

Previous Council Approvals

- In November 2011, Council approved 2012-2014 Business Plans and Budgets, and municipal property tax rate increases of: **6.0%** in 2012, **5.7%** in 2013, and **6.1%** in 2014. No business tax increase for the nineteenth consecutive year.
- Included \$45 million in productivity savings over three years identified by Administration.
- Highlights of services approved in the original three-year plans and budgets included:
 - Opening of new emergency response stations in Douglas Glen and Seton.
 - Social and community programs and initiatives for low-income seniors, families and at-risk youth.
 - Increase the number and improve quality of outdoor sportsfields.
 - Enhanced snow clearing on priority routes.
 - Full implementation of automated black cart garbage collection.

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Previous Council Approvals

- In November 2012, Council approved Adjustments to the 2013 and 2014 plans and budgets, reflecting Council priorities and emerging issues, resulting in 2013 property tax rate increase at **5.5%**; and 2014 remain unchanged at **6.1%**.
- Highlights of services approved in the 2013-2014 Adjustments included:
 - Improving transit service on various routes, enhanced reliability and improved customer service.
 - Continuing the Multi-Agency School Team and Youth-At-Risk Development programs.
 - New East Macleod Emergency Response Station.
 - Brownfield development in Lincoln Park.
 - Grant funding to support pool accessibility and arena change room upgrades.
 - Strengthening capacity through the Emergency Operations Centre in Rotary Park.
 - Improving communications between Aldermen and their residents through enhanced Crisis Communications support.

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Previous Council Approvals

- On 2013 July 29, Council:
 - allocated \$52 million 2013 tax room to City/civic partners for flood relief and recovery expenses not covered by third parties.
 - Directed Administration to bring a report to Adjustments in November with proposals, if needed, for 2014 tax room.
- On 2013 September 16, Administration provided information on:
 - \$55 million incremental operating costs for flood response in 2013
 - \$89 million in emergency capital expenditures approved by Administration under the SOLE and MEP
- On 2013 September 16, Council:
 - Approved \$96 million in additional 2013 flood-related capital projects
 - Received for information a preliminary forecast of \$242 million in future flood-related capital costs (total for all years = \$424 million).

Changes in Economic Indicators between Sept 2012 and Sept 2013

Socio-Economic Indicator	Forecast during 2013-2014 Adjustments (Sept 2012)		Current Forecast for 2014 Adjustments (Sept 2013)	
	2013	2014	2013	2014
Population (000s)	1,144	1,169	1,150	1,175
Unemployment Rate (%)	4.8	4.5	4.9	4.6
Calgary Consumer Price Index (CPI)	2.3	2.2	1.8	2.2
Municipal Price Index (MPI) (%)	3.3	4.1	3.5	3.5
Municipal Price Index (MPI) + Population Growth (%)	5.5	6.3	6.1	5.7
Natural Gas Price (\$Cdn/Gigajoule)	2.3	3.5	3.4	4.2
Oil Prices (\$US/barrel)	93	95	97	95
Housing Starts (000s)	10.6	10.6	9.1	9.3
Gross Domestic Product (growth %)	3.0	4.0	2.3	2.7


Summary of Adjustments to Operating Budget

DEPARTMENT (Base unless otherwise indicated)	2014 Non-Flood (\$ millions)	2014 Flood (\$ millions)	2014 Total (\$ millions)
Community Services and Protective Services One-Time	2.4 0.5	0.0 0.3	2.4 0.8
Planning, Development & Assessment	(2.1)	0	(2.1)
Transportation	0.5	0	0.5
Utilities & Environmental Protection	0	0	0
Corporate Administration One-Time	1.2 0.02	0 2.5	1.2 2.6
Civic Partners One-Time	1.1	0.0	1.1
Total Base Adjustments	2.0	0.0	2.0
Total One-Time Adjustments	1.7	2.8	4.5
TOTAL	3.6	2.8	6.5

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Summary of Adjustments to the Capital Budget

Department	2014 Non-Flood Adjustments (\$ millions)	2014 Flood-Related Adjustments (\$ millions)	2015-2018 Non-Flood Adjustments (\$ millions)	TOTAL (\$ millions)
Community Services & Protective Services	(5.1)	37.7	20.7	53.3
Corporate Services	4.2	0.0	3.0	7.2
Calgary Housing Company	0.8	0.0	0.0	0.8
Planning, Development & Assessment	6.4	0.0	1.0	7.4
Transportation	49.4	22.2	93.1	164.7
Utilities & Environmental Protection	0.0	65.9	119.1	185.1
Civic Partners	0.0	8.4	0.0	8.4
Sub-Total	55.7	134.2	236.9	426.9

 Flood-Related Adjustments

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Funding the Proposed Adjustments

OPERATING ADJUSTMENTS:

- Non-flood adjustments funded within previously-approved 2014 tax rate increase of 6.1%. Flood-related adjustments funded through the Fiscal Stability Reserve.

CAPITAL ADJUSTMENTS (Non-Flood)

- Non-flood capital budget adjustments of \$292.6 million can be funded through existing sources (e.g. acreage assessments, fuel tax revenues, self-supported debt).

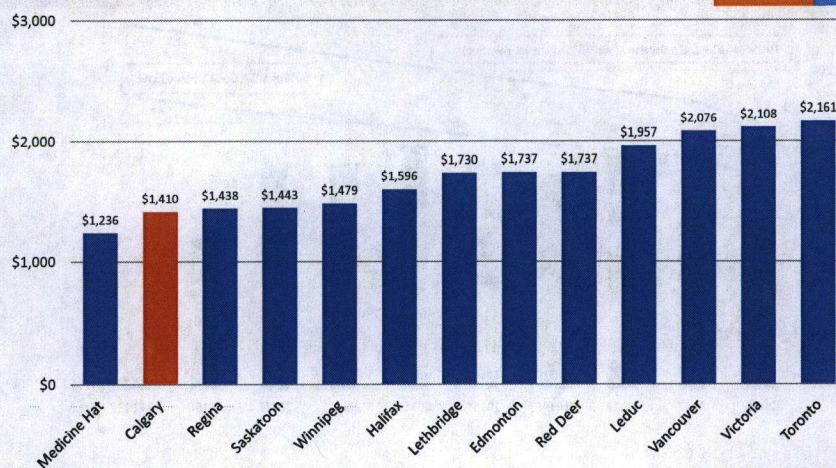
CAPITAL ADJUSTMENTS (Flood-Related)

- Use third-party funding (i.e. insurance, provincial DRP) to fund all eligible operating and capital expenditures in both tax-supported areas and Utilities.
- Fund the balance of 2013 and proposed 2014 tax-supported capital expenditures using the 2013 "tax room" and Fiscal Stability Reserve.
- Fund capital expenditures for Utilities from their respective reserves and debt.

Use tax room, in 2014 only, to fund resilience projects for tax-supported services.

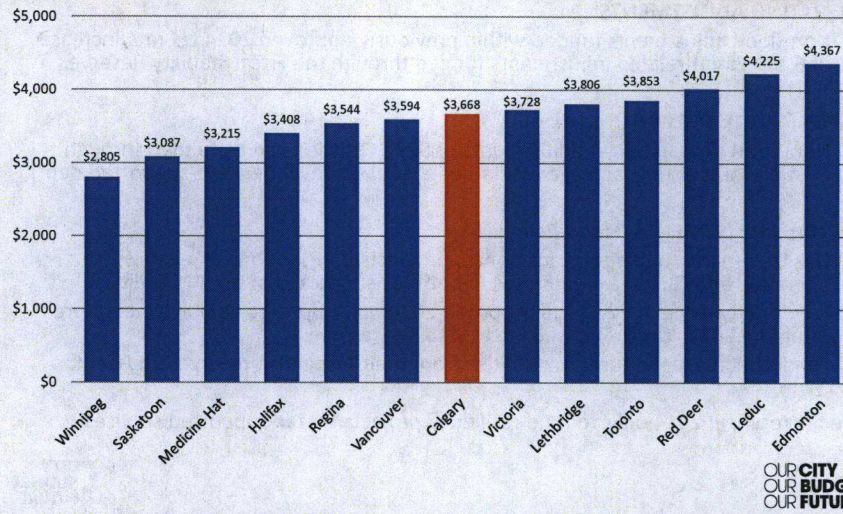
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Municipal Property Tax for a Representative Single Family House in 2012 - Canadian Cities

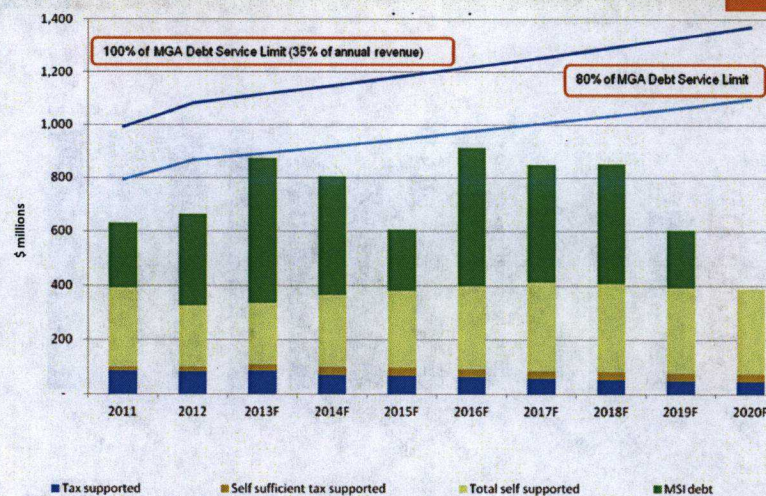


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Combined Municipal Property Tax and Utility Charges for a Representative Single Family House in 2012 - Canadian Cities



Total Debt Servicing Trend (Principal & Interest)



Adjustments Public Engagement

- Given recent election, more limited engagement undertaken for 2014.
- Highlights of Proposed Adjustments and details available through the web.
- Citizens invited to express opinions online, through 311 and through public submission.
- More limited visits and few comments provided.
- Public Submissions follow this presentation.

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Recommendations

1. Approve Administration's proposed adjustments to the 2014 Business Plans and Budgets and adopt the 2014 operating budgets and the 2014-2018 capital budgets as adjusted, shown in Attachment 1 (pages 17 to 95).
2. Approve the recommendations from the Interim and Permanent Financing and Funding Strategy (Attachment 1, pages 97 – 102).
3. Approve the proposed User Fee and Utility Rate Adjustments for 2014 in Attachment 2.
4. Give three readings to proposed Bylaw 45M2013 to amend Bylaw 40M2003 – Fire Fees Bylaw in Attachment 3.
5. Give three readings to proposed Bylaw 44M2013 to amend Bylaw 14M2012 – Wastewater Bylaw in Attachment 4.
6. Receive for information the Omnibus Report on Referred Items in Attachment 5.
7. Approve the carry-forward of operating budgets from 2013 to 2014 in Attachment 6.

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