

2016 Resilience Budget - Corporate Adjustments



Table 1 - Summary: Adjustments to Operating Budget for Council Approval (\$000s)

For Council Approval

	Note #	2016				2017				2018			
		Exp.	Rec.	Rev.	Net	Exp.	Rec.	Rev.	Net	Exp.	Rec.	Rev.	Net
Corporate Programs Budget as Approved *		665,917	(3,877)	(2,340,722)	(1,678,682)	731,276	(3,885)	(2,467,144)	(1,739,753)	824,105	(3,892)	(2,579,516)	(1,759,303)
Franchise Fees (Prg 857)	1												
Base		-	-	20,000	20,000	-	-	16,000	16,000	-	-	6,000	6,000
Taxation (Prg 856)	2												
Base		-	-	39,129	39,129	-	-	62,634	62,634	-	-	76,812	76,812
Corporate Costs (Prg 861)	3												
Base		(59,129)	-	-	(59,129)	(78,634)	-	-	(78,634)	(82,812)	-	-	(82,812)
Net Adjustments		(59,129)	-	59,129	-	(78,634)	-	78,634	-	(82,812)	-	82,812	-
Proposed Budget as Adjusted		606,788	(3,877)	(2,281,593)	(1,678,682)	652,642	(3,885)	(2,388,510)	(1,739,753)	741,293	(3,892)	(2,496,704)	(1,759,303)

*As at 2015 June 30

Notes:

- Adjustment reflects natural gas and electricity prices being projected to be lower than forecast when the 2015-2018 Action Plan was prepared in the fall of 2014, resulting in lower franchise fees revenue.
Natural gas revenue: 2016 - from \$62 million to \$55 million, 2017 - from \$65 million to \$58 million, 2018 - from \$68 million to \$62 million.
Electricity revenue: 2016 - from \$131 million to \$118 million, 2017 - from \$133 million to \$124 million, 2018 - no adjustment.
This budget shortfall is offset in the Corporate Costs program 861^.
- Adjustment reflects taxation revenue being projected to be lower than forecast when the 2015-2018 Action Plan was prepared in the fall of 2014, due to slower economic growth and the proposed 2016 tax rate change to 3.5% from 4.7% .
Reduction in taxation revenue: \$39.129 million (growth \$21.129 million and tax rate \$18.000 million) in 2016, \$62.634 million (growth \$43.562 million and tax rate \$19.072 million) in 2017, and \$76.812 million (growth \$56.545 million and tax rate \$20.267 million) in 2018.
This budget shortfall is offset in the Corporate Costs program 861^.
- Adjustment reflects use of the unallocated expenditure to offset budget shortfalls in the Franchise Fees program 857 and the Taxation program 856.
Net zero adjustment within Corporate Programs.
The impact from the tax rate change will be distributed to business units' budgets at a later date.

^ Corporate Costs - a program for costs that are not proprietary to any department or business unit.