

## Supplemental Amendments to the 2023-2026 Service Plans and Budgets

### RECOMMENDATION(S):

That Council approve:

1. The service and year allocations of one-time operating and capital budgets identified in Council's amendments to the 2023-2026 Service Plans and Budgets, as detailed in Attachment 2.
2. The contribution of Police Services' Anti-Racism and Call Response Funds 2022 favourable variance of up to \$4 million to the Calgary Police Service Court Fine Revenue Operating Reserve to be used to fund the Police Services 2023 Anti-Racism and Call Response Funds expenditures.

### HIGHLIGHTS

- Council approval of the allocation of one-time operating and capital budgets to specific services in specific years is required for legislative compliance and audit purposes.
- Approval of the carry forward for Anti-Racism and Call Response is required to ensure these funds remain available to continue this important work.
- **What does this mean for Calgarians?** Approval of these technical items will ensure clarity on Council's intentions and provide assurance that The City is well run, both directly and via audit opinion.
- **Why does this matter?** Identification of budgets by service and by year provides clarity for Administration, our Civic Partners and Calgarians, and ensures the Anti-Racism and Call Response Funds achieve their intended results.
- Background and Previous Council Direction is included as Attachment 1.

### DISCUSSION

On 2022 November 8, Council passed several amendments to the recommended 2023-2026 Service Plans and Budgets. These amendments directed the investment of an additional \$104.7 million in one-time operating funds and \$95 million in capital funding.

Section 247 of the Municipal Government Act and The City of Calgary Charter Regulation requires Council to "adopt" an annual budget to pass a property tax bylaw. In addition, Council approval of the budget for each of the four years is the basis upon which The City of Calgary's external auditors assess whether spending in the audit year was properly authorized and in line with Council's intent. As the audit is done on an annual basis, clear approval of budgets by year is the key evidence that the auditors use to provide this opinion.

The majority of amendments with financial impacts did not include this level of detail, leaving \$95.3 million in one-time operating investments and the full \$95 million in capital investments not clearly allocated to years and services. Council provided the required clarity of service and year of investment for the remaining \$9.4 million in one-time operating budgets, and as such those amendments are not included in this report.

## **Supplemental Amendments to the 2023-2026 Service Plans and Budgets**

Attachment 2 presents the allocation of investments directed in Council's amendments by service and year for Council approval.

To ensure accountability for delivering results with the additional investments arising from the Council amendments, service owners and teams will identify what, if any, modifications should be made to their service plans. Any new or modified performance measures will be adjusted as part of 2024 Service Plans and Budget Adjustments in 2023 November. Any new or modified initiatives can be added or updated immediately in the new web-based service performance portal – an immediate benefit of this new system.

In addition, the Calgary Police Service has identified a 2022 favourable variance in the Anti-Racism and Call Response Funds of up to \$4 million. Council approval is required to transfer this favourable variance to the Calgary Police Service Court Fine Revenue Operating Reserve for use in 2023 towards Anti-Racism and Call Response Funds expenditures. The final carry forward amount will be finalized at yearend.

The 2023-2026 Police Services budget also reflected an error in the 2022 base expenditures and revenues that carried through to the 2023-2026 budgets. The revised service pages shown in Attachment 3 reflect the correction of expenditures and revenues. These corrections have no impact on the net tax support for Police Services approved by Council and this update is therefore provided for information only.

### **EXTERNAL ENGAGEMENT AND COMMUNICATION**

- |  |   |
|--|---|
| <input type="checkbox"/> Public engagement was undertaken        | <input type="checkbox"/> Dialogue with interested parties was undertaken                |
| <input type="checkbox"/> Public/interested parties were informed | <input checked="" type="checkbox"/> Public communication or engagement was not required |

### **IMPLICATIONS**

#### **Social**

Not applicable.

#### **Environmental**

Not applicable.

#### **Economic**

Not applicable.

#### **Service and Financial Implications**

There are no net budget impacts resulting from the recommendations in this report. This report provides clarity on the allocation of existing approved capital and one-time operating funding to specific services and years. No new funding is requested for the budgets shown in Attachment 2. Approval to transfer the 2022 Anti-Racism and Call Response Funds favourable variance to the Calgary Police Service Court Fine Revenue Operating Reserve will result in an increase in 2023 one-time operating expenditures, funded from the reserve.

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Combined Meeting of Council  
2022 December 20**

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**RISK**

Council approval of this recommendation is a risk management strategy. Without detailed allocations of budgets to years and formal approval of them by Council, the Corporate Budget Office cannot adequately perform the annual budget control for these budgets. This would lead to an increased likelihood that the external auditor identifies control weaknesses.

**ATTACHMENTS**

1. Background and Previous Council Direction
2. Summary of Budget Allocations to Service and Year Arising from Service Plans & Budget Amendments
3. Police Services Revised Service Pages

Department Circulation

<b>General Manager</b>	<b>Department</b>	<b>Approve/Consult/Inform</b>
Carla Male	Corporate Planning & Financial Services	Approve
David Duckworth	City Manager's Office	Consult
Katie Black	Community Services	Consult
Doug Morgan	Operational Services	Consult
Michael Thompson	Infrastructure Services	Consult
Jill Floen	Law, Legislative Services & Security	Consult
Chris Arthurs	People, Innovation & Collaboration Services	Consult
Stuart Dalgleish	Planning & Development Services	Consult