

## Net Zero Operating Budget Adjustments - For Approval

**Purpose:** To provide operating budget adjustments required to better align the 2021-2022 expenditure, revenue and recovery budgets with business needs.

**Notes:** Per Council Policy CFO006 Budget Reporting Policies, Administration can authorize net budget adjustments up to \$400 thousand per department if the gross adjustment amount does not exceed \$2 million per service per calendar year. In relation to a reorganization, Administration can transfer approved budgets from one segment of the organization to another, provided the corporate budget impact is zero and there is no change in the service provided. The items below are being presented to Council for approval as they exceed this threshold either individually or when combined with revisions previously approved in the calendar year.

-All adjustments are base unless otherwise stated

-Positive numbers represent an increase in expenditures or a decrease in revenue/recoveries

-Negative numbers represent a decrease in expenditures or an increase in revenue/recoveries

Service	Expenditures (\$000s)	Recoveries (\$000s)	Revenues (\$000s)	Net Impact (\$000s)	Reason for Adjustment
Building Safety	(37,622)	-	37,622	-	To better align budgets to reflect revenue related to planning and development services covering expenditures related to fee supported expenditures across the planning and development continuum.
Building Safety	(4,994)	-	4,994	-	Reduction in revenue related to the current economic situation. This is to be partially offset by salary & wage realignment and vehicle expense reductions. The Planning & Development Sustainment Reserve will be utilized as needed.
Calgary 9-1-1	(5,301)	(252)	5,553	-	The net zero adjustment is to better align budget with actual revenues, expenditures and recoveries for contract changes and capital recovery work.
City Cemeteries	(8)	-	-	(8)	Position move between Calgary Parks Dept IDs to better align with operational needs. This Net Zero adjustment includes 1 FTE moving to Parks & Open Spaces to better align operational needs.
Parks & Open Spaces	36	-	-	36	
Sidewalks & Pathways	(4)	-	-	(4)	
Urban Forestry	(24)	-	-	(24)	
Corporate Programs - Common Revenues	2,000	-	-	2,000	
Corporate Programs - Corporate Costs & Debt Servicing	(2,000)	-	-	(2,000)	Realigning expenditures and revenue to reflect the proper classification of Provincial Grant-in-lieu reductions and partial funding of the 2020 tax rebate.
Development Approvals	4,187	-	(4,187)	-	To better align budgets to reflect revenue related to planning and development services covering expenditures related to fee supported expenditures across the planning and development continuum.
Development Approvals	(3,400)	-	3,400	-	Reduction in revenue related to the current economic situation. This will be offset by realigning salary and wage budget.
Public Transit	(3,000)	-	3,000	-	CT is proposing to freeze the fare increase in 2021. Revenue budget will be reduced by \$3M and equivalent amount of reductions will be found in base budget. There has been a drastic reduction in ridership through COVID-19 in 2020.
Recreation Opportunities	(1,613)	(650)	2,263	-	Recreation is adjusting its net-zero budget to better align with actual expenditures, recoveries and revenues. The adjustment reflects the anticipated increase in sales not materializing and lower than anticipated expenditure.
Stormwater Management	2,817	-	(2,817)	-	Revised rate revenue for current consumption and utility rate adjustments, off-site levy revenue based on latest land forecast, and depreciation/principal/interest for recast capital budget. 2022 adjustment is an increase of \$3M in revenues net to zero with \$3M increase in expenditures.
Strategic Marketing & Communications	(2,100)	2,100	-	-	SMC is adjusting its net-zero budget to better align with actual expenditures and recoveries. This adjustment reflects the downward trend in communication staffing expenditure as requested by the organization and a downward adjustment to enabling costs.
Streets	(5,196)	-	5,196	-	Adjustment is required due to changing funding model. Work will continue to proceed within 1) transportation planning and 2) developing and improving the roads network through a Capital funded program.
Wastewater Collection & Treatment	13,273	-	(13,273)	-	Revised rate revenue for current consumption and utility rate adjustments, off-site levy revenue based on latest land forecast, and depreciation/principal/interest for recast capital budget. 2022 adjustment is an increase of \$1M in revenues net to zero with \$1M increase in expenditures.
Water Treatment & Supply	(5,940)	-	5,940	-	Revised rate revenue for current consumption and utility rate adjustments, off-site levy revenue based on latest land forecast, and depreciation/principal/interest for recast capital budget. 2022 adjustment is a reduction of \$7M in revenues net to zero with \$7M reduction in expenditures.
<b>Total - For Approval</b>	<b>(48,889)</b>	<b>1,198</b>	<b>47,691</b>	<b>-</b>	

## Net Zero Operating Budget Adjustments - For Information

**Purpose:** To provide operating budget adjustments required to better align the 2021-2022 expenditure, revenue and recovery budgets with business needs.

**Notes:** Per Council Policy CFO006 Budget Reporting Policies, Administration can authorize net budget adjustments up to \$400 thousand per department if the gross adjustment amount does not exceed \$2 million per service per calendar year. The items below are being presented to Council for information as they are within this limit. In relation to a reorganization, Administration can transfer approved budgets from one segment of the organization to another, provided the corporate budget impact is zero and there is no change in the service provided.

-All adjustments are base unless otherwise stated

-Positive numbers represent an increase in expenditures or a decrease in revenue/recoveries

-Negative numbers represent a decrease in expenditures or an increase in revenue/recoveries

Service	Expenditures (\$000s)	Recoveries (\$000s)	Revenues (\$000s)	Net Impact (\$000s)	Reason for Adjustment
Corporate Security	(64)	9,875	-	9,811	Consistent with the implementation of the Shared Challenges of the Internal Services Zero-Based Review, these transfers will reduce the number of internal recoveries going to Corporate Security and better reflect the costs of providing the Corporate Security service. This year internal recoveries will continue for capital and self-funded services. This is the first stage of a broader project to reduce internal recoveries at The City.
Affordable Housing	(2)	-	-	(2)	
Appeals & Tribunals	(29)	-	-	(29)	
Bylaw Education & Compliance	(7)	-	-	(7)	
Calgary 9-1-1	(3)	-	-	(3)	
Citizen Engagement & Insights	(7)	-	-	(7)	
Citizen Information & Services	(7)	-	-	(7)	
City Cemeteries	(45)	-	-	(45)	
Corporate Governance	(15)	-	-	(15)	
Council & Committee Support	(6)	-	-	(6)	
Data Analytics & Information Access	(3)	-	-	(3)	
Environmental Management	(8)	-	-	(8)	
Facility Management	(5,892)	-	-	(5,892)	
Financial Support	(48)	-	-	(48)	
Fire & Emergency Response	(52)	-	-	(52)	
Fire Inspection & Enforcement	(73)	-	-	(73)	
Fire Safety Education	(6)	-	-	(6)	
Human Resources Support	(12)	-	-	(12)	
IT Solutions & Support	(42)	-	-	(42)	
Infrastructure Support	(3)	-	-	(3)	
Legal Counsel & Advocacy	(322)	-	-	(322)	
Municipal Elections	(37)	-	-	(37)	
Organizational Health, Safety & Wellness	(15)	-	-	(15)	
Parks & Open Spaces	(272)	-	-	(272)	
Pet Ownership & Licensing	(11)	-	-	(11)	
Procurement & Warehousing	(11)	-	-	(11)	
Property Assessment	(17)	-	-	(17)	
Public Transit	(1,679)	-	-	(1,679)	
Records Management, Access & Privacy	(8)	-	-	(8)	
Recreation Opportunities	(784)	-	-	(784)	
Sidewalks & Pathways	(74)	-	-	(74)	
Social Programs	(21)	-	-	(21)	
Strategic Marketing & Communications	(7)	-	-	(7)	
Streets	(293)	-	-	(293)	

Service	Expenditures (\$000s)	Recoveries (\$000s)	Revenues (\$000s)	Net Impact (\$000s)	Reason for Adjustment
Business Licensing	(181)	181	-	-	Realigning salary due to recoveries reduction.
Business Licensing	(224)	-	224	-	Net zero adjustment to better align budgets with actual expenditures and revenues.
Bylaw Education & Compliance	350	(300)	(50)	-	Net zero adjustment to better align budgets with actual expenditures, revenues, and recoveries related to remedial work and graffiti abatement.
Environmental Management	(513)	513	-	-	Booked liability expenditure and recovery budgets to be reduced based on the projected annual spend for future years.
Facility Management	190	(190)	-	-	As part of the CCOM initiative, Facility Management will recover from Calgary Recreation annually for operations and maintenance expenditures related to the Soccer Centre. The Soccer Centre is self-supported meaning that budget must remain within Recreation.
Facility Management	(540)	540	-	-	Upon review of the S&W budget file, FM identified that S&W budget and S&W capital recoveries were both overstated. FM is requesting to reduce S&W expenditures, with an offsetting amount applied to reduce S&W capital recoveries.
Fire & Emergency Response	-	(265)	265	-	Alignment of revenue and recoveries related to out of town responses and capital budget recoveries to annual targets.
Fire Inspection & Enforcement	(160)	-	160	-	Reduce Revenue and Salary and Wage budget funding one Safety Codes Officer FTE due to Business License and Fire Inspections Fees freeze.
Fleet Management	731	(385)	(346)	-	To recognize increases in outsourced work for City of Calgary and external clients, recognize revenue for rebates on outsourced work, and increased external revenue for body shop.
IT Solutions & Support	(500)	500	-	-	Net zero budget adjustment to better align budgets to actual recoveries and expenses.
Land Development & Sales	388	(489)	101	-	To realign budgets between service lines to more effectively manage and report on business operations.
Organizational Health, Safety & Wellness	120	(120)	-	-	Increase recovery budget and expenditure budget to align with the anticipated actuals for the next two years.
Procurement & Warehousing	527	(527)	-	-	The transfer of Calgary Fire Department Small Equipment Warehouse operations to Supply Management.
Public Transit	(385)	-	385	-	Adjustment is required due to changing funding model. Work will continue to proceed within this area of transportation planning through a Capital funded program.
Real Estate	(388)	489	(101)	-	To realign budgets between service lines to more effectively manage and report on business operations.
Sidewalks & Pathways	(770)	-	770	-	Adjustment is required due to changing funding model. Work will continue to proceed within this area of transportation planning through a Capital funded program.
Taxi, Limousine & Vehicles-for-Hire	(133)	-	133	-	Net zero adjustment to better align budgets with actual revenues and expenditures.
Waste & Recycling	(1,760)	-	1,760	-	WRS will hold the three residential cart program rates for 2021 resulting in a net-zero adjustment to offset revenue gap from holding the rates. WRS will also hold the basic sanitary rate for 2021 with no budget adjustment required.
<b>Total - For Information</b>	<b>(13,123)</b>	<b>9,822</b>	<b>3,301</b>	<b>-</b>	