Mid-Cycle Adjustments to the 2023-2026 Service Plans and Budgets

Date: 2024 November 15

RE: Council questions pertaining to the Mid-Cycle Adjustments to the 2023-2026 Service Plans and Budgets which were received by Administration between October 19 to November 8.

This is the last Memo to Council regarding questions and responses pertaining to Mid-Cycle Adjustments to the 2023-2026 Service Plans and Budgets. We thank all members for their time, proactive engagement, and thoughtful questions.

As you prepare for Budget deliberation week, the following reports, attachments and previous Council directions may be useful resources:

- Financial Task Force recommendations are available at calgary.ca/our-finances/financial-task-force.
- Calgary's Property Tax Policy Framework including approved Tax Policy Principles;

Questions brought forward during the drop-in session on November 7 have been added to this memo. Questions arising from November 9 onwards would be best raised during the Mid-Cycle Adjustments to the 2023-2026 Service Plans and Budgets deliberations from November 18-22.

Administration's responses to the questions received have been grouped by Service.

Contents

Technical Questions

Question 01: Are there additional sources of funding that are available to Council?

Response:
The review of investment income identified an ability to offset the equivalent of a 1% property tax increase, approximately $23 million. Of this, $20.8 million was used to eliminate the additional 0.9% property tax increase that had been identified in the preview of the Mid Cycle Adjustments in September (C2024-0859). As a result, just over $2 million in on-going (base) funding is available to Council.

As noted in a September internal management report, the 2024 year end favourable operating variance is projected to be $201 million (excluding Green Line costs). As per C2024-0809, 75% of the operating variance up to $134 million is committed to Green Line capital costs. Another $29 million of that variance is identified for use in the recommended new investments. This leaves an estimated $38 million favourable yearend variance that will be transferred to the Fiscal Stability Reserve after yearend.

Additionally, through the Triennial Reserve Review, administration has identified $52 million that can be released from the Debt Servicing Reserve, as this is not anticipated to be needed.

The current uncommitted balance in the Fiscal Stability Reserve is 7.9% of tax supported expenditures, above the minimum of 5% but well below the target balance of 15%. Administration's recommendation is that the $38 million favourable yearend operating variance and $52 million identified in the Triennial Reserve Review (i.e. a total of $90 million in one-time funding) be transferred to the Fiscal Stability Reserve, which would bring the uncommitted value to approximately 10% of tax supported expenditures

Question 02: Is it possible to highlight the different items that have been directed by Council, but do not currently form part of Administration's recommendation?

Response:
The below tables highlights the different notice of motions, operating and capital items that have been directed by Council, but do not currently form part of Administration's recommendation.

List of Notices of Motion
The following were approved during Regular Meeting of Council, October 29, 2024. These items have been included in a distribution for Council's consideration in the MCA deliberations week as they do not have a funding source.

Calgary

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Item	Notice of Motion	On-going Annual Amounts (Base) ($000's)			One-Time ($000's)		
		2025	2026	Total	2025	2026	Total
9.4.5	Designated Historical Resource Property Tax Cancellation and Subclass	600	100	**700**			
9.4.6	His Majesty's Canadian Ship (HMCS) Calgary 30th Anniversary and Ongoing Calgary Salutes Support				65		**65**
9.4.9	Strengthening Transparency: Improving Engagement with Calgarians				775		**775**
Total		600	100	**700**	840		**840**

List of Council Directed UNFUNDED Items – Operating

Item	Explanation	On-going Annual Amounts (Base) ($000's)			One-Time ($000's)		
		2025	2026	Total	2025	2026	Total
Energy Equity and Affordability Initiatives	It was identified that a portion of the positive variance from the Local access fees (LAF) was to help fund this investment, however, in March 2024, Administration was directed to change the Council Policy CFO003 Franchise Fee/Municipal Consent and Access Fee (MCAF) Revenue Budgets and Variances. Administration is currently developing a funding source, program and framework to support an annual amount of $10 million in 2025 and 2026 for Energy Poverty and Affordability initiatives with funding from a portion of any potential positive variance collected from the Local Access Fee operating budget. C2024-0251	-	-	**-**	$10,000	$10,000	**$20,000**
Third Party Recruiter for	Throughout 2024, the Executive Leadership Team	$612	-	**$612**	-	-	**-**

Mid-Cycle Adjustments to the 2023-2026 Service Plans and Budgets

Item	Explanation	On-going Annual Amounts (Base) ($000's)			One-Time ($000's)		
		2025	2026	**Total**	2025	2026	**Total**
Boards, Commissions and Committees	(ELT) reviewed and endorsed a listing of proposed high-priority funded investment items for Council consideration during the Mid-Cycle Adjustments in November. This item was not listed as one of the high priority items thus is not being recommended to fund. C2024-0505						

List of Council Directed PARTIALLY UNFUNDED Items – CAPITAL

Item	Council Direction	Description	Capital ($Millions)			
			2024	2025	2026	Total
Setting a Standard for Pavement Quality in Calgary	Notice of Motion EC2023-0608 IP2024-1043	City Council directs City Administration to **review opportunities to allocate an appropriate funding increase** for the surface overlay program to help reduce seasonal **street repairs** and improve mobility for all modes such as vehicles, bicycles, and transit buses. Recommended Pavement Quality of Service and the additional annual investment required to be considered for MCA. From 2024-2026, $172.3M has been funded. An additional $35.8M would be required in 2026 to start making progress towards the recommended pavement quality of service with additional significant annual investments required in 2027 and beyond.	-	-	$35.8M	**$35.8M**
Cllr Wong Motion Arising – Facility Sustainment	Council - C2022-1051	That Council direct Administration to explore a funding source in the amount of $35.4 million to augment the Facilities Sustainment Capital Budget to cover the cost of repairs and maintenance on City of Calgary facilities deemed to be in "critical condition". $20M was approved at the November 2023 adjustments across 2024-2026 and supplemented the amount already approved for those years, for a total of $90.5M (after the 2024 Council approved recast). There is an additional $10.6M that is recommended as part of 2024 adjustments.			$4.8M	**$4.8M**

Question 03: We were off on our population growth assumptions. We are seeing a decline in population growth now. How is it true? What is the plan for the future if things keep changing? Looking for a plan B.

Response:
The latest numbers for the Calgary Economic Region have not been released yet. At the provincial level, the 2024 numbers have been released and those numbers are higher than those in 2023. International net migration in 2024 was nearly 20% higher than in 2023 (119,700 in 2023 vs 145,400 in 2024). Alberta's population grew by 4.4% in 2024, more robust than the 3.9% growth in 2023. The number of temporary residents that came to Alberta in 2024 was even higher than in 2023.

When the 2024 Calgary numbers come out, we will still see some reasonably robust growth. However, for 2025, things may be different. We will still have to factor in the latest news from Immigration, Refugees and Citizenship Canada (IRCC) on immigration cuts into our forecasts, but there will likely be a fall/decline in 2025 onwards. In addition, the labour market is currently not expected to be as strong as in 2022, which could discourage immigration.

The short answer is that immigration target cuts by the federal government and current labour market conditions lead us to believe that population growth will slow down in the near future.

In terms of alternative plans, that is essentially the purpose of the annual adjustments to the 4-year plan and budget. This year's adjustments are primarily aimed at responding to the combined effects of inflation and population growth on our plans and budgets, with a specific focus on the services that matter most to Calgarians.

Question 04: One of the important things is that the population growth forecasts used in 2022 to develop the 4-year plan and budget were significantly off from the real population growth rates we experienced, and the question is why?

Response:
This was caused by a number of factors:
- Unexpected growth in temporary resident permits issued, something even the federal government wasn't prepared for or monitoring actively. By the time actual municipal numbers regarding the issues with the temporary program were published, our forecasts had already been prepared.
- This ties into the first point but as of 2022, there was absolutely no indication that non-permanent resident levels will be where they are now. It is something that caught even the federal government off guard.
- Sub provincial level data is released once a year so there was no way to track any future changes in the trend of non-permanent workers coming in.
- The quarterly provincial releases are the best way to monitor quarterly changes in migration trends (given municipal data is only released annually). Unfortunately, since there hasn't historically been a strong correlation between provincial trends and city level trends, there isn't a high level of confidence in extrapolating provincial trends to the municipal level.
- It's also important to note that on a given year, population forecasting is the easiest part of our forecasting work because it is not volatile. The frequent changes in immigration policy,

the temporary resident program miscalculation by the federal government and delays by Statistics Canada in releasing data made the forecasting work quite challenging last year but we would expect things to revert to normal.

- Lastly, the absence of the Civic Census was another challenge in forecasting Calgary's population.

The reason for the decline and projection, is the impact of immigration policy changes. Temp immigration dropping, therefore expecting an overall decline. The Civic Census was the only reference point Corporate Economics & Regulatory Affairs had to compare our forecast to the actual numbers. While the Civic Census was discontinued, Statistics Canada does produce estimates of the population at the municipal level.

Question 05: How do we work in our narrative that more population doesn't mean that we get more municipal tax and the lag between people coming and income for property tax. Province has different revenue collection model so more population is more money through income tax.

Response:

Over time residential property taxes grow in line with newly created units from development and redevelopment but that does not always correspond to population growth. An influx of new residents is more likely to be accommodated by both newly constructed units and by the existing housing stock. That reality leads to a situation where demand for services rises at a greater rate than the revenue required to keep up. In order to bridge the gap between demand and revenue, property tax increases by Council are required.

This is quite different from the experience of provincial and federal governments that tax income, rather than property. As newly arrived migrants start earning an income, they start paying income tax to the provincial federal governments.

Question 06: When you read through the presentation you get contradiction on messaging in the investments that are not proceeding. For example, we are saying we are investing in critical infrastructure, such as slope stability, but we are not funding other critical lifecycle upgrades. Are we taking care of all of our safety, or are we cutting some?

Response:

Administration has identified a number of specific critical infrastructure upgrades and are recommending the reallocation of existing capital funding to address these priorities. We are not able to address all lifecycle and maintenance needs through reallocation and have worked to prioritize inspections and repair locations. Specific capital projects that cannot be accommodated at this time are shown in Appendix G of Attachment 3in Table 2 on page 87.

Question 07: In Attachment 14, we discuss the provincial implications on municipal government. However, the carbon tax isn't mentioned. Why wasn't it referenced? What is the cost to The City of the carbon tax instituted by other orders of government?

Response:

The cost of the federal carbon tax paid by The City in 2023 was $12.3 million. While the carbon tax is increasing, the amount paid by The City going forward will also be dependent on the ability to substitute lower carbon fuels for higher carbon fuels.

There are three related reasons that an analysis of Federal downloading was not included in the *Municipal Fiscal Gap* report. First, the constitutional tie between cities and the federal government is less clear. The constitution assigns the responsibility for municipalities to provincial governments. Second, because the relationship between federal and municipal governments is less direct, the direct impact of Federal decisions on an individual municipality is often difficult to calculate. Third, where we know the direct impact, it is not clear that a gap exists in the same way that it exists in the same way as it does for the provincial government because recent federal contributions likely put us in a net positive position.

In the Sep 19, 2023, Municipal Fiscal Report (pg. 66), it says that the federal carbon levy applies in the province of Alberta and increased to $50 per tonne of CO2 equivalent in April 2023. In addition, Alberta's output-based carbon pricing system for large industrial emitters, first implemented in 2007, remains in place. There was also an analysis done related to this issue. The revenue from the fuel charge component of the federal carbon tax and Calgary's population share help estimate potential revenue. If The City collected a similar fuel charge at $4 per tonne of CO2 equivalent (or 10 per cent of the federal carbon price in 2021), The City would have received estimated revenues of $45 million in the year ending March 31, 2022. Municipalities could rely on a tax-sharing agreement with the federal government where 10 per cent of carbon tax revenues get distributed to municipalities. Carbon tax revenue could grow if the price of carbon increased over time, like the federal carbon pricing scheme.

In the May 2024 Update there was no update provided.

Service Name: Affordable Housing

Question 01: What is the federal funding source for the Housing Lifecycle City owned (A482001) and Community Cultural Spaces (A482004) programs? Attachment 5, Page 6 of 13.

The new budget request is $5 million and $173.5 million respectively.

Response:

$5M Housing Lifecycle City Owned (A482001) - Funded by CMHC Repair and Renewal (500 units). Federal government through the Affordable Housing Fund.

(A482004) $173.5M this is the Housing Accelerator Fund. Project title on the attachment is not correct and will be corrected (CBO involved). This is about creating a budget to spend the funds from the housing accelerator fund. No additional corporate funds in this. All of this is federal grants – federal is the only funding source.

Service Name:* *All Services

Question 01: What is the budget for travel outside of Calgary for Administration? How much was spent on travel outside of Calgary in the last year, including food, accommodation, and other expenses?

Response:

Administration does not track in the accounting system whether business travel is within Calgary or outside of Calgary. We have provided the total travel for City Administration below.

2023 Total Year Budget	$2,021,626
2023 Total Year Actual	$2,218,882
2023 Variance	$(197,256)
2024 Total Year Budget	$3,114,292
2025 Total Year Budget	$2,789,767

Question 02: What is the travel allowance amount for employees going to meetings outside of their primary place of work?

Response:

A travel allowance is not provided to City of Calgary employees to attend meetings outside of their primary workplace. If the meeting or conference occurs outside the city, employees are required to submit a detailed request outlining the reason for attending, event date(s), anticipated costs associated with the event (including transportation, accommodation, meals and registration fee) to their Manager, for approval.

The suggested meal allowances (including both tax and tip) for City expenditures applies to both in and out of town events.

- Breakfast: $25.00
- Lunch: $30.00
- Dinner: $45.00
- Kilometreage: $0.70 for first 5000 Kms traveled cumulatively in a calendar year

Detailed receipts must be submitted.

Question 03: How much overlap is there between work in policies and strategies including (but not limited to) the Triple Bottom Line Policy, the Calgary Plan, and the Calgary Environment Strategy? Where can these strategies be combined to find efficiencies?

Response:

The three documents mentioned in the question are interconnected and reinforce each other, yet each serves its own distinct purpose and scope:

1. *Triple Bottom Line Policy* - is the high-level policy direction to integrate long-term thinking and embed the three pillars of People, Economy, and Environment in all of the work The City does.
2. *Calgary Environment Strategy* - is the articulation of the Environment pillar of *Triple Bottom Line Policy* (same level as social and economic), and identifies the goals, outcomes, and actions of the environment for Corporation and the Community.
3. *The Calgary Plan* - is the statutory plan that fulfills the legislative requirements outlined in section 632 of the *Municipal Government Act* and aligns policies from all three pillars of the *Triple Bottom Line Policy*, including the Environment Strategy.

The *Triple Bottom Line Policy*, *The Calgary Plan*, and *Calgary Environment Strategy* are each at a different status in their lifecycle / resourcing. While there are points of connection, the work associated with these documents require separate resourcing plans because they differ in both scope and content. We work closely to ensure policy and strategy alignment and avoid duplication of effort.

Thinking more broadly, work is underway to review The City's strategies to ensure overall alignment and better prioritization into the 2027-2030 service planning and budgeting process. It should be noted, however, that the City is a large organization with many lines of business and so it is both appropriate and necessary for there to be a specific direction for each of those businesses. The ongoing work will be more focused on how we can make sure The City is working as one organization to achieve the outcomes prioritized by Council.

Triple Bottom Line Policy
What the document does

Serves as the basis for decision-making at The City. With a Triple Bottom Line, we consider the return on investment more broadly than a private sector organization would. This policy is a description of how The City must consider its decisions given its public service orientation.

Interconnections

The Triple Bottom Line Policy provides a supporting framework for the Calgary Plan and the Calgary Environment Strategy, as well as many other decisions made by The City. In the case of the *Calgary Plan* the *Triple Bottom Line* policy helped to inform the overall goals of the plan (i.e., economy, people and environment). In the case of the *Calgary Environmental Strategy* the *Triple Bottom Policy* directs that we consider environmental implications in our decision making and the

Calgary Environmental Strategy both details what environmental considerations need to be made and directs the organization towards certain environmental outcomes.

Current Status / Resourcing

The *Triple Bottom Line Policy* has been in place since 2006. The *Policy* is: (1) currently under review; and (2) has recently been transferred from City Planning and Policy to Corporate Planning and Performance. The overarching goal of the policy is to better integrate longer term thinking into The City's decision-making and it was determined the best place for that type of work to be done was closer to the service planning and budgeting process. While the policy is under review, there is no full-time resource devoted solely to that review / stewarding the policy and so no efficiencies can be generated by collapsing the policy into the other work mentioned above. The resource currently deployed to the review is also working on deeper integration of long-term plans, including the Calgary Plan, into the service planning and budgeting process as mentioned above.

The Calgary Plan
What the document does

The Calgary Plan, when approved by Council, will combine and modernize the *Municipal Development Plan* and *Calgary Transportation Plan*. It is a statutory land use and mobility plan, setting citywide direction for how the city will grow and change over the next 30 years. *The Calgary Plan's* citywide and high-level direction helps guide The City's other plans and strategy documents to ensure we are all working together to achieve a shared vision. *The Calgary Plan* fulfills the legislative requirements outlined in section 632 of the *Municipal Government Act.*

Interconnections

The Calgary Plan is supported by the *Triple Bottom Line Policy*, which helped inform and organize the three goals of the plan (i.e., economy, people and environment). The *Calgary Environment Strategy* is also an input to *The Calgary Plan*, particularly where the policies and goals in the strategy have land use and mobility implications. However, the Environmental Strategy is broader in scope and includes additional direction and details beyond the scope of *The Calgary Plan*.

Current Status / Resourcing

The work on the Calgary Plan will continue into next year and was funded, as part of the overall City Building Program, on a one-time basis over multiple years as part of the *2023-2026 Service Plans and Budgets*. Once the *Calgary Plan* is approved ongoing stewardship of the policy will continue through permanently funded resources in Planning & Development Services. After approval of *The Calgary Plan*, the next deliverables of The City Building Program are the *Zoning Bylaw* and *Street Manual*. In addition, there is work underway to achieve deeper integration of *The Calgary Plan* and other long-term plans with the service planning & budgeting process as mentioned above.

Calgary Environment Strategy

What the document does

The *Calgary Environment Strategy* outlines The City's mission and goals for protecting the environment, detailing specific actions to achieve these objectives. It sets the direction for improving Calgary's environmental health and reflects the priorities of City Council and community-supported goals. The *Strategy* emphasizes The City's responsibility to minimize environmental harm and guides how it measures and communicates its environmental efforts. By prioritizing environmental responsibility, the *Strategy* aims to reduce operating costs, enhance public health and well-being, and improve the City's reputation.

The aim of the *Environment Strategy* is to build corporate momentum for environmental issues, opportunities, and priorities, as well as facilitate ongoing cross corporate implementation that is more collaborative, efficient, and effective.

Interconnections

The *Calgary Environment Strategy* realizes the environmental pillar of the *Triple Bottom Line Policy*, alongside social and economic, while itself supporting the *Triple Bottom Line Policy*. It outlines goals and actions for The City and community, linking various programs and projects to these objectives. The Environment Strategy supports the goals in The Calgary Plan, but it also includes broader actions for environmental outcomes across The City and community and provides a framework for tracking progress in environmental stewardship and improving communication about The City's efforts.

Current Status

The *Calgary Environment Strategy* was passed in 2021. The Environment Strategy directs action in the Climate Implementation Plan (2022) and also directs environment goals to be implemented across the corporation The City and community, including through inclusion in *The Calgary Plan*.

***Service Name:** City Planning & Policy*

Question 01: What is the reason for significant increase in the City Planning & Policy service line budget for 2024 and 2025 (attachment 16, page 1)?

Response:

The primary reason for this increase is the committed Downtown Incentive Conversion Program. The incentive is not paid out until the conversion projects are complete. As a result, we have carried forward the one-time operating budget of $164 million related to the downtown incentive program until the conversion projects are finalized.

Question 02: The Attachment 5, page 1, (Service- Land Development & Sales), third line down states that 'Budget relinquishment of $20 million is on account of consolidation of TOD investments and a renewed delivery model for TODs (to be confirmed) to better align with Council priorities.' We had $20 million budgeted for Anderson TOD. Why is this now being relinquished? PD703_TOD

Response:

The current approved budget is funded from the land servicing reserve, with planned repayment from future sales. This project is part of the Transit Oriented Development (TOD) initiative that was presented to Infrastructure and Planning Committee on November 6. The recommended delivery of the initiative would mean that future sales would not be available as a source to repay the reserve. Therefore, the proposed budget from the reserve is being relinquished and replaced with a recommendation for corporate funding for the TOD project.

Because this is a restricted funding source, this relinquishment is not part of the $135M being reallocated.

Question 03: What is the source of funding for the City-Wide Transit Oriented Development (TOD) recommended investment (Attachment 3, Pg 76 of 89):

Response:

Funding in 2025/26 would come from the corporate sources identified in Table 4b of Attachment 3 (i.e., Lifecycle Maintenance and Upgrade Reserve, Reserve for Future Capital or, if eligible, Municipal Sustainability Initiative/ Local Government Fiscal Framework). Assignment of specific funding source(s) will be determined with Finance once the structure of the project has been finalized. Note that funding sources can change during an investment's lifespan to ensure ongoing optimization of available funding.

Question 04: Can you provide more details for the $4.5M for "TOD – Design and Infrastructure Study" indicated on page 76 of Attachment 3? How does this relate to the $20M for "City-wide Transit Oriented Development" on page 76?

Response:

Administration has requested a capital budget ask of $4.5M to accelerate planning, design and infrastructure studies required to support transit-oriented development (TOD) at prioritized station areas across the city, using the framework of the TOD Implementation Strategy. This would be applied to a different set of station areas from the $20M request. Both project teams are aware of each other's requests. The $4.5M will be used in 2025 and 2026 to help prepare additional station areas for non-market and mixed-market housing opportunities and public space improvements that benefit current and future residents, similar to the current Franklin Station Area Improvements project.

Service Name: ***Corporate Programs***

Question 01: Greenline - Supplementary budget, $16m was one time funding, but only up to 2031. How is it going to be reflected in future casting perspective. How does the next Council know that it's relinquished at other purposes.

Response:

As base funding, the $16M continues as part of the tax funding each year. Through 2031, it will be offset by one-time expenditures to yield a balanced net budget. As of 2032, with the one-time expenditures complete, without an offsetting expenditure the $16M will show as a net surplus available for services until allocated as part of the next cycle budget approvals.

Service Name: ***Economic Development & Tourism, and Library Services***

Question 01: What portion of the downtown safety $ is supporting operations at our downtown civic partners (in particular the library). If we moved this to base, what would be the tax implication?

Response:

$2M in one time funding in 2025 and 2026 of the proposed investment “Implementing the recommendations from the Downtown Safety Leadership Table” would be invested through the Civic Partner Community Safety Grant Program in 2025 and 2026. Given the significant impacts of safety on the Calgary Public Library Board’s downtown operations in the 2024 Civic Partner Community Safety Grant program they received $750,000 of the $2M available. The remaining funds were disbursed to other Civic Partners based on alignment of their applications with the Program’s criteria. Moving the funding for Library services to base would be equivalent to between a 0.02% - 0.04% property tax increase.

Service Name:* *Executive Leadership

Question 01: How much does The City spend on an annual basis on external consultants? Please break it down by service and whether there are internal staff who offer the same service.

Response:
As part of The City's strategy to control external management consulting spend, a cross-corporate governance structure and controls has been established to oversee this category of spend.

A *Management Consulting Request for Standing Offer* (RFSO) was also released to the market by The City and awarded in early 2024 as part of Supply Management's Category Management initiative, to strategically source and consolidate The City's consulting services and standardize roles and rates. When business units enter a sourcing request, they are required by The City's procurement policy to ensure that the requested support cannot be provided through the relevant internal service providers.

As of April 2024, when consulting service requests are submitted to Supply Management to initiate a procurement, those submissions are reviewed by an internal Management Consulting Governance Tier 1 Team to evaluate if the work can be performed in-house. The Tier 1 team consists of members at the manager or leader level whose areas provide internal management consulting services. Should external expertise be necessary, requests are seamlessly integrated into our management consulting RFSO or other established City procurement avenues.

Below is what The City has spent on external consulting in the following areas. Engineering, Architecture and construction consulting services have been excluded;

Year	Category	Amount Spent	
2023		**$**	**4,867,397.82**
	Management Consulting	$	3,041,032.39
	Change Management	$	62,132.00
	Facilitation, Workshops, and Speakers	$	154,017.76
	Financial Consulting - General	$	723,653.14
	Human Resource Services General	$	180,687.13
	Project Management	$	705,875.40
2024		**$**	**4,130,289.05**
	Management Consulting	$	2,164,203.91
	Change Management	$	-
	Facilitation, Workshops, and Speakers	$	74,805.00
	Financial Auditing	$	42,758.50
	Financial Consulting - General	$	696,652.26
	Human Resource Services General	$	97,109.49
	Project Management	$	1,054,759.89

Question 02: What is the budget for the Chief Operator's Office? Where did that funding come from?

Response:

The budgeted spend for Chief Operating Office for 2024 is $2,500,000. This is funded by recoveries from the four operational departments under Chief Operating Officer: Community Services, Infrastructure Services, Operational Services and Planning & Development Services.

Service Name: Facility Management

Question 01: What percentage of desks in City buildings are occupied on a daily basis? If desks were occupied 90 per cent of the time, how much space could we save and how much of a cost savings would there be in Facility Management, Information Technology and other costs?

Response:

During the spring of 2024, Facilities conducted space utilization audits across multiple facilities, where it was identified that while workstations within City buildings are 97% allocated to individuals, utilization ranged between 23-45%, depending on day, location, and business unit. Space utilization audits were completed to count desk occupancy only and did not track attendance.

In light of this data, and the L38 collective agreement Letter of Understanding that governs telework, the ELT directed Facilities, HR, & IT, to explore alternate workstyles and methodologies in allocating corporate workspace to increase efficient utilization of workstations. The cross corporate team is actively working with all business units to promote alternate workstyles to increase the flexibility and use of corporate spaces in multiple ways by individuals. This is a massive cultural change for the employees of the corporation, and the careful management of implementation and support for change is key to the long-term success of this program.

The anticipated benefits of this program to increase utilization of space includes decreasing the carbon footprint per employee; reducing the operating cost of buildings per employee; generating future cost avoidance through reduced reliance on external leases; and exploring the potential to dispose of redundant real estate.

As the work to implement this program is still in early stages, estimates for cost savings are not available at this time. Some areas of the organization have been early adopters of alternate workstyles, and changes in these areas have allowed The City to avoid additional external leases of approx. $1M per year, so far. These early studies are promising, and while not applicable to all business units, we are optimistic that space reduction and increased utilization will be achieved.

Service Name:* *Financial Support

Question 01: Why is inflation higher in Calgary than in the rest of Alberta and Canada?

Response:

Consumer Price Inflation (CPI) in the Calgary Census Metropolitan Area (CMA) remains higher than the provincial and national average due to relatively higher shelter cost growth. The main factor contributing to Calgary's increased inflation rate is the city's record-high migration rate.

Inflation Rates

	Relative Importance (%)*	Year-over-year (%) Sep-24	Aug-24	Jul-24
Calgary: All-items	**100.00**	**2.1**	**2.3**	**2.9**
Shelter	27.18	4.8	4.4	5.6
Rented accommodation	5.49	14.3	15.9	13.5
Owned accommodation	18.02	8.1	9.4	9.9
Water, fuel and electricity	3.67	-17.8	-22.4	-17.4
Alberta: All-items	**100.00**	**1.9**	**2.0**	**2.7**
Alberta: All-items excluding food and energy	75.39	2.9	3.0	3.0
Canada: All-items	**100.00**	**1.6**	**2.0**	**2.5**
Canada: All-items excluding food and energy	76.30	2.4	2.4	2.7

* CPI basket weights are based on the 2023 expenditure data, modified in June 2024.
Sources: Statistics Canada, Corporate Economics, October 15, 2024.

Source: Inflation Review, September 2024, The City of Calgary

Affordability: Composite

Edmonton had ranked best followed by Calgary and then Ottawa (based on the 2021 to Jan 2024 data shared) on the affordability index (ratio of house price to income). However, the recent data shows that Ottawa has moved into second spot based on the composite (for all structures).

Benchmarking house price/cost: Composite

Calgary is currently ranked 4th on the composite (benchmarking house price) when compared to price pressures, with Vancouver in the lead followed by Toronto and then Ottawa.

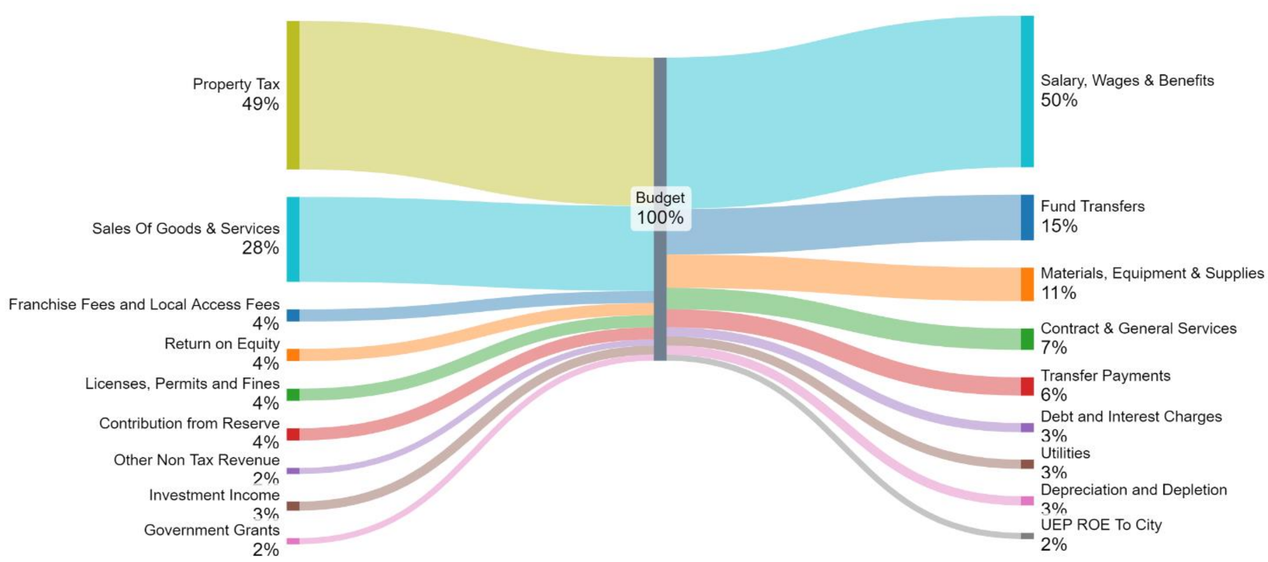
The number of individuals migrating to Calgary is outpacing housing availability, causing record-breaking rent increases due to imbalances in the rental market (demand overshadowing supply). At 14.3 per cent in September 2024, rental inflation was the highest in Canada and the main driver of rising living expenses.

Alberta's inflation rate eased slightly in September, declining to 1.9 per cent from 2.0 per cent in August. Lower electricity prices and cheaper clothing and footwear were key contributors to the decline in inflation in Alberta.

Meanwhile, Canada's national inflation rate slowed to 1.6 per cent, down from 2.0 per cent in August. The ongoing slowdown in inflation was driven by lower gasoline prices, which resulted from falling crude oil prices due to weak global economic activity in September. Nationally, rent inflation showed signs of easing, amid tighter immigration policies that reduced the number of temporary foreign workers.

Question 02: Can I get an updated version of the Sankey diagram from the 4-year plan and budget?

Response:



Question 03: How much money was found annually through the budget modernization project? How has it been re-allocated? Please provide a line-by-line breakdown by business unit, initiatives, and positions in detail.

Response:

To date, $19.9 million in base funding has been found through the position budget phase of the budget modernization project. The original $10 million identified in 2021 was reduced from centrally held salary and wages and not distributed. The additional $9.9 million is recommended in the MCA report and detailed by service in Appendix D of Attachment 3 (also shown below). These savings were calculated by applying a consistent vacancy rate assumption to the tax supported salary and wage budget of each service, so no detail beyond the service level is available. The vacancy savings are applied to better reflect actual costs of delivered services. No service impacts are resulting from these service budget reductions as differences in vacancy rates from the assumptions for each service will be managed corporately on a contingency basis. The savings to date have been used as general tax support for services, reducing the tax rate increase by a total of around 1%.

Service	Ongoing (Base) Operating Budget Impact ($)
Bylaw Education & Compliance	(96,308)
Calgary 9-1-1	(274,107)
City Planning & Policy	(315,000)
Community Strategies	(95,000)
Corporate Governance	(10,360)
Corporate Security	(148,000)
Data, Analytics & Information Access	(73,000)
Executive Leadership	(144,000)
Facility Management	(128,000)
Financial Support	(188,000)
Fire & Emergency Response	(3,351,523)
Fire Inspection & Enforcement	(100,827)
Fire Safety Education	(14,650)
Human Resources Support	(195,000)
Infrastructure & Engineering	(41,440)
IT Solutions & Support	(305,000)
Legal Services	(80,000)
Mayor & Council	(143,000)
Organizational Health, Safety & Wellness	(63,000)
Parks & Open Spaces	(709,000)
Procurement & Warehousing	(138,000)

Mid-Cycle Adjustments to the 2023-2026 Service Plans and Budgets

Service	Ongoing (Base) Operating Budget Impact ($)
Property Assessment	(140,000)
Public Transit	(1,346,455)
Real Estate	(15,000)
Recreation Opportunities	(534,000)
Specialized Transit	(30,730)
Strategic Marketing & Communications	(194,000)
Streets	(984,400)
Taxation	(45,000)
Waste & Recycling	(45,200)
Total	**(9,948,000)**

Service Name: Parking

Question 01: Provide a program overview and financial information related to the Residential Parking Program (RPP) including program scope, participation, expenses, revenues and fees.

Response:

The Residential Parking Permit program operates in areas where there is confirmed parking congestion caused by a nearby facility (such as a hospital or post-secondary school.) When there is data-supported parking congestion, residents can request through petition that permit parking be added to their street. A parking permit then allows for residents to have preferential access to the public on-street parking near their home, while non-permit holders are subject to more strict conditions like a maximum length of stay. All residential parking zones see parking enforcement activity throughout the week on unpredictable schedules. This provides a significant deterrent to non-permit parkers and provides permitholders with more public parking availability near their home. There are 79 permit zones in Calgary and 29,000 active permits.

Council Policy directs that the program operates on a cost-recovery basis. Residents are eligible to purchase permits based on location (only within a permit area) and building type (the maximum number of permits varies between low-density and high-density dwelling types.) The fees for permits are set to recover program expenses and are adjusted higher or lower to maintain that balance over the long term. Most comparable Canadian cities operate similar permit programs with fees ranging from $30 to $1,078 per vehicle.

Between January and October 2024, the program expenses were $825K and fee revenue was $827K, netting out to approximately full cost recovery. The long-term average expenses and revenues are expected to continue to be approximately equal across the remainder of the 2023-2026 budget cycle.

Permit, Fee and Revenue Overview:

Type	Annual Fee	Count	YTD Revenue
Residential 1st Permit	$30	9,170	$275,000
Residential 2nd Permit	$45	3,150	$141,000
Residential 3rd Permit	$70	390	$28,000
Visitor 1st Permit	$45	6,270	$282,000
Visitor 2nd Permit	$45	1,230	$55,000
Select (multi-residential) Permit	$45	1,010	$46,000
Landlord/Other Permits	$45	160	$7,000
Pre-2023 Valid Permits	Various	7,670	-
Total	**-**	**29,000**	**$827,000**

Notes: Covers period from Jan 1 to Oct 31, 2024. Figures are rounded.

Program Expense Overview:

Expense Category	*Description*	*YTD Estimate*
Administration and Customer Service	Staff time dedicated to administrating the RPP program including planning, policy updates and analysis, and staff time dedicated to customer service center for RPP-related service.	$233,000
Software and IT Support	The cost to create, maintain, update, host and support RPP permitting system software. Development costs are averaged across the lifecycle.	$121,000
Engineering and Signage	Staff time and materials required to manufacturer, install, maintain and change parking signs used for the RPP program.	$352,000
Data and Analysis	Staff time and equipment costs for measuring and analyzing data related to signage change requests.	$119,000
Total		***$825,000***

Notes: Covers period from Jan 1 to Oct 31, 2024, including actual and estimated costs. Figures are rounded.

Mid-Cycle Adjustments to the 2023-2026 Service Plans and Budgets

Service Name: Parks and Open Spaces

Regarding the Parks and Playground Amenities Program (PAPA) following are the inquiries:

Question 01: What is the complete list of projects that the Ward 5 office has submitted, to date, for funding consideration? And of the projects that were submitted for consideration by the Ward 5 office which have received funding?

Response:

The following is a list of projects that Ward 5 previously put forward for consideration, what projects have received funding to date and planned future funding:

Project's Requested by Ward 5:	Project Value ($000's)	PAPA Funding 2024	PAPA Funding 2025	PAPA Funding 2026	Relinquished	Notes:
CAS078 Castleridge New Playground & Amenities						Insufficient PAPA funding for project - placed on unfunded list
CNS018 Cornerstone Basketball Court	$ 250				$ 250	
MRT310 Martindale Shade Structure & Garden						Insufficient PAPA funding for project - placed on unfunded list
RSN014 Redstone Shade Structures & Seating	$ 1,500				$ 1,500	
RSN015 Redstone New Inclusive Playground	$ 300				$ 300	
RSN025 Redstone Playground Resurfacing						Insufficient PAPA funding for project - placed on unfunded list
SAD381 Saddle Ridge Playground Resurfacing & Basketball				` `		"Play Street" Basketball installed adjacent park as an alternate
SKR001 Skyview Ranch Shade Structures & Seating	$ 405	$ 405				Relocated to SKR004
HOR146 Kabaddi Sports Field	$ 695	$ 100	$ 595			Park is located in Ward 10 but requested by Ward 5
Ward 5 Projects Requested by others:						
FAL082 Falconridge Playground Upgrade	$ 135	$ 135				Project part of Parks Playground Lifecycle program
FAL089 Falconridge Playground Upgrade	$ 135	$ 135				Project part of Parks Playground Lifecycle program
SAD006 Sadleridge Playpark Enhancement	$ 655	$ 455				$200k additional budget leveraged by PFC
Totals ($000's)	**$ 4,075**	**$ 1,230**	**$ 595**	**$ -**	**$ 2,050**	

Question 02: Apparently Parks has advised they don't have $ for some planned/promised parks initiatives next year (2025) in Ward 5 due to $2M in capital funds being relinquished. Yet Council had provided $ and the expectation was set. What was the planned work in Ward 5 and can it still be done?

Response:

Yes, on a recent Ward 5 tour it was verbally noted to the Ward Office that as part of the 2024 Mid-cycle adjustment process, we had been asked to put forward a capital budget relinquishment with $4M coming from the PAPA Program.

As per our previous communications with Mayor and Council: The "Parks and Playground Amenities" program will fund the delivery of projects that have been prioritized through an initial intake process and subsequent evaluation criteria that includes factors like community readiness, equity, and alignment to City and Council approved policies.

Question 1 response provides the list of projects that Ward 5 previously put forward for consideration, what projects have received funding to date and planned funding.

Question 03: What projects on a city-wide scale are being funded in 2025?

Response:
The following is the list of city-wide projects planned for 2025 - $4.2M from the PAPA Program:

- Kabaddi Sports field design and delivery (Ward 10 with request by Ward 5) PAPA project funding: $695K
- George Moss Park Improvements – Phase 2 (Ward 9) PAPA project funding: $1.2M
- Dover Dementia inclusive Park (Ward 9) PAPA project funding: $1M
- City Wide General Amenities (Fabrication and Installation of park amenities such as: Benches/picnic tables/bike racks/ping pong tables/player benches) (All Wards) PAPA project funding: $800K
- Playground Optimizations – TBD (based on Engagement performed in 2024 (Optimization Wards 1,2,4,8,9) PAPA project funding: $500K currently budgeted. The list of projects will be communicated with Council when available.

Question 04: As part of the 2024 mid-cycle adjustment preparation, it was identified that $4M may be required to be relinquished from the PAPA program – if this was to occur, what projects would possibly not see funding? And have we communicated to all Councillors who have been impacted by this relinquishment process?

Response:
Administration reviewed opportunities to reallocate capital funding as part of the mid-cycle adjustment process to fund critical infrastructure priorities. $4M is recommended to be relinquished from the Parks & Open Spaces service line, resulting in the following projects being deferred:

Ward 3:
- HAW016 (B1HAW11) Baseball Dugout upgrades ($35K)

Ward 5:
- RSN015 New Inclusive Playground ($300K)
- RSN014 Redstone Shade Structures & Seating ($1.5M)
- CNS018 Cornerstone Basketball Court ($250K)

Ward 6:
- WSP497 Upgrade Baseball Dugouts ($50K)

Ward 9:
- FLN605 (B1FHT14). Baseball Diamond Upgrade 2021 ($35K)
- SOV770 Freedom Monument (Post and Cable Fence) ($35K)
- BRD774 Bridgeland Decorative Fencing ($50K)
- DOV030 Dover Inclusive Playground ($400K)

Ward 11:
- CED107 Cedarbrae Baseball Outfield Fencing. ($10K)
- GPK704 Glenmore Park Shade Structures ($300K)

All Wards:
- City Wide - Porta Potty Base concrete base upgrade ($75K)
- City Wide - Off-leash Area signage improvements ($75K)

We have not communicated anything regarding the proposed relinquishment as this will not be confirmed until Mid-cycle Adjustment week. A memo is planned for Council once a final decision on this relinquishment has been made post budget week.

Service Name:* *Police Services

Question 01: Police checks are proposed to go from $55/year to $75/year. This is a flow through from CPS – can we get an idea of the $ gap if we left it at $55? Police checks are most often required by non-profits and this could be a big hit to their operating budgets. Can we cover the cost for 2025 through one-time money?

Response:

- The fees took effect on October 1 and currently amount to $100,000 annually in cost-recovery for the Calgary Police Service. As the number of police information checks increases with the population, the funding needed to keep the prices low will also continue to grow each year. Also of note, there are different fees depending on the purpose of the check. This table is what the Commission approved prior to the fee change, so the "Proposed Fee" is what is now in effect and the "Current Fee" is what the cost was prior to October 1.

It is recommended that the Police Information Check Fee Schedule be updated to the following:

Purpose of Police Information Check	Current Fee	Proposed Fee
Employment, Immigration, Dayhome, Adoption, Kinship	$61.25	$75.00
Practicum	$61.25	$75.00
Unpaid Practicum	$21.25	$25.00
Security Guard	$61.25	$75.00
Immigration	$61.25	$75.00
Adoption/Kinship	$61.25	$75.00
Volunteer	$21.25	$25.00
Volunteer Screening Program (VSPN-Gov't of AB)*	$15.00	$15.00
Volunteers-with letter	$21.25	$25.00
Record Suspension	$76.25	$80.00
Out of Calgary Police Check-Resides in Alberta	$61.25	$75.00
Out of Calgary Police Check-Resides outside of Alberta	$71.25	$80.00
VS Printing Fee *	$25.00	$25.00

NOTE: The fees for the Volunteer Screening Program applicants ($15-billed to Volunteer Alberta, Alberta Government) and Vulnerable Sector fingerprinting ($25 collected on behalf of RCMP) remain the same.

- Taxi, Limousine and Vehicles-for-Hire has proposed increase for licenses for approval to cover the Police information check fee, as part of the mid-cycle budget adjustments.

Service Name: ***Public Transit***

Question 01: Can you provide the transit fare schedule as originally planned for 2025, and as currently approved for 2025, including the total farebox revenue expected to be generated through 2025 increases in each scenario?

If transit fares for 2025 were increased to the originally planned amounts, how much would that offset the revenue shortfall? How much will it generate in additional fare box revenue? What is our current percentage of revenue vs tax support for transit? Is there a projected increase in transit fares in upcoming term (2025)?

Response:
The total increase in farebox revenue that would be generated using the originally approved 2025 rates is estimated at $6.5 million, and in the currently approved 2025 rates estimated at $3.0 million. These estimates are based on 2024 product sales. Increase to fares may change what fare products are purchased in the future. The current percentage of revenue versus tax support for transit in 2023 was 38% and in 2024 (year to date) is 34%. If Council does not approve Administrations recommendations during Mid Cycle Adjustments, then additional fare increases and service cuts are required.

Question 02: What is the status of Chabot's administrative inquiry on total amount of funding in transit and capital? I would like to see that before budget.

Administrative Inquiry: Can administration please provide a complete list of all the funding that has been either spent or allocated for all public transit operating and capital expenses for the years 2021, 2022, and 2023 that are funded through property taxes either directly or indirectly.

Response:
Public Transit's expenses have steadily increased from 2021 to 2023 and have returned to pre-pandemic levels. Revenue continues to lag. Most of Public Transit's capital costs is funded through Provincial and Federal grants with some support from city sources. A breakdown of both operating and capital are shown below.

Operating Expenses

(in $ millions)	**2021**	**2022**	**2023**
Total Expenses	**374**	**394**	**465**
Revenue-Supported	288	264	290
City Funding	86	130	175

Capital Expenses

(in $ millions)	**2021**	**2022**	**2023**
Total Expenses	**46**	**73**	**122**
Grant / Self-Supported	39	71	113
City Funding	7	2	9

Question: Can we have more details on all the scenarios that were developed for the rate increases?

Response:
This response provides additional details on funding options, including five scenarios. These scenarios are not exhaustive, and future iterations may be required.

Background to the Revenue Shortfall

Calgary Transit ridership levels have reached or surpassed pre-pandemic levels in 2024. Despite the growth in ridership, revenue recovery lags causing a revenue shortfall. The shortfall is due to a shift in the types of fare products customers are using post-pandemic, including an increased demand for the Low-Income Transit Pass (LITP), increased fare evasion, and declining sales of regular fare products.

While one time funding has covered the gap for 2024, these funds will be exhausted by year-end, leaving an estimated revenue shortfall of $33 million in 2025. As fare revenue is expected to gradually recover over the next few years, Calgary Transit seeks funding through the Mid Cycle Budget Adjustment process to cover the shortfall in 2025 and beyond.

Growth in the LITP Program

In 2019, the cost of the LITP program was $33 million. Based on pass sales as of September 2024, it is estimated that the LITP program will cost $52 million, an increase of $19 million from 2019. Calgary Transit has one-time funding to cover the increased cost of the program (revenue shortfall related to LITP) in 2024, but there is no funding for 2025 and beyond. Calgary Transit has communicated the growing shortfall at the Intergovernmental Affairs Committee on April 10, Regular Meeting of Council on June 18, and at the Regular Meeting of Council on July 30.

Additional Revenue Shortfall

In addition to the $19 million, Calgary Transit is requesting $13 million in base budget to cover the additional revenue shortfall resulting from shifting trends in the types of fare products customers are using. Despite ridership recovering and at times exceeding 2019 (pre-pandemic) levels, monthly passes and single ticket sales continue to be lower than pre-pandemic levels.

Mid Cycle Adjustments

Public Transit has submitted the following investment packages through the Mid Cycle Adjustment process to address the total $33 million shortfall for 2025 and beyond:

- **Low-Income Transit Pass Program Sustainment:** A one-time operating budget investment of $19 million to offset the increase in the Low-Income Transit Pass Program since 2019. Administration has directed this as a high priority investment on the unfunded list.

- **Public Transit Revenue Shortfall:** A base operating investment of $13 million to offset Public Transit's additional revenue shortfall in 2025. Administration has directed this as a high priority investment on the unfunded list.

Funding Options

Recognizing that these requests for investment may not be fully funded, Public Transit has drafted various scenarios to bring forward for approval if needed. Consistent through Scenarios 2 through 5 are options that reflect decreases in fare evasion thanks to efforts by our partners in Transit Public Safety (revenue of $4M), and revenue is generated through the elimination of the Free Fare Zone downtown which is estimated to return $3M. These scenarios build on what has been previously shared with Council, for example, at the July 30 Council Meeting.

- **Scenario 1:** assumes base and one-time funding requests are granted. Maintains fare increases to what has been previously approved 2025 rates by Council.

- **Scenario 2:** assumes only one-time funding is granted ($19M), but not base funding. Increase in fare compliance results in an additional $4 million in revenue. Fare revenues must increase by $10 million.

- **Scenario 3:** assumes one-time funding is granted ($19M), but not base funding. Increase in fare compliance only results in an additional $1 million in revenue. Fare revenues must increase by $13 million.

- **Scenario 4:** assumes base funding is granted ($13M), but not one-time funding. Increase in fare compliance results in an additional $4 million in revenue. Fare revenues must increase by $17 million. The additional $7 million in fares revenue as compared to Scenario 3 comes from doubling the Seniors Annual Pass, eliminating the Free Fares for Children 12 and Under and an reduction in the discounts for the Low Income Transit Pass from 5% in Band A, 35% for Band B, and 50% for Band C to 10%, 40% and 60% respectively.

- **Scenario 5:** assumes neither one-time nor base funding are granted. Increase in fare compliance results in an additional $4 million in revenue. Fare revenues must significantly increase by $23.9 million. The additional $6.9 million in fare revenue as compared to Scenario 4 comes from more significant decreases in the discounts to the Low Income Transit Pass from 5% in Band A, 35% for Band B, and 50% for Band C to 25%, 50% and 75% respectively. This scenario also necessitates service cuts of $5.1M. These cuts put recently approved service increases to on-demand service in new communities and investments in bus and CTrain service hours on the primary transit network at risk of reduction.

The following changes to fares would occur to match the increase in fare revenues needed in each scenario above:

Increase Fare Revenues (in $ millions)	Scenario 1 (Approved)	Scenario 2 (Change)	Scenario 3 (Change)	Scenario 4 (Change)	Scenario 5 (Change)
Eliminate 2023 Freeze	-	3.0	3.0	3.0	3.0
Increase Fares to 2026 Levels	-	3.0	3.0	3.0	3.0
Eliminate Children 12&U Free	-	-	3.0	3.0	3.0
Increase Annual Seniors Pass (50%)	-	1.0	1.0	-	-
Double Annual Seniors Pass (100%)	-	-	-	1.8	1.8
Eliminate Free Fare Zone	-	3.0	3.0	3.0	3.0
Adjust Low Income Transit Pass Fares (10% / 40% / 60%)	-	-	-	3.2	-
Adjust Low Income Transit Pass Fares (25% / 50% / 75%)	-	-	-	-	10.1
Total	**-**	**10.0**	**13.0**	**17.0**	**23.9**

Summary

Like so many other transit agencies, Calgary Transit is facing an operating shortfall despite seeing the return of ridership. Securing additional funding is crucial for maintaining Calgary Transit's current service levels and fare structure. Without additional funding, Calgary Transit will need to explore fare increases and the elimination of the free fare programs. In what could be considered a worst-case scenario, service would need to be cut, undoing Council investments in midday, evening, and weekends service that have helped to grow ridership.

Calgary Transit has developed a Transit Advocacy Strategy in collaboration with Intergovernmental Relations, Community Strategies, and the other Corporate Priority Leads. The primary goal is to secure sustained operating funding from other orders of government. In the meantime, additional funding is required to keep pace with the growing demand for transit.

User Fee Summary for Each Scenario

Scenario 1 – User Fee Rates (Previously Approved)

Fee Description	Fee Sub Type	2024 (Current)	2025 (Approved)	Increase (%)
Adult Single Ride	Age 18 to 64	3.70	3.80	3%
Youth Single Ride	Age 13 to 17	2.50	2.55	2%
Youth Single Ride	*Age 6 to 12*	*FREE*	*FREE*	*N/A*
Adult Monthly Pass	Age 18 to 64	115.00	118.00	3%
Youth Monthly Pass	Age 13 to 17	84.00	86.00	2%
Youth Monthly Pass	*Age 6 to 12*	*FREE*	*FREE*	*N/A*

Fee Description	Fee Sub Type	2024 (Current)	2025 (Approved)	Increase (%)
Adult Ticket Book	10 tickets	37.00	38.00	3%
Youth Ticket Book	10 tickets	25.00	25.50	2%
Adult Day Pass	Unlimited daily trips	11.60	11.95	3%
Youth Day Pass	Unlimited daily trips	8.50	8.75	3%
Weekend Group Day Pass	Group of Five (Friday-Sunday)	16.00	17.00	6%
Low Income Transit Pass	Band A - 5% of Adult Monthly Pass	5.80	5.90	2%
Low Income Transit Pass	Band B - 35% of Adult Monthly Pass	40.25	41.30	3%
Low Income Transit Pass	Band C - 50% of Adult Monthly Pass	57.50	59.00	3%
Senior Annual Pass	Regular	154.50	159.00	3%
Senior Annual Pass	Low Income	31.00	32.00	3%

Scenario 2 and 3 – User Fee Rates ($10M and $13M increase in fare revenues)

Fee Description	Fee Sub Type	2024 (Current)	2025 (Proposed)	Increase (%)
Adult Single Ride	Age 18 to 64	3.70	4.00	8%
Youth Single Ride	Age 13 to 17	2.50	2.65	6%
Youth Single Ride	*Age 6 to 12*	*FREE*	*FREE*	*N/A*
Adult Monthly Pass	Age 18 to 64	115.00	126.00	10%
Youth Monthly Pass	Age 13 to 17	84.00	92.00	10%
Youth Monthly Pass	*Age 6 to 12*	*FREE*	*FREE*	*N/A*
Adult Ticket Book	10 tickets	37.00	40.00	8%
Youth Ticket Book	10 tickets	25.00	26.50	6%
Adult Day Pass	Unlimited daily trips	11.60	12.65	9%
Youth Day Pass	Unlimited daily trips	8.50	9.25	9%
Weekend Group Day Pass	Group of Five (Friday-Sunday)	16.00	17.00	6%
Low Income Transit Pass	Band A - 5% of Adult Monthly Pass	5.80	6.30	9%
Low Income Transit Pass	Band B - 35% of Adult Monthly Pass	40.25	44.10	10%
Low Income Transit Pass	Band C - 50% of Adult Monthly Pass	57.50	63.00	10%
Senior Annual Pass	Regular	154.50	253.50	64%
Senior Annual Pass	Low Income	31.00	51.00	65%

Scenario 4 – User Fee Rates ($17M increase in fare revenues)

Fee Description	Fee Sub Type	2024 (Current)	2025 (Proposed)	Increase (%)
Adult Single Ride	Age 18 to 64	3.70	4.00	8%
Youth Single Ride	Age 13 to 17	2.50	2.65	6%
Youth Single Ride	*Age 6 to 12*	*FREE*	*FREE*	*N/A*
Adult Monthly Pass	Age 18 to 64	115.00	126.00	10%
Youth Monthly Pass	Age 13 to 17	84.00	92.00	10%
Youth Monthly Pass	*Age 6 to 12*	*FREE*	*FREE*	*N/A*
Adult Ticket Book	10 tickets	37.00	40.00	8%
Youth Ticket Book	10 tickets	25.00	26.50	6%
Adult Day Pass	Unlimited daily trips	11.60	12.65	9%
Youth Day Pass	Unlimited daily trips	8.50	9.25	9%
Weekend Group Day Pass	Group of Five (Friday-Sunday)	16.00	17.00	6%
Low Income Transit Pass	Band A - 5% of Adult Monthly Pass	5.80	-	-
Low Income Transit Pass	Band A - 10% of Adult Monthly Pass	-	12.60	117%
Low Income Transit Pass	Band B - 35% of Adult Monthly Pass	40.25	-	-
Low Income Transit Pass	Band B - 40% of Adult Monthly Pass	-	50.40	25%
Low Income Transit Pass	Band C - 50% of Adult Monthly Pass	57.50	-	-
Low Income Transit Pass	Band C - 60% of Adult Monthly Pass	-	75.60	31%
Senior Annual Pass	Regular	154.50	338.00	119%
Senior Annual Pass	Low Income	31.00	68.00	119%

Scenario 5 – User Fee Rates ($23.9M increase in fare revenues, $5.1M service reduction)

Fee Description	Fee Sub Type	2024 (Current)	2025 (Proposed)	Increase (%)
Adult Single Ride	Age 18 to 64	3.70	4.00	8%
Youth Single Ride	Age 13 to 17	2.50	2.65	6%
Youth Single Ride	*Age 6 to 12*	*FREE*	*FREE*	*N/A*
Adult Monthly Pass	Age 18 to 64	115.00	126.00	10%
Youth Monthly Pass	Age 13 to 17	84.00	92.00	10%
Youth Monthly Pass	*Age 6 to 12*	*FREE*	*FREE*	*N/A*
Adult Ticket Book	10 tickets	37.00	40.00	8%

Fee Description	Fee Sub Type	2024 (Current)	2025 (Proposed)	Increase (%)
Youth Ticket Book	10 tickets	25.00	26.50	6%
Adult Day Pass	Unlimited daily trips	11.60	12.65	9%
Youth Day Pass	Unlimited daily trips	8.50	9.25	9%
Weekend Group Day Pass	Group of Five (Friday-Sunday)	16.00	17.00	6%
Low Income Transit Pass	Band A - 5% of Adult Monthly Pass	5.80	-	-
Low Income Transit Pass	Band A - 25% of Adult Monthly Pass	-	31.50	443%
Low Income Transit Pass	Band B - 35% of Adult Monthly Pass	40.25	-	-
Low Income Transit Pass	Band B - 50% of Adult Monthly Pass	-	63.00	57%
Low Income Transit Pass	Band C - 50% of Adult Monthly Pass	57.50	-	-
Low Income Transit Pass	Band C - 75% of Adult Monthly Pass	-	94.50	64%
Senior Annual Pass	Regular	154.50	338.00	119%
Senior Annual Pass	Low Income	31.00	68.00	119%

Service Name: ***Strategic Marketing & Communications***

Question 01: How much does The City spend on elevator advertising wraps in City buildings on an annual basis?

Response:

For printing and installing campaigns on the elevator doors.

- In 2024 = $12,090.00 for printing and installation only
- In 2023 = $9,010.00 for printing and installation only
- 2020, 2021 and 2022 = next to nothing because of the Pandemic.

The cost of designing the creative is as follows:

Year	Total cost	Task expenses	INT Labour	EXT Labour
2022	**$9,962.50**	**$8,150.00**	**$1,812.50**	
2023	**$25,711.75**	**$23,399.25**	**$2,312.50**	
2024	**$10,015.00**	**$8,385.00**	**$1,350.00**	**$280.00**

Service Name: Taxation

Question 01: Tax rate ratio

If we didn't proceed with the 1 per cent shift in tax share from non-residential properties to residential properties in 2025, what would the tax ratio be?

Response:

If we did not make the Council directed 1 per cent tax shift in 2025, the estimated tax rate ratio would be 4.76. As we approach the maximum ratio of 5.00, Council's options become more constrained and may require a more substantial tax shift in the future.

Official Inquiries Submitted via Media Relations

(The following questions were received through the media, and responses have been provided to the submitter. This is for information only. Administration is responding to media inquiries as appropriate, and the questions and answers are shared here with Council via memos to ensure consistent information is available to all Council members. Any identifiers such as phone numbers or names have been removed).

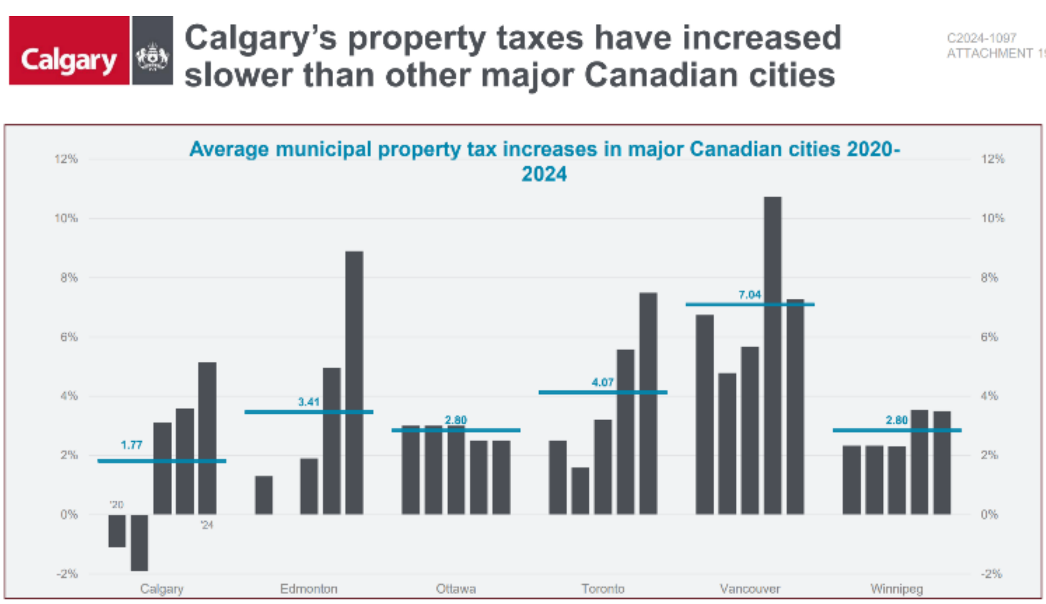
Question 01: Could we get a list of tax increases in each year up till now? That is, the amount of raised taxes ?% in 2021, ?% in 2022...etc? Is that readily available?

Response:

Below please find the annual overall municipal tax increases for the past five years. This averages to 1.77% from 2020-2024. As presented today, if Council maintains the previously-approved 3.6% property increase to existing taxpayers, Calgary's new five-year average tax increase (2021 – 2025) will be approximately 2.7% - which is projected to be the lowest among major Canadian cities.

Annual overall municipal tax increases to existing taxpayers

Tax increases 2020-2024	
2020	-1.21%
2021	-2.14%
2022	3.50%
2023	3.58%
2024	5.17%



Question 02: I'm going over Attachment 1 in the budget package, (Mid-Cycle Adjustments Overview) on pages 12 and 13 (Titled: Budget Overview).

Those two pages outline that the operating budget for 2025 is $5.4 billion and the capital budget is $3.25 billion.

The $5.4 billion is 11.4 per cent higher than last year, but as was explained earlier, this is due to a series of one-time expenditures and carry-over of one-time expenditures from previous years that weren't yet spent.

But as for the capital budget, that $3.25 billion is over $1 billion more than the 2024 capital budget. And next year's will be an additional $1.7 billion, up to $4.97 billion.

I'm just looking for confirmation of these figures, but perhaps also an explanation as to what has driven up the capital budget so much.

Response:

A comprehensive review of the capital budget is in process to better align budget with the expected timing of spending. While this review is done annually and typically included with the budget adjustment approvals each November, we are taking additional time this year to ensure that the revised budget accurately reflects the timing of cash flow. This will be presented to Council no later than early 2025.

Question 03: In the budget adjustments, it states there are 17 sets of timber stairs that will be replaced at a cost of $3m over the next two fiscal years.

Two things:
1: Can the City provide a list of these 17 projects? I also do not know if there are only 17 sets of stairs total... or are there are but at this time, the City intends to replace 17 of them? Will they be replaced with metal stairs or is this replacing timber with timber?

2: Why are the stairs being replaced at this time? Was there a condition assessment done which found the 17 need to be replaced? Or is there another reason that explains why this work is being done now?

If I could get more information first via email, I could then decide if an interview is required.

Response:
In the 2024 Mid-Cycle Adjustments, $3 million is requested for the Timber Stair Replacement Program. Each year, The City assesses the condition of all timber stairs to identify maintenance needs. Stairs with the lowest condition ratings get flagged for further engineering evaluations.

During the 2023 assessment, 17 stair locations were identified to be nearing the end of their design life.

The requested investment will support a consultant to lead an options analysis study to prioritize which stairs require replacement, repair, or other future actions. Part of the investment will also cover some stair replacements, with exact amounts and design details including material type determined by the study. Maintaining and upgrading infrastructure like timber stairs contributes to safe, vibrant communities. These smaller projects are often as important as larger ones in enhancing life for Calgarians by ensuring public safety and community connections.

Question 04: FOLLOW UP FROM THE ABOVE

How many timber stair locations is the City responsible for? ie that helps me to understand how significant it is that 17 are deemed to need replacing. If there are 19, that's really significant.

If there are 250... well....Can you double back on that number, please?

Response:
The City is responsible for 84 timber stair locations. Please note that not all of the 17 locations will require full replacement; the final decision will be guided by the study findings. Depending on the evaluation, some stair components may be replaced individually while in other cases, replacing the entire set of stairs may be more cost-effective.

Question 05: In attachment 5 of the budget adjustments, page 7 of 13....

The bottom four items on that page list proposed spending for water treatment and for wastewater. When I add up those four lines, that totals $2.4 billion. I know there is a borrowing bylaw in the adjustments for $1.04 billion for water projects. I'm trying to understand how the full $2.4 billion figure will be paid for? Perhaps there will be a new/additional borrowing bylaw in the next four year budget (2027-30)? I don't need an interview but would like a bit of explanation on this.

Response:

In the 2024 Mid-Cycle Adjustments, the Water Utility is requesting capital increases of $620.1 M for the Water Treatment and Supply line of service, $782.0 M for the Wastewater Collection and Treatment line of service, and $134.3 M for the Stormwater Management line of service for a total of $1.5 B.

The total $2.4 B ($2.7 B including Stormwater Management) includes $1.1 B previously approved capital budget, which Council has already approved to borrow.

The Water Utility is asking to borrow $1.04 B, as shown in attachment 15, page 3 of 13. This amount is part of the capital budget that will be funded by debt. The Water Utility also uses capital reserves from user fees and other external funding like grants. The total capital increase is $1.5 billion, but not all of it will be funded by debt.

Question 06: I wanted to submit an inquiry about something that was brought up at Tuesday's meeting, when the draft budget was unveiled. Councillor Chabot asked about a $13 million revenue shortfall for Calgary Transit. I wanted to inquire with CT what has caused this shortfall. I found some news reports from March 2023 (before I joined Postmedia) that Calgary Transit experienced a $33 million shortfall that year. I'm curious how the organization will manage these shortfalls going forward, if they're going to become typical.

Response:

Although fare revenue is growing, it lags the recovery level experienced with ridership. This is largely due to shifting trends in the types of fare products customers are using, with an increasing proportion of fares being paid through the Low-Income Transit Pass program.

Revenues from fares and other sources are not guaranteed to continue to grow, and there remains a risk that a revenue gap could exist in future years as well. The local economy is a major factor; Calgary Transit's revenues were impacted by the 2015 downturn, for example.

If an additional source of funding is not identified, The City would need to either adjust fares or reduce service levels. It is possible to reduce the cost of service through revisions to service coverage (for instance, maintain frequency but increase the walking distance), but we know from experience that this impacts many potential riders, employers, and developers.

Given the economic, environmental, and social value of transit service, The City is advocating to the Federal and Provincial governments to support the operating cost of public transit. Cities very much value the capital investment in buses, LRT and other transit infrastructure. However, the cost of operating and maintaining transit vehicles and infrastructure is primarily funded by municipalities and transit customers in Alberta. We will continue to advocate for Federal and Provincial governments to support transit service delivery in light of the pace of growth and inflation.

Question 07: My deep dive Sprawlcast on the tax shift comes out tomorrow. There's one bit I want to make sure is accurate. I'm wondering if Eddie or whoever else can let me know if it is. It comes when I'm explaining why the tax rate for businesses is so high compared to homeowners (more than 4x as high).

I think this is a crucial part because if you look at it on a surface level, you see that the city has shifted more of the tax burden from businesses to homeowners - and shouldn't that

solve the problem for businesses? But the tax ratio between businesses and homeowners has actually grown over the past 10 years - which is kind of counterintuitive.

Anyway here's my best shot at explaining why: It has to do with how property tax is calculated.

To set the tax rate, city hall divides the revenue it needs by the total assessment value of properties across the city. And when residential property values go up significantly, as they have, the total assessment value goes up—and that drives down the tax rate for homeowners. But when non-residential property values stagnate, as they have, the total non-residential value doesn't grow in that same way. And this means businesses don't see that same tax rate reduction.

Do I have that right? If you could let me know this morning, that would be grand—because if I got it wrong, I'll need to go back to CJSW to re-record this section.

I'm like 80% sure I got it right but just want to make sure!

Response:

Yes, the statement is correct. I will note that the actual non-residential municipal property tax rate did decrease last year from 0.0184334 in 2023 to 0.0183629 in 2024 (-0.4% change). It is also projected to drop in 2025. This was of course with the 1% tax shift each year. The decrease in tax rate definitely was not at the same magnitude of the residential tax rate change which was -3.0% between 2023 and 2024.

Question 08: I'm following up on some of the budget documents from last week, and was wondering if I could get some more information from the City of Calgary behind the request to borrow more than $1B for water infrastructure? What projects are meant to be funded by this loan? Why do this borrowing all at once?

Response:

In the 2024 Mid-Cycle Adjustments the Water Utility is requesting capital increases of $620.1 M for the Water Treatment and Supply line of service, $782.0 M for the Wastewater Collection and Treatment line of service, and $134.3 M for the Stormwater Management line of service for a total of $1.5 B.

The Water Utility is requesting Council approval of authority for the Water Utility to borrow up to a maximum of $1.04 B, however the actual borrowing will occur as needed to fund capital expenditures. The Water Utility also uses capital reserves from user fees and other external funding like grants.