

**Chief Financial Officer's Report to
Priorities and Finance Committee
2021 May 18**

**ISC: UNRESTRICTED
PFC2021-0571
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2020 Year-end Capital and Operating Budget Revisions Report

RECOMMENDATION(S):

That the Priorities and Finance Committee recommends that Council receive this report for the Corporate Record, and subsequent Council discussion.

RECOMMENDATION OF THE PRIORITIES AND FINANCE COMMITTEE, 2021 MAY 18:

That Council receive this report for the Corporate Record.

HIGHLIGHTS

- A revision report provides Council a summary of operating and capital budget changes that have occurred over a particular period of time. These changes can be approved by Council or by Administration if within the authorization limits outlined in Budget Reporting Policy CFO006.
- The revision process allows Administration to adapt to changes in economic conditions and the external environment, incorporate additional information that is available, and allow long term objectives to be met.
- Responding to these changes enables the City to better service our citizens, communities and customers.
- This year-end report provides:
 - capital budget revisions between 2020 July 1 and 2020 December 31;
 - a summary of these revisions and the impacts of the 2020 capital budget carry forwards;
 - operating budget revisions between 2020 July 1 and 2020 December 31; and
 - previous Council decisions and referrals which have an actual or potential future year operating budget impact
- Strategic Alignment to Council's Citizen Priorities: A well-run city and A prosperous city
- Previous Council Direction is included as Attachment 1.

DISCUSSION

- The purpose of the revision report is to provide Council with consolidated information on budget changes to maintain continuity and transparency with both the operating and capital budgets. Attachment 2-5 are for Council's collective awareness and all changes are a result of previously approved Council direction or are within Administration's discretion to approve under the Budget Reporting Policy CFO006.

Capital

- Attachment 2 outlines the budget revisions that have been approved by Administration within their authority (revisions with a net budget impact under \$400,000 and transfers to capital budget savings) or by Council through separate reports, notices of motion and motions arising.
- For the period from 2020 July 1 to 2020 December 31, Administration and Council approvals included relinquishments, increases and net zero transfers required to reflect updated capital plans resulting in increases totalling \$34.927 million in the 2020 capital

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budget, and \$159.716 million in 2021-2024+ funded by Capital Reserves, Developer & other contributions, Other Federal & Provincial Grants, and Self-supported debt.

- The increase in 2020 is primarily due to budget approval for Calgary's Rapid Housing Initiative Investment Plan funded by Other Federal Grants (C2020-1424).
- The increase in 2021-2024+ is driven primarily by Council's approval of the Capital Investment Application Recommendations for Municipal Stimulus Program (PFC2020-0894).
- Attachment 3 provides a summary by service of the budget continuity between 2020 July 1 to 2020 December 31. In addition, this attachment shows the impact of the carry forward of unspent 2020 capital budget.
 - The revised budget is \$2.130 billion in 2020 and \$7.898 billion in 2021-2024+.

Operating

- Attachment 4 shows the changes to the 2020 net operating service budget that have either been previously approved by Council or are within the scope of Administration to authorize as per Council Policy CFO006. During this period, there was no change to the total City net budget. The main changes to service budgets were:
 - Proposed carry forwards of one-time budgets from 2020 to 2021 approved in C2020-1215 of \$10.4 million offset by one-time adjustments of (\$0.4) million;
 - Transfers of \$0.8 million from corporate contingencies to service budgets;
 - Transfers of \$0.6 million from corporate to service budgets through the Corporate Work Force Planning process; and
 - Transfers between business units due to organizational changes

Attachment 5 lists Council decisions and referrals which have an actual or potential future year operating budget impact. This is provided to meet the requirement of NM2008-53 to track Council decisions and referrals.

STAKEHOLDER ENGAGEMENT AND COMMUNICATION (EXTERNAL)

- Public Communication or Engagement was not required

The One Calgary 2019-2022 business plans and budgets were developed through engagement with various internal and external stakeholders. Revision reports brought forward throughout the cycle reflect the operating and capital budget changes that are driven by actual experiences and/or new Council direction.

IMPLICATIONS

Social, Environmental and Economic Implications

The social, environmental and economic landscape impacts business units in various ways. Revisions to the operating and capital budgets reflect changes that have been made to respond to these factors.

Service and Financial Implications

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Existing operating funding

There is no net impact to the operating budget. Operating budget revisions reflect recommended changes based on Council and Administrative approvals and are already included in the approved operating budgets.

New capital funding request

Capital budget revisions between 2020 July 1 and 2020 December 31, resulted in a \$34.927 million increase to the 2020 capital budget and an increase of \$159.716 million in 2021-2024+ funded by Capital Reserves, Developer & other contributions, Other Federal & Provincial Grants, and Self-supported debt. With 2020 carry forwards, the 2021-2024+ capital budget increased by \$965.984 million.

RISK

The risk associated with the revisions for information would have been identified at the time of approval.

ATTACHMENT(S)

1. Attachment 1 - Previous Council Direction
2. Attachment 2 - Capital Budget Revisions – Previously Approved
3. Attachment 3 - Capital Budget Continuity Schedule
4. Attachment 4 - Operating Budget Continuity Schedule
5. Attachment 5 - Council Decisions/Referrals Having Actual or Potential Future Year Operating Budget Impacts

Department Circulation

General Manager/Director	Department	Approve/Consult/Inform
Carla Male	Chief Financial Officer's Department	Approve
Les Tochor	Chief Financial Officer's Department	Approve