

2020 Adjustments to the One Calgary Service Plans and Budgets

Presentation

Strategic Council Meeting, 2019 November 12

Fiscal responsibility is critical to Calgary's Comeback

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- The 2020 Adjustments build upon The City's track-record of strong fiscal management and are a measured response to the current environment, including gaps created by the recent provincial budget.



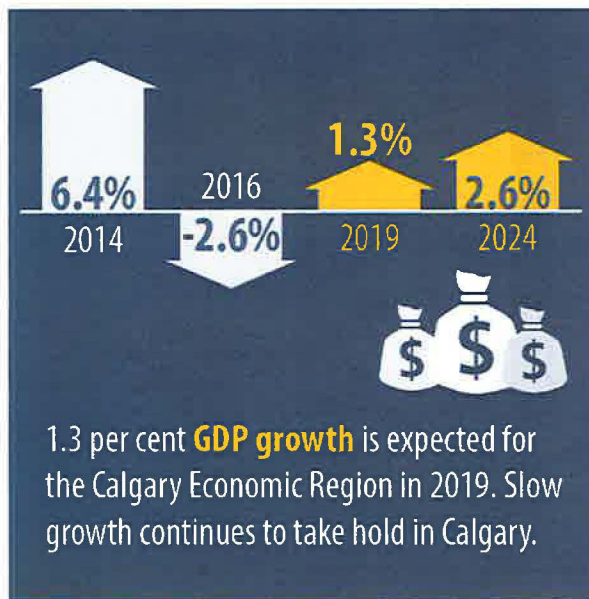
- The reduction scenarios strike a balance between streamlining our activities while still maintaining safety, protecting the environment, and providing the quality of services that Calgarians want and expect.



- The City continuously reviews whether our services are financially sustainable, and we are always looking for ways to enhance our efficiency and effectiveness.

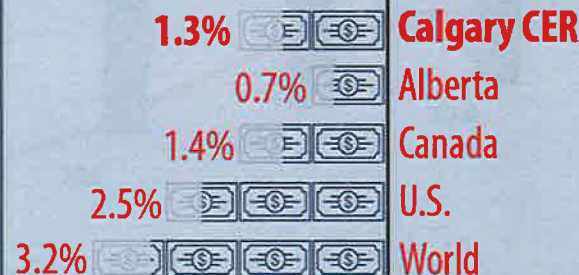
Despite economic headwinds, Calgary's GDP and population continue to grow

GDP Growth

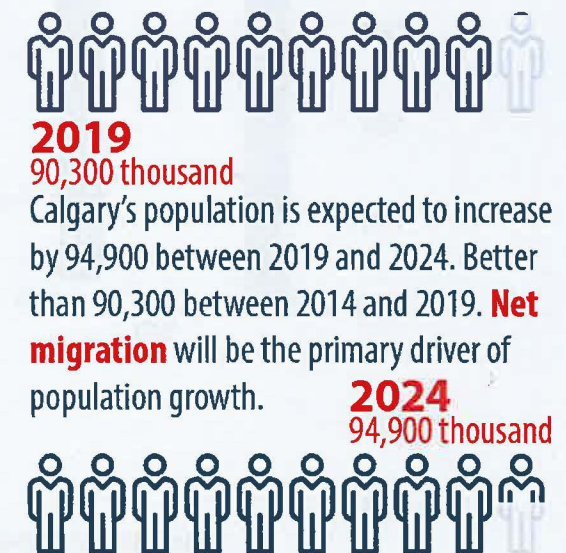


GDP Growth Comparison

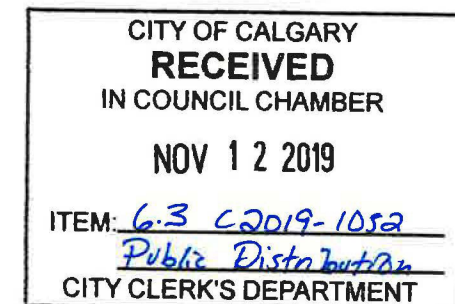
In 2019, the **real GDP growth rate** for the regional economy would be above the provincial economy but behind the national, U.S. and world economy.



Five-Year Population Growth

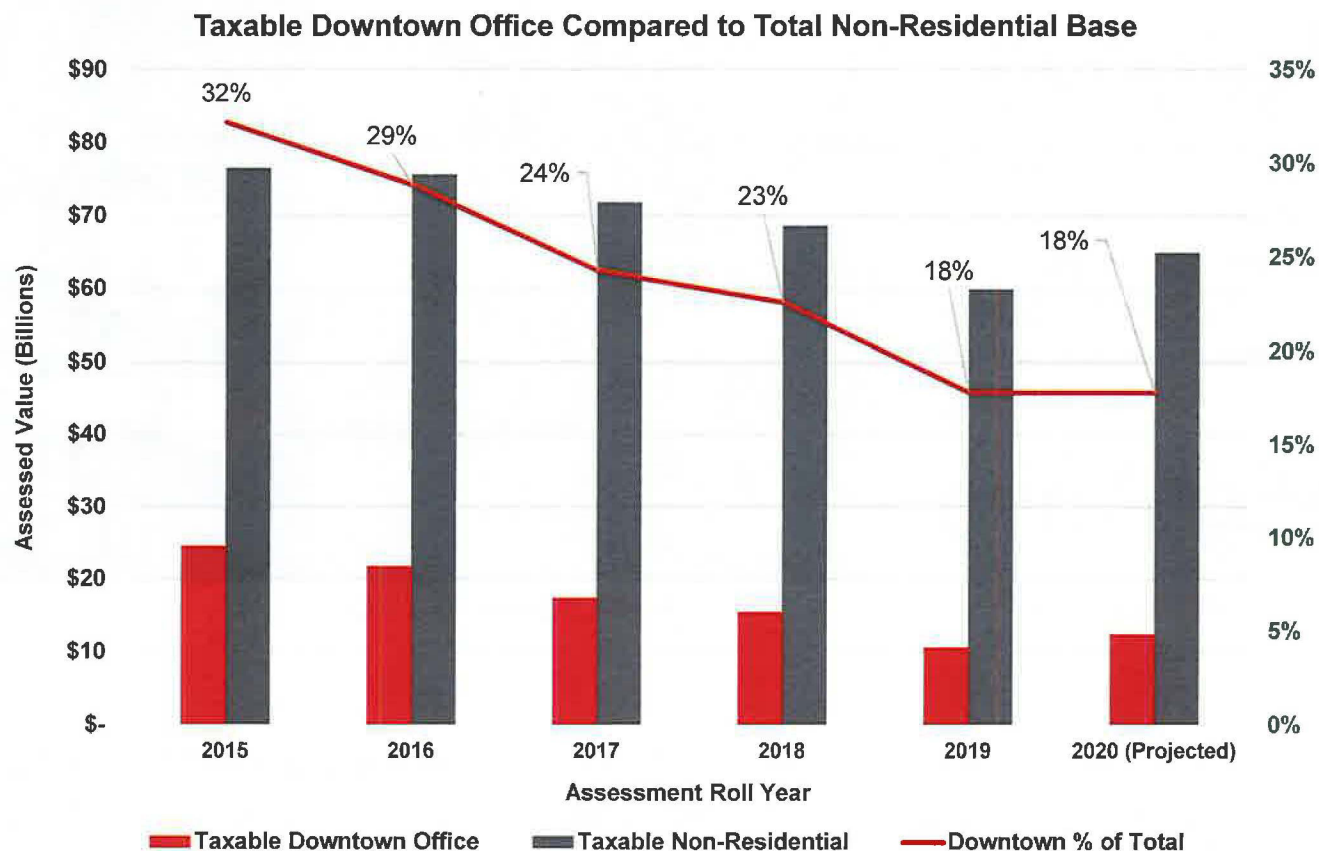


Source: City of Calgary 2019 Fall Economic Outlook

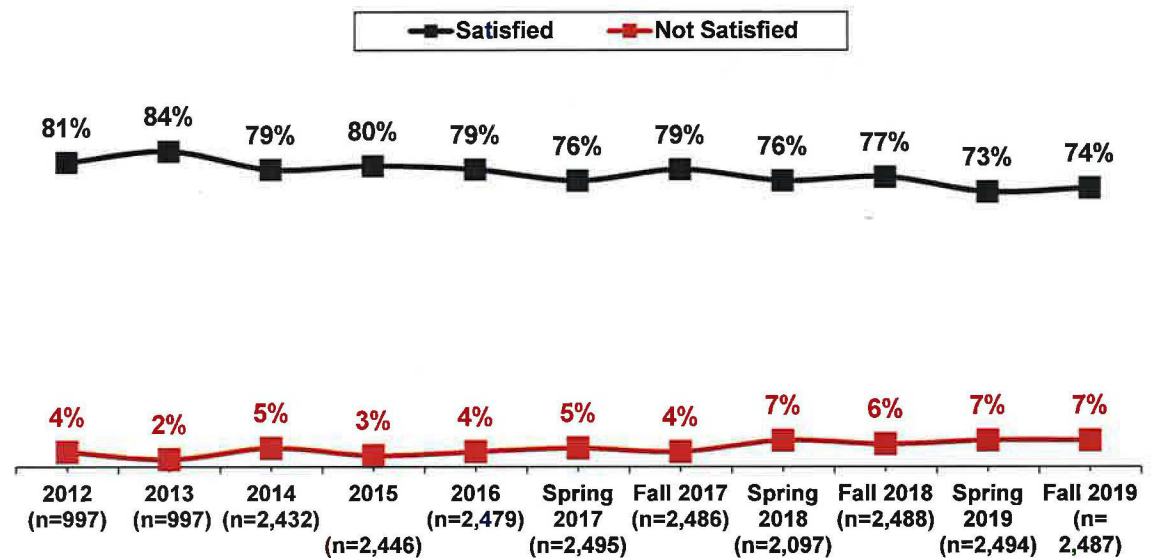
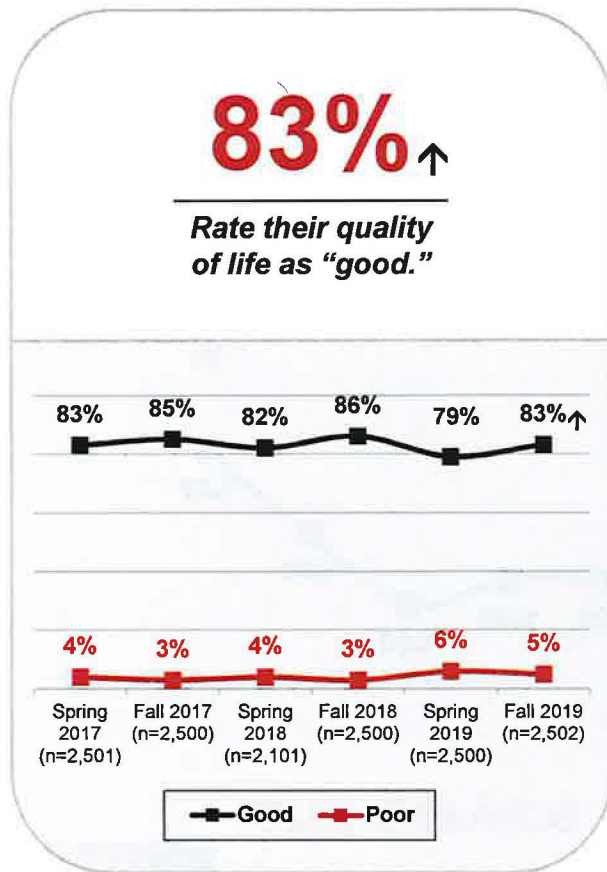


Property values are recovering, and downtown's share of the non-residential assessment roll is stabilizing

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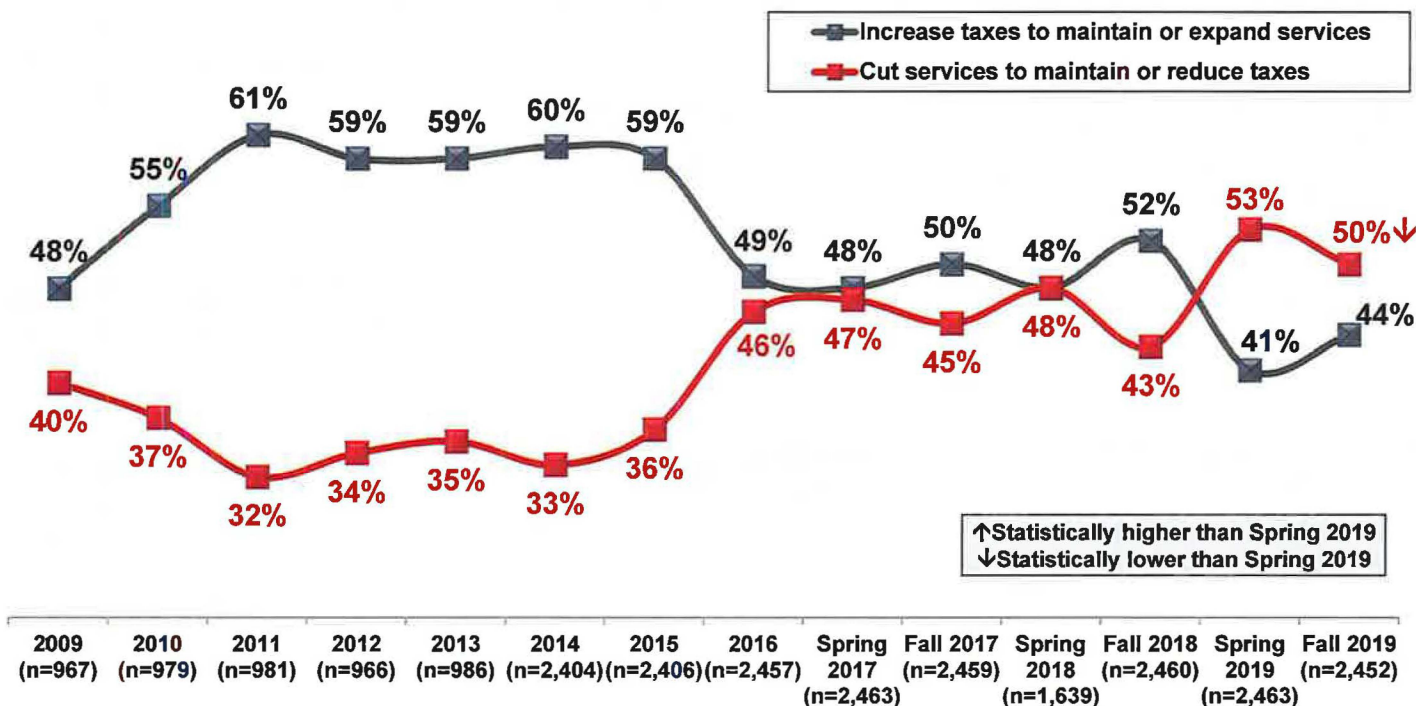


Citizens rate their current quality of life as “good” and are satisfied with the overall level and quality of City services



On a scale from “1” to “10” where “1” represents “not at all satisfied” and “10” represents “very satisfied,” how satisfied are you with the overall level and quality of services and programs provided by The City of Calgary?

The conversation about balancing taxation and service delivery has evolved

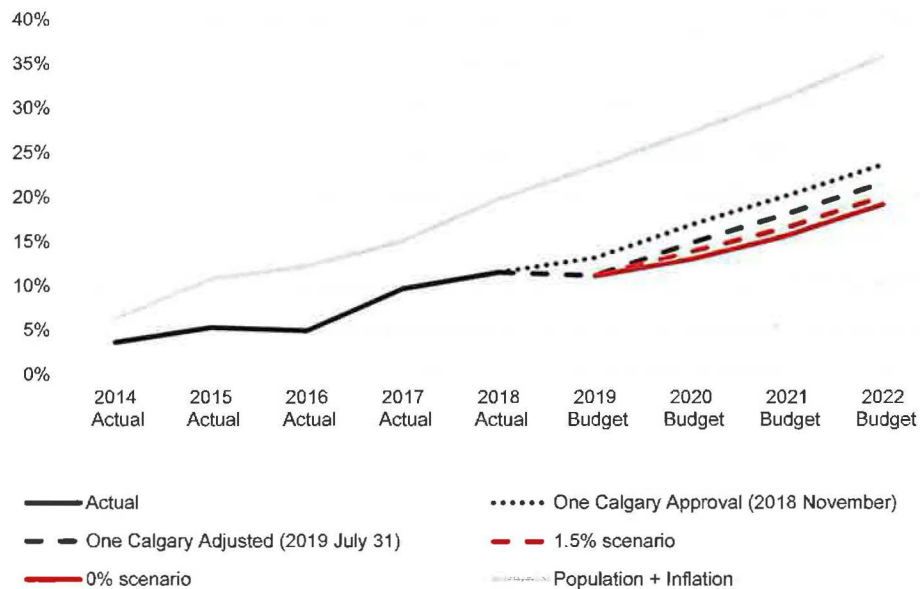


Municipal property taxes are the primary way to pay for services and programs provided by The City of Calgary. Due to the increased cost of maintaining current service levels and infrastructure, The City must balance taxation and service delivery levels. To deal with this situation, which of the following four options would you most like The City to pursue?

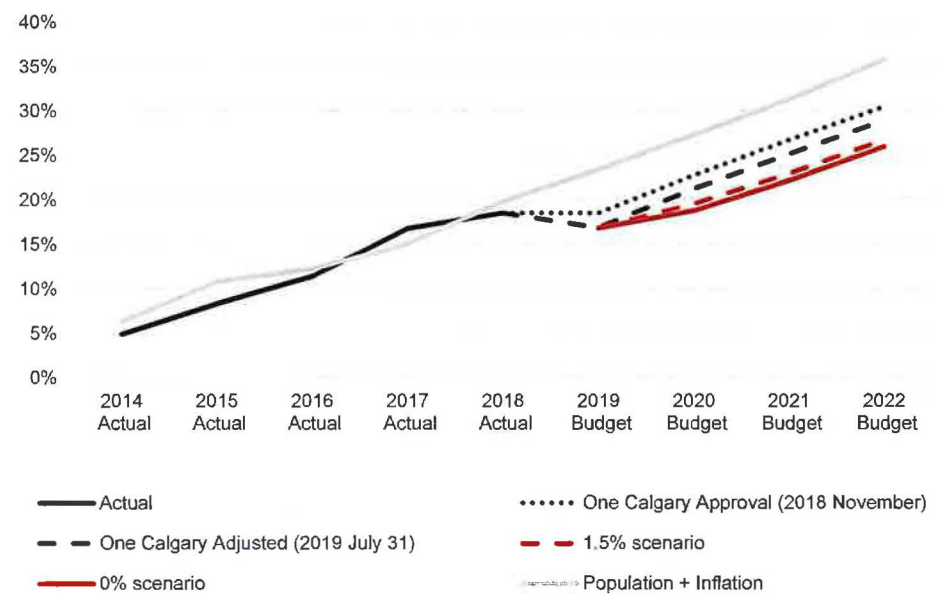
Base: Valid respondents

The City has been cost-conscious through the downturn, and the 2020 Adjustments continue this trend

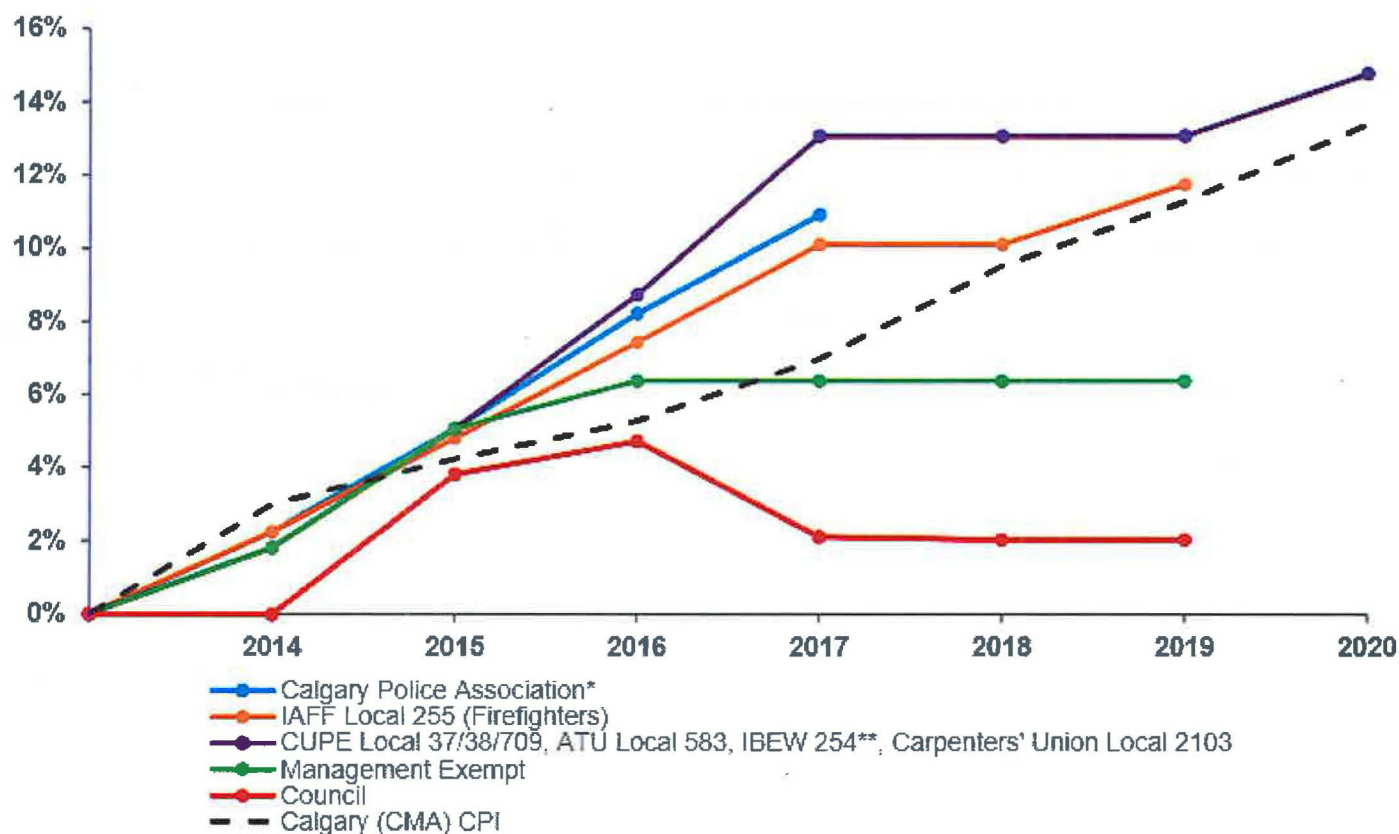
**Cumulative Change in Tax Supported Expenditures
vs. Population + Inflation**



**Cumulative Change in Total City Expenditures
vs. Population + Inflation**



Compounded Annual Wage Increases: 2014-2020



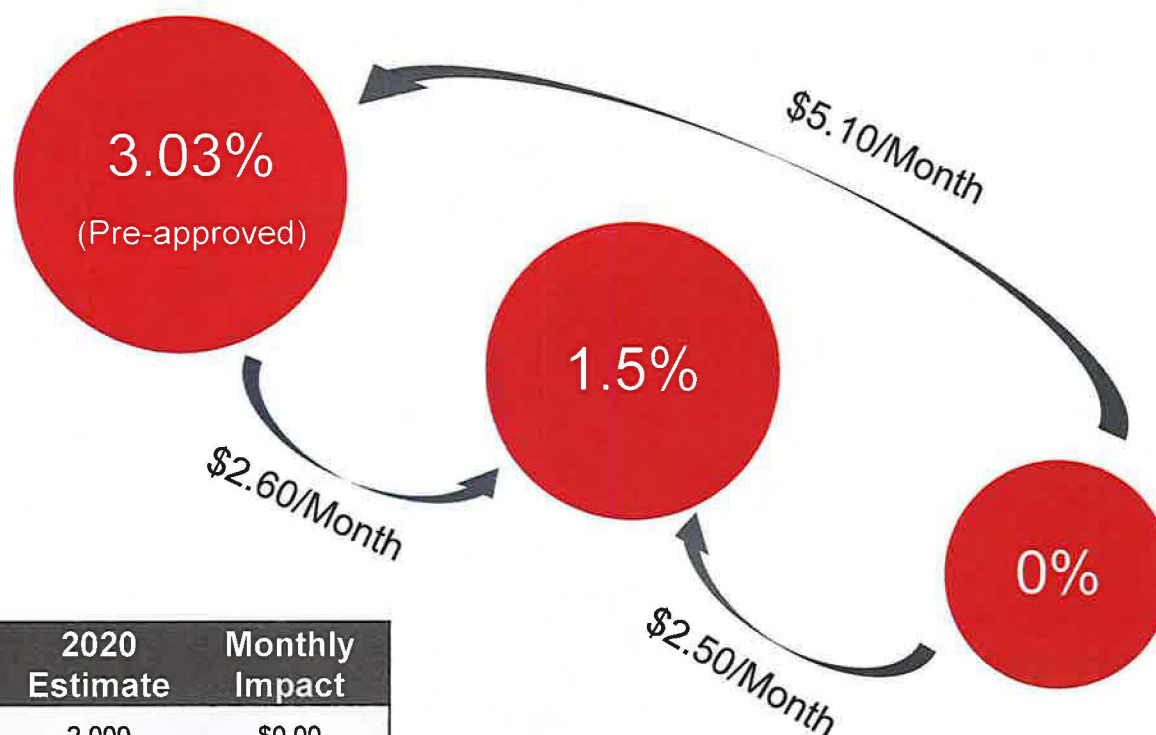
*Includes Calgary Police Senior Officers Association

**IBEW 254 Emergency Communications Officer is not settled for 2018 - 2020

CPI sources: Statistics Canada, Corporate Economics

Annual Municipal Tax Changes for Typical Single Residential Home

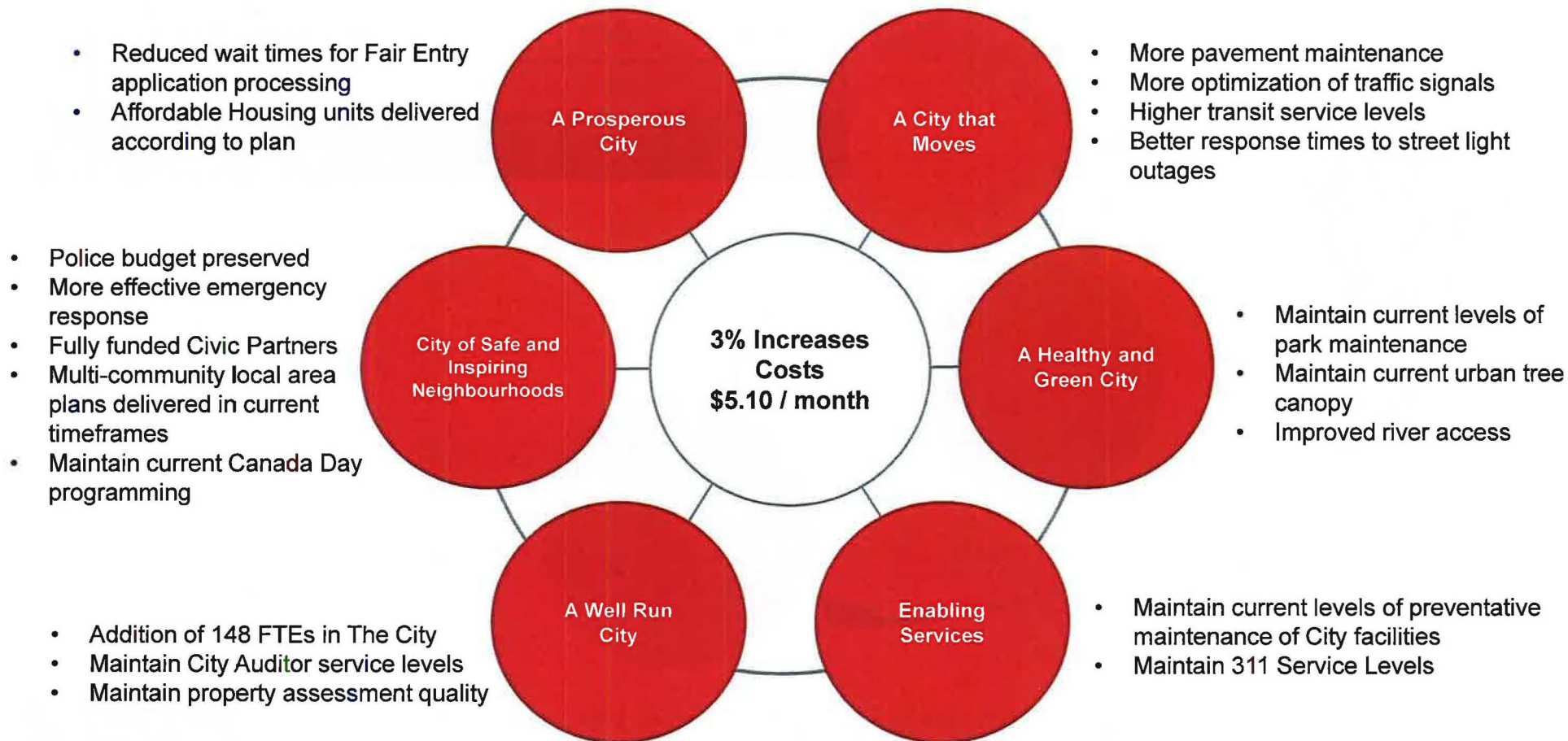
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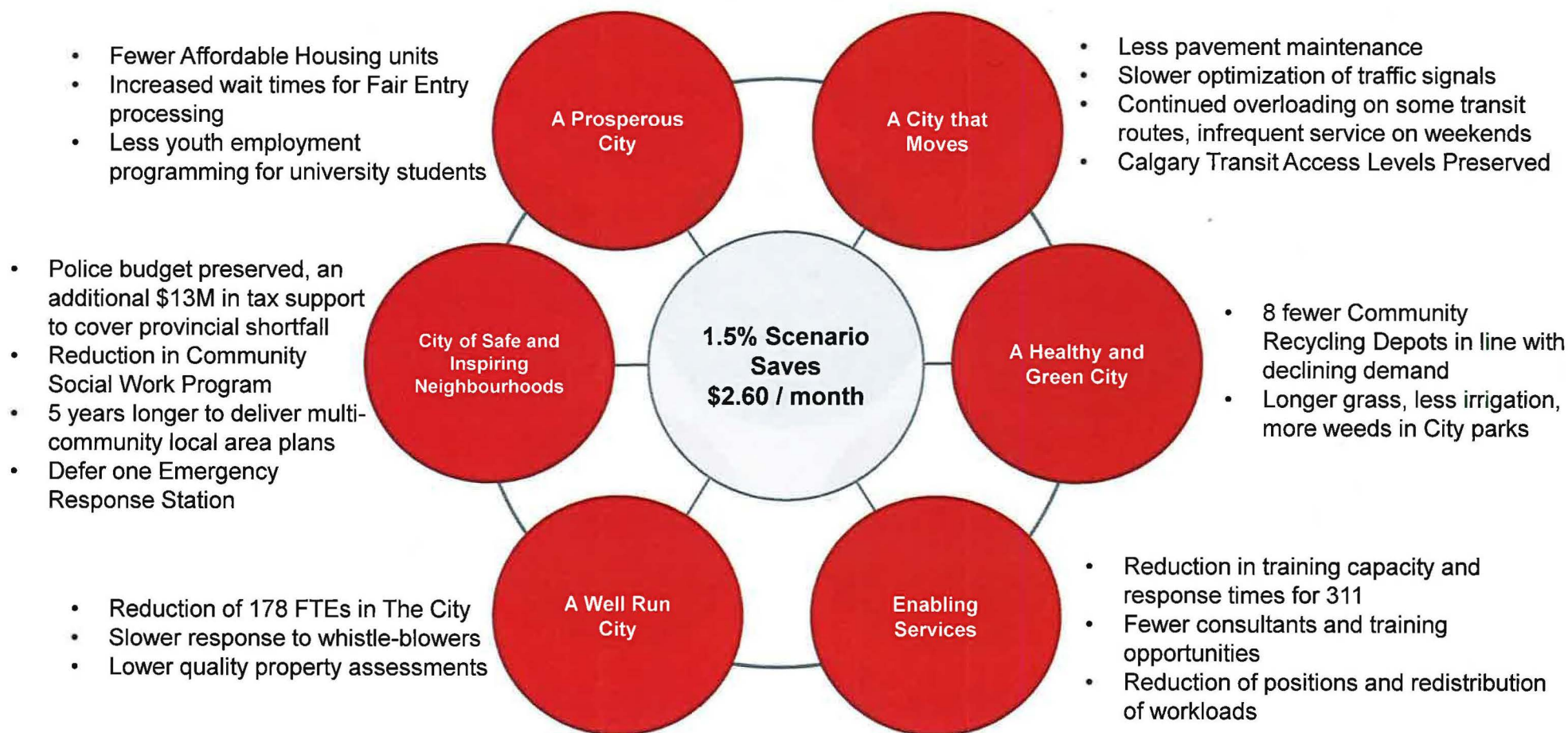
Typical Single Residential Home in Calgary	2019	2020 Estimate	Monthly Impact
Municipal Taxes @ 0% increase	2,000	2,000	\$0.00
Municipal Taxes @ 1.5% increase	2,000	2,030	\$2.50
Municipal Taxes @ 3.03% increase	2,000	2,061	\$5.10

Current Service Offerings at 3% by Citizen Priorities

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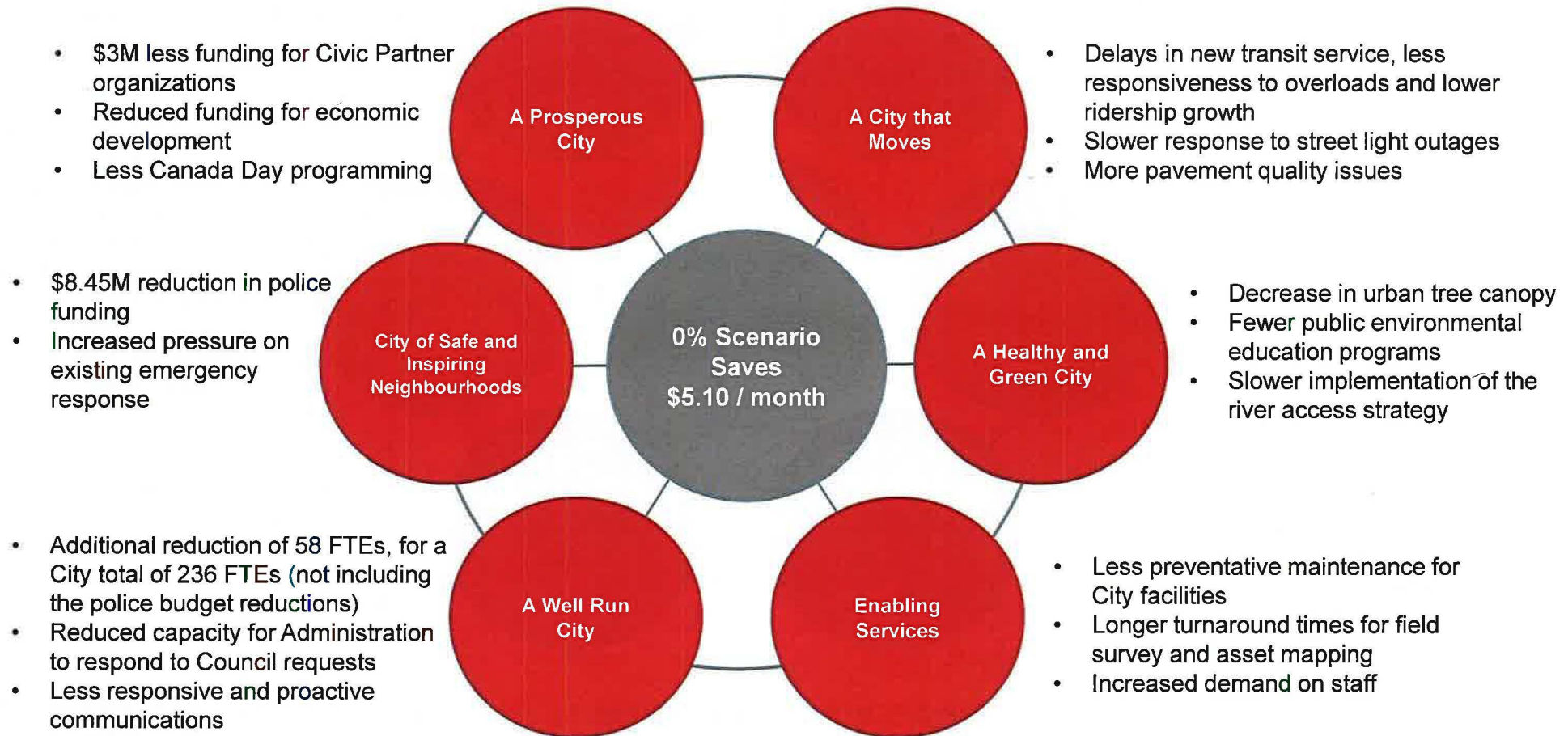


Impact of 1.5% Scenario on Citizen Priorities



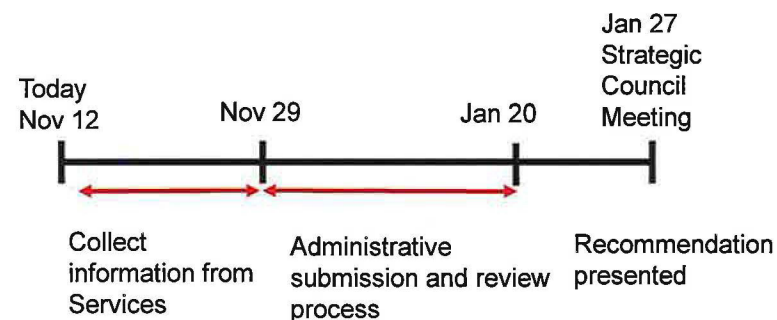
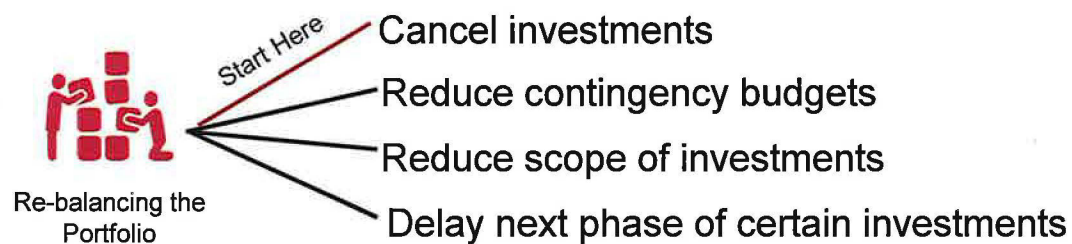
Impact of 0% Scenario on Citizen Priorities – Includes everything in the 1.5% Scenario PLUS:

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Impacts still being determined	<ul style="list-style-type: none"> ➤ MSI funding reduction ➤ Elimination of the Alberta Community Transit (ACT) Fund ➤ Closing of the Alberta Community Resilience Program funding in 2021
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Least harm approach:



Considerations:

Service Level Impact | Health, Safety, Regulatory | Attracting Investment | Connectivity, Accessibility, Inclusion | Long-term cost and Operating cost | Corporate Strategies e.g. Downtown Strategy, Established/Actively Developed/New Communities | Cit-Sat Survey Results



ADMINISTRATION RECOMMENDATION

That Council:

1. Approve adjustments to the One Calgary 2019-2022 Service Plans and Budgets by selecting one of the following scenarios:
 - a. The 1.5% tax rate scenario outlined in Attachments 1a and 1b;
 - b. The 0% tax rate scenario outlined in Attachments 2a and 2b; or
 - c. The 3.03% tax rate already approved and adopted as part of the One Calgary 2019-2022 Service Plans and Budgets;and direct Administration to implement the budgetary changes necessary to effect the scenario chosen.
2. Direct Administration as to the use of any funds released as a result of recommendation 1 so as to ensure a balanced budget, and implement the budgetary changes necessary to effect that direction.
3. Approve the Capital Budget Adjustments in Attachment 5a.
4. Approve the Operating Budget Carry-Forwards in Attachment 6.
5. Approve the Other Operating Adjustments in Attachment 7a.
6. Approve the Performance Measure Adjustments Not Related to Reductions in Attachment 8.
7. For the proposed user fee and utility rates in Attachment 9:
 - a. Approve the user fee changes in Attachments 9A-9C;
 - b. Approve the Long Term Tax Support Rate for Appeals & Tribunals in Attachment 9D;
 - c. Give three readings to each of the bylaws in Attachments 9E-9K.
- a. Direct that Attachment 4b remain confidential pursuant to Section 24 of the Freedom of Information and Protection of Privacy Act until 2034 October 31.
2. Direct that Administration report back to Council with an update on the capital budget in response to the funding reductions from the 2019 October 24 provincial budget no later than 2020 January 27.