

## CAPITAL AND OPERATING BUDGET REVISIONS FOR THE PERIOD 2013 JULY 1 TO DECEMBER 31

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### EXECUTIVE SUMMARY

To request Council's approval for revisions to the previously approved 2012 - 2014 capital and operating budgets.

### ADMINISTRATION RECOMMENDATION(S)

That the Priorities and Finance Committee recommend that Council:

1. Approve a net \$3.826 million increase to the currently approved 2013-2014 Capital Budget, as identified in Attachment 1, Schedules A & B - "Capital Budget Revisions Requiring Council Approval"; and
2. Approve a \$250 thousand operating budget expenditure to be funded through the Fiscal Stability Reserve in 2014 as identified in Attachment 2 "Operating Budget Revisions Requiring Council Approval"; and
3. Receive for information Attachment 3 - "Summary of Operating and Capital Budget Revisions Previously Approved by Council or Approved by Administration".

### PREVIOUS COUNCIL DIRECTION / POLICY

Council approved the 2012-2014 Capital and Operating Budgets on 2011 November 29. Council subsequently approved amendments to the Capital and Operating Budgets during the Business Plan and Budgets Adjustments on 2012 November 26 and 2013 November 25.

Revisions to the Capital and Operating budgets are required to reflect changes that have arisen since that time relating to actual experience, Council direction and Administrative changes.

### BACKGROUND

This report focuses on all revisions that have been made from 2013 July 1 to December 31 which impact the 2012-2014 previously approved capital and operating budgets.

### INVESTIGATION: ALTERNATIVES AND ANALYSIS

The content of each of the attachments to this report is provided below.

Attachment 1 - Schedules A and B: Capital Budget Revisions Requiring Council Approval;  
Schedule A: Revisions that have a net impact to the capital budget:

- net increase \$3.085 million in 2013
- net increase \$741 thousand in 2014

The requested net increase to the approved capital budget is due to appropriations from existing funding sources for capital projects identified in Attachment 1 Schedule A, mainly for Calgary Transit, Calgary Police Service and Civic Partners.

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Schedule B: Revisions with no net impact to the capital budget:

- net decrease (\$1.724) million in 2013
- net decrease (\$35.887) million in 2014
- net increase \$21.286 million in 2015
- net increase \$16.325 million over the 2016-2017 period

These above net zero impact requests are primarily due to alignment of funding available with updated cash flow requirements for various multi-year capital projects.

The above two actions combined will result in a total capital budget impact of;

- net increase \$21.286 million in 2015
- net increase \$16.325 million over the 2016-2017 period.

Attachment 2 - Schedule 1: Operating Budget Revisions Requiring Council Approval:  
\$250 thousand operating budget expenditure is requested, to be funded through the Fiscal Stability Reserve.

Attachment 3 - Schedules 1 through 5: Capital and Operating Budget Revisions Previously Approved by Council, or Approved by Administration, which are provided to Council for information

Schedule 1 – Operating Budget Revisions Previously Approved by Council

The net tax supported operating budget impact is zero, with no change in FTEs.

Schedule 2 - Operating Budget Transfers Approved by Administration

The net tax supported operating budget impact is zero, with no change in FTEs.

Schedule 3 – Council Decisions/Referrals having Actual or Potential Future Year Budget Impacts

Provided to meet the requirement of NM2008-53 to track decisions or referrals that Council has made to date in the year which have an actual or potential future year budget impact that have not been reported during the Adjustment to the 2014 Business Plans and Budgets C2013-0668 or the Capital and Operating Budget Revisions Report for the Period 2013 January 1 to June 30 PFC2013-0634.

Schedule 4 – Capital Budget Revisions Previously Approved by Council

Primary revision is the appropriation of \$20 million for Crowchild Trail & Flanders Avenue Interchange Upgrade in Transportation Infrastructure and \$5.46 million for Decidedly Jazz Dance Centre project in Civic Partners, funded by Municipal Sustainability Initiative.

Schedule 5 – Capital Budget Revisions Approved by Administration

Primary revision is the relinquishment of appropriation for completed projects in Calgary Police Service for \$73 thousand and Land Use Planning & Policy for \$134 thousand.

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On 2014 January 13, Council approved report 2014 Assessment Rolls - Flood Update Report PFC2013-0812. 1,939 properties have been identified as having experienced a market value loss. Council directed Administration to use the Tax Loss Provision Reserve to reduce the impact to the tax base in 2014, estimated at \$2.4 million. This item will be addressed in the 2014 Property Tax Related Bylaws report C2014-0216.

**Stakeholder Engagement, Research and Communication**

Department budget actions are predicated on direction received from Council during the 2012-2014 Business Plan and Budget deliberations and from the Adjustment process in 2012 and 2013. Actions also reflect current Council direction and actual spending patterns.

**Strategic Alignment**

This report summarizes budget revisions that align with departmental strategic results and Council Priorities in the approved 2012-2014 Business Plans and Budgets. This report meets the requirements of the Municipal Government Act (MGA) that require Council approval for the Capital and Operating Budgets.

**Social, Environmental, Economic (External)**

N/A

**Financial Capacity**

**Current and Future Operating Budget:**

Operating Budget Revisions reflect recommended changes based on experience, Council direction and administrative changes, as well as previously approved revisions. Council is requested to approve a \$250 thousand budget expenditure to be funded through the Fiscal Stability Reserve in 2014.

**Current and Future Capital Budget:**

Capital Budget Revisions reflect recommended changes, largely current alignment of funding to project work plans, as well as previously approved revisions. Council is requested to approve \$3.826 million; \$3.085 million in 2013 and \$741 thousand in 2014.

**Risk Assessment**

Without Council approval of the revisions in Attachment 1, capital programs may be delayed, reduced in scope or cancelled. Administration monitors capital programs as they progress and will bring back issues, challenges and recommendations within the budget reporting process.

**REASON(S) FOR RECOMMENDATION(S):**

Administration is providing Attachment 1 and 2 for approval to ensure timely alignment of cash flow with the 2013-2014 work plans and priorities, and Attachment 3 is for information.

**ATTACHMENT(S)**

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1. Capital Budget Revisions Requiring Council Approval
2. Operating Budget Revisions Requiring Council Approval
3. Capital and Operating Budget Revisions Previously Approved by Council or Approved by Administration