675	1,722	1,780
Franchise Fees	207	216	225	225	230	230
General Revenues	133	119	109	109	109	109
Other	1,146	1,216	1,332	1,332	1,423	1,422
Total Revenues	2,964	3,127	3,316	3,341	3,484	3,541
Expenses						
Salaries & Wages (including Benefits)	-1,648	-1,674	-1,786	-1,786	-1,906	-1,906
Materials, Equipment & Supplies	-795	-815	-800	-800	-848	-849
Corporate Costs, Debt Servicing and Depreciation	-506	-593	-617	-617	-632	-633
Other	-16	-45	-136	-136	-146	-146
Total Expenses	-2,964	-3,127	-3,339	-3,338	-3,533	-3,534
Surplus/(Deficit)	0	0	-22	3	-49	8
Approved Tax Rate Increase	5.7%	6.1%				
Projected Tax Rate Increase			3.5%	5.3%	3.3%	5.5%