



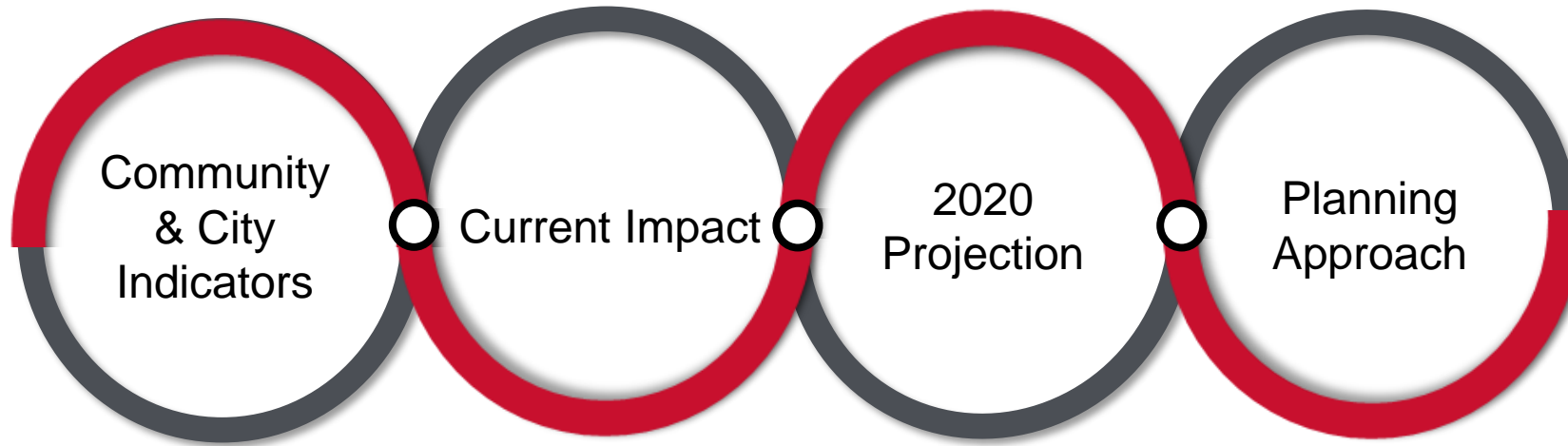
# C2020–0822 COVID-19 Service Plan and Budget Update - July

2020 July 27

Combined Meeting of Council

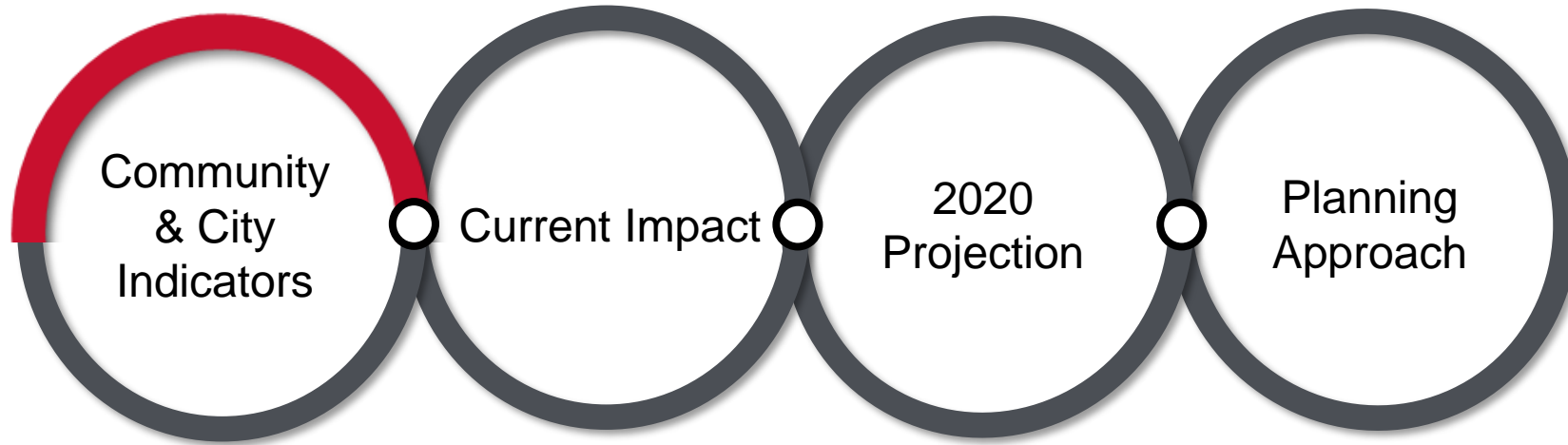


# Roadmap for Service Plan & Budget Update





# Community & City Indicators





# Maintaining Our Focus: Making Life Better Every Day

Administration continues to take an evidence-based approach to better understand community impacts and trends using indicators. A selection of indicators will be brought forward each month as data and information becomes available.



Community and social indicators



Health and wellness indicators



Mobility indicators



Economic, financial and business indicators

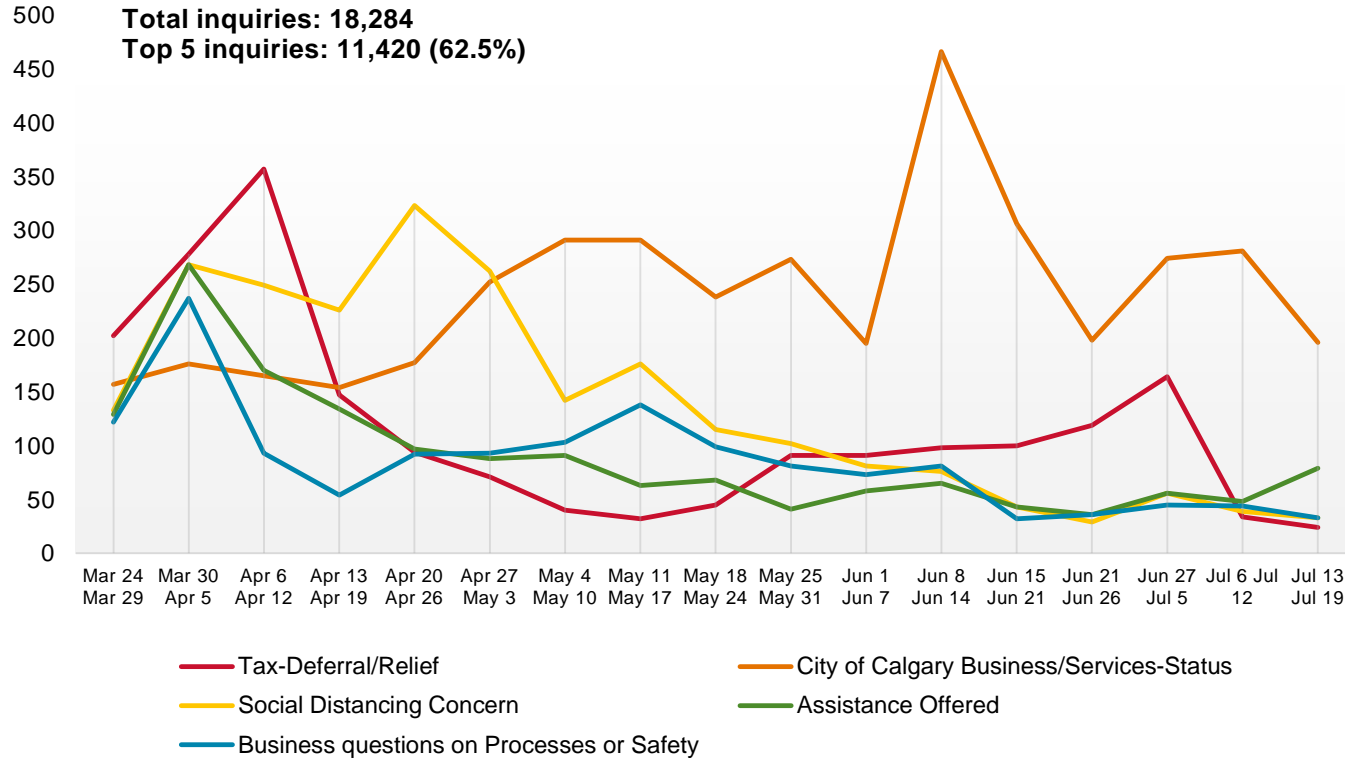


Environmental indicators



# Community indicators – Community and Social

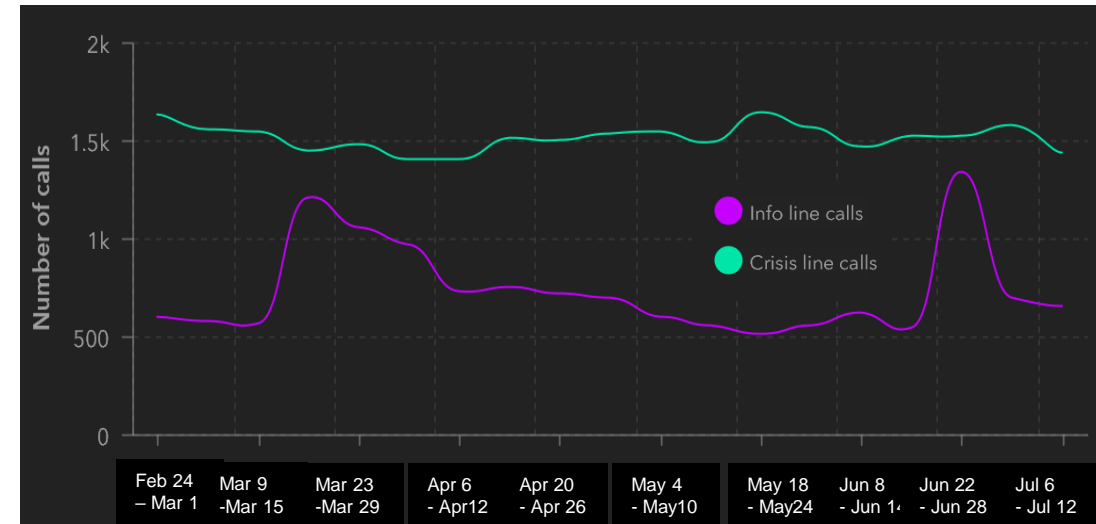
## 311 COVID-related Calls (from March 24 to July 19)



### Top 5 topics:

- City of Calgary programs/services enquiries
- Social distancing concerns
- Tax deferral/relief
- Assistance Offered\* (includes calls related to COVID medical information resources, COVID help resources (groceries, community help, etc.), rent or eviction concerns or enquiries, utility bills deferrals or relief, etc.)
- Non-City business questions on processes or safety.

## 211 Distress Centre COVID-19 related Calls (from Feb 24 to July 12)



### Top 5 COVID-related issues:

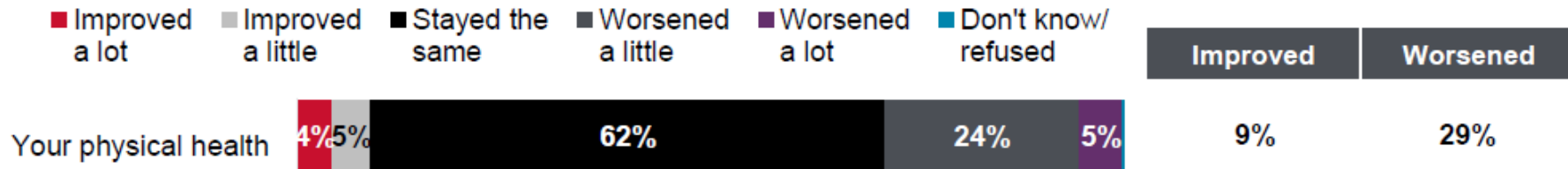
- Anxiety
- Isolation/loneliness
- Depressed mood
- Family relationships
- Parent/child relationships.

Source: 311, 211 & CEMA situational awareness dashboard



# Community Indicators – Health & Wellness

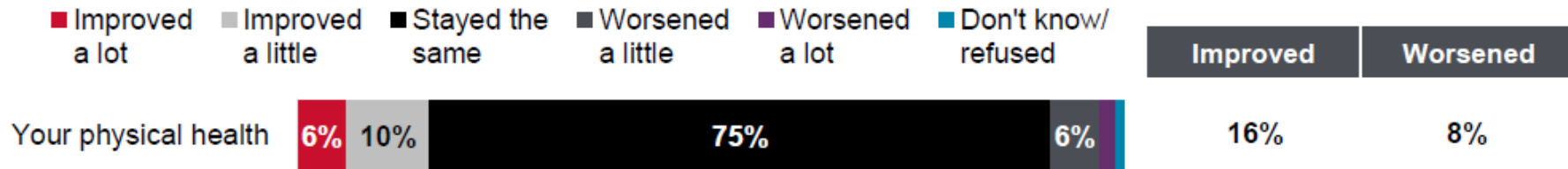
## Change in Physical Health From Just Before the Pandemic to Before Lifting of Restrictions on May 25



Compared to just before the pandemic started and restrictions were put in place, would you say your physical health has improved, remained the same, or worsened?

Base: All respondents (May 19 – 25, n=400)

## Change in Physical Health Since Lifting of Restrictions on May 25



Since restrictions resulting from the pandemic started being lifted on May 25, would you say your physical health has improved, remained the same, or worsened?

Base: All respondents (Jun 8 – 14, n=500)

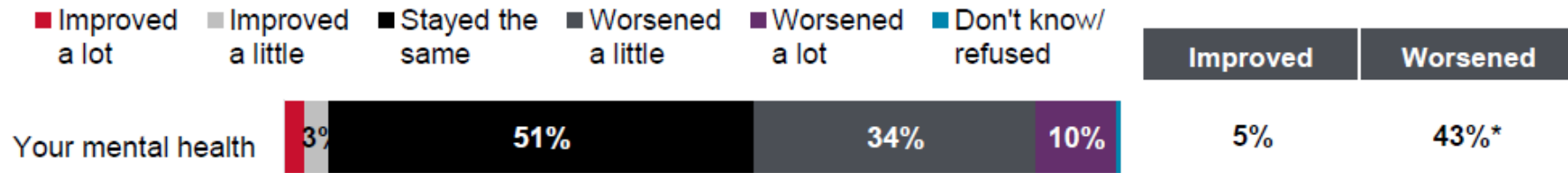
Three-quarters (75%) of Calgarians reported that in the two to three weeks following the lifting of restrictions put in place to deal with the pandemic, their physical health has stayed the same and more than one-in-ten (16%) say it's improved.

Source: The City of Calgary CSC Corporate Research Team, **2020 Citizen Perspectives Survey Report**  
COVID-19 Snapshot 3 Survey  
(phone survey of 500 Calgarians between June 8 – 14)



# Community Indicators – Health & Wellness

## Change in Mental Health Between From Just Before the Pandemic to Before Lifting of Restrictions on May 25

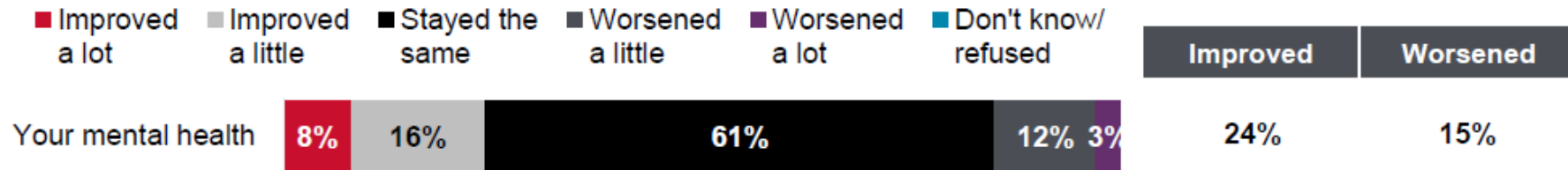


Compared to just before the pandemic started and restrictions were put in place, would you say your mental health has improved, remained the same, or worsened?

Base: All respondents (May 19 – 25, n=400)

\*Rounding

## Change in Mental Health Since Lifting of Restrictions on May 25



Since restrictions resulting from the pandemic started being lifted on May 25, would you say your mental health has improved, remained the same, or worsened?

Base: All respondents (Jun 8 – 14, n=500)

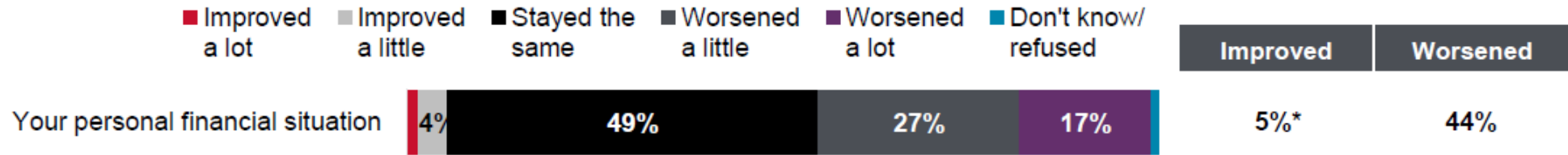
One-quarter of Calgarians (24%) report that in the two to three weeks following the lifting of restrictions put in place to deal with the pandemic, their mental health has improved; however, 15% say their mental health has worsened.

Source: The City of Calgary CSC Corporate Research Team, **2020 Citizen Perspectives Survey Report**  
COVID-19 Snapshot 3 Survey  
(phone survey of 500 Calgarians between June 8 – 14)



# Community Indicators – Health & Wellness

## Change in Personal Financial Situation From Just Before the Pandemic to Before Lifting of Restrictions on May 25

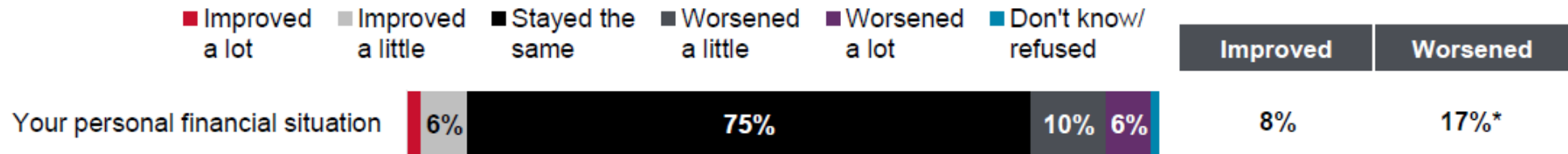


Compared to just before the pandemic started and restrictions were put in place, would you say your personal financial situation has improved, remained the same, or worsened?

Base: All respondents (May 19 – 25, n=400)

\*Rounding

## Change in Personal Financial Situation Since Lifting of Restrictions on May 25



Since restrictions resulting from the pandemic started being lifted on May 25, would you say your personal financial situation has improved, remained the same, or worsened?

Base: All respondents (Jun 8 – 14, n=500)

In the two to three weeks following the lifting of restrictions, the majority (75%) say their personal financial situation has stayed the same while nearly one-in-five (17%) say it's worsened and only around one-in-ten (8%) report that it's improved.

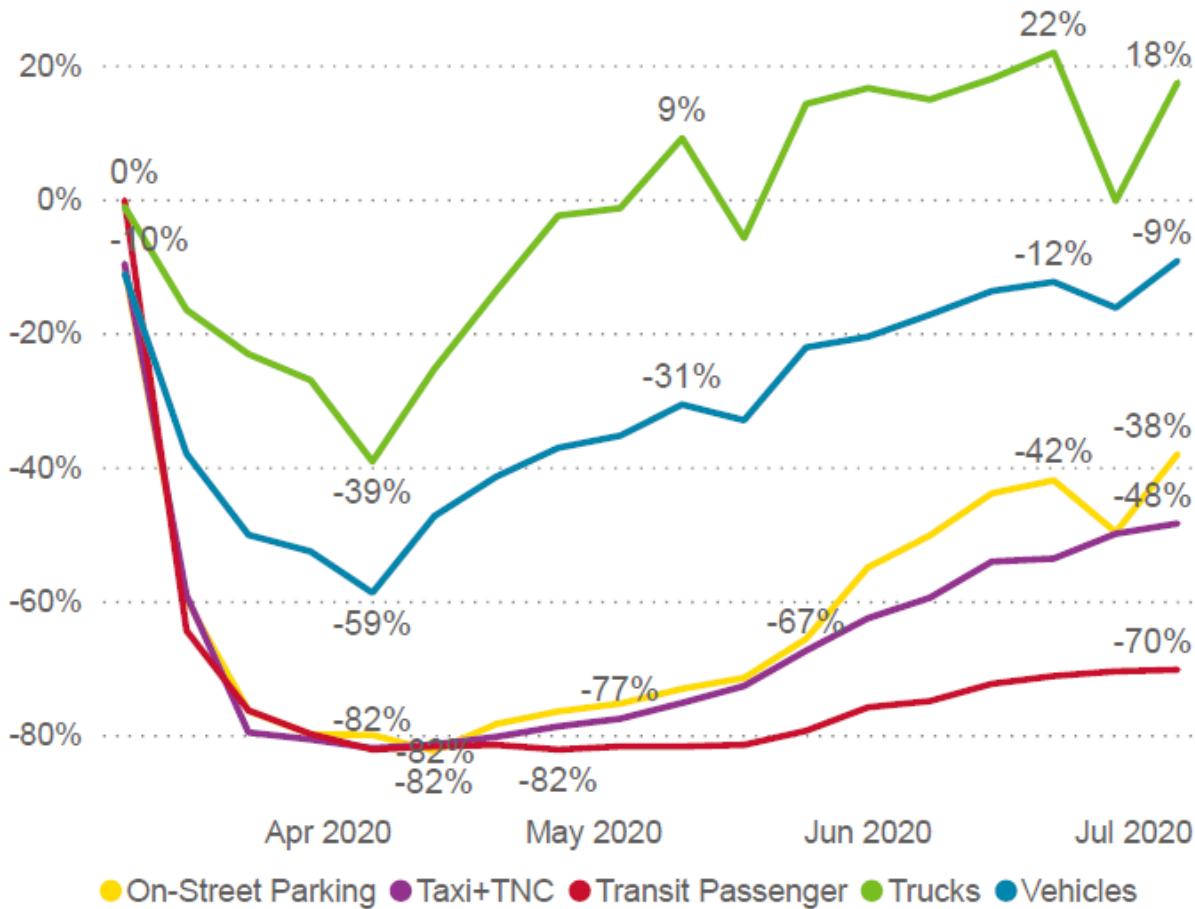
Source: The City of Calgary CSC Corporate Research Team, **2020 Citizen Perspectives Survey Report**  
COVID-19 Snapshot 3 Survey  
(phone survey of 500 Calgarians between June 8 – 14)





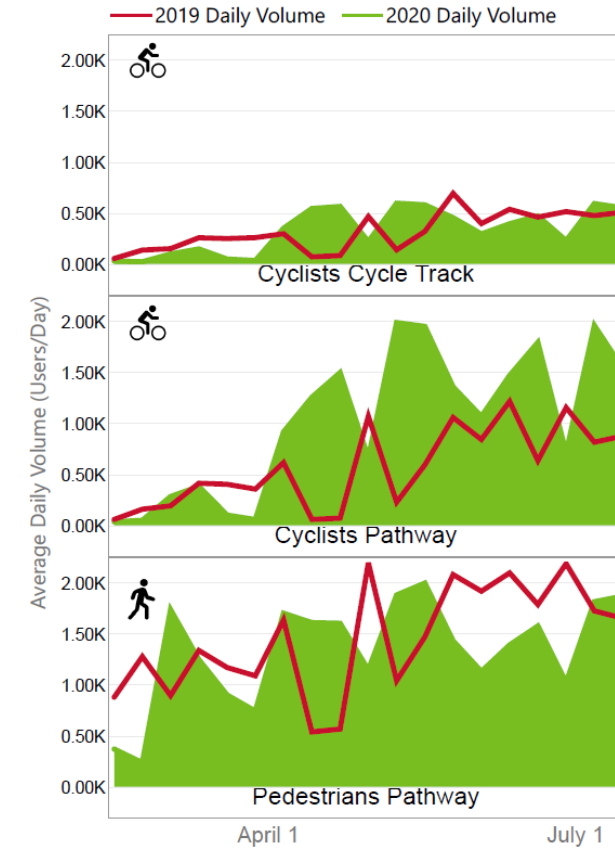
# Community indicators - Mobility

% Change from March 2 by Mode



- On-street parking transactions have increased to 62% of normal volume (in/around core).
- City-wide, vehicle traffic has increased to 91% of normal volume
- Pathway use remains high by pedestrians and cyclists.

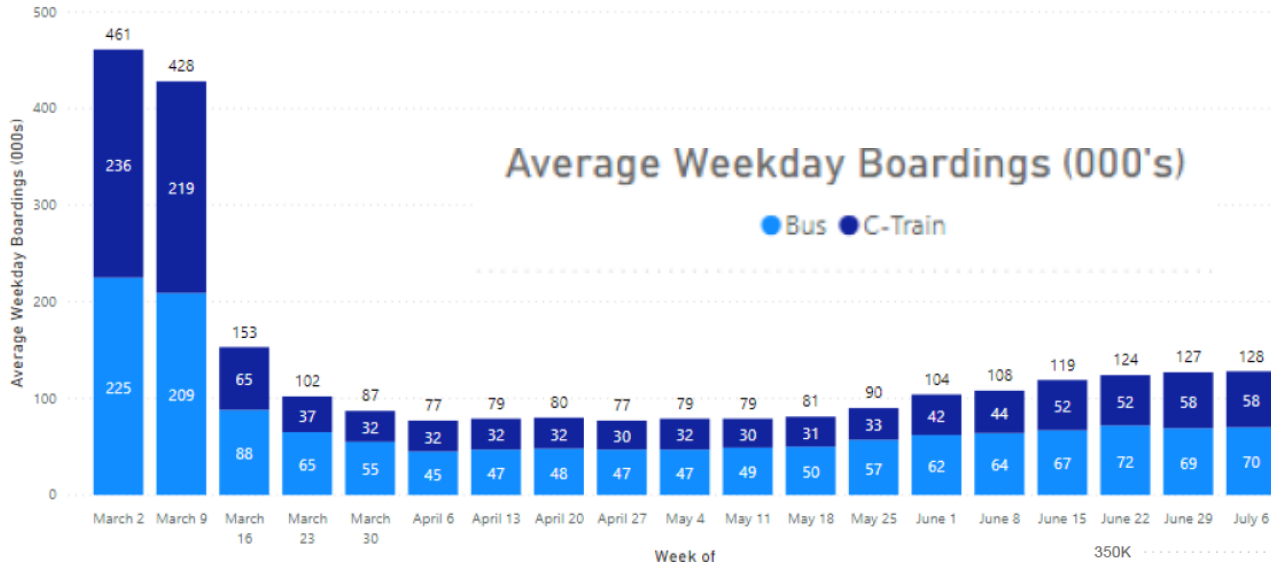
Weekend Eco-Counter Location Data: 2020 Compared to 2019



Source: The City of Calgary Transportation Department



# Community indicators - Mobility



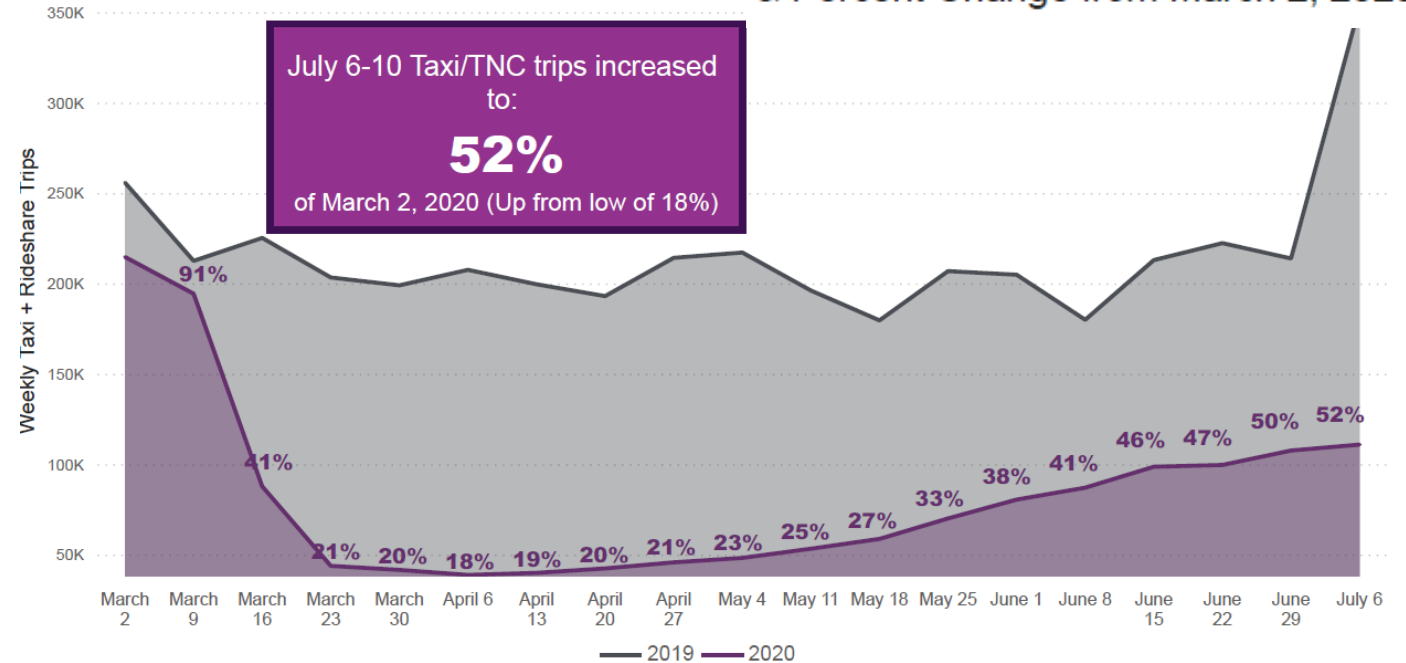
First two weeks of COVID-19  
**-90%**  
Ridership decline from normal

May 25: Reduced Frequency on:  
**61**  
Routes

LRT Ridership  
**58,000**  
Average boardings per day (week of July 6-10)

Bus Ridership  
**70,000**  
Average boardings per day (week of July 6-10)

Weekly Taxi + Rideshare Trips (2019 vs 2020) & Percent Change from March 2, 2020



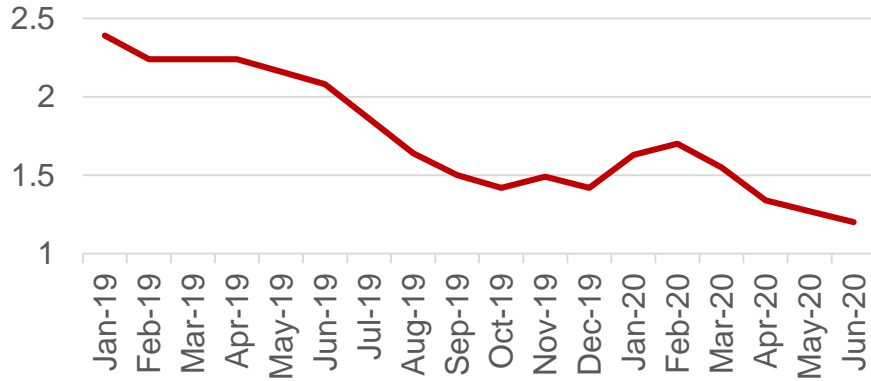
- Taxi/TNC trips have increased to 52% of normal, but saw 30% of the trips for 2020 Stampede week compared to 2019.

Source: The City of Calgary Transportation Department

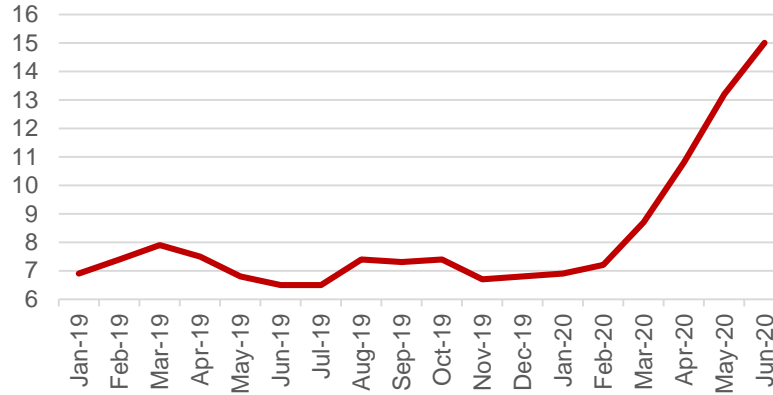


# Community Indicators – Economic (January 2019-Present)

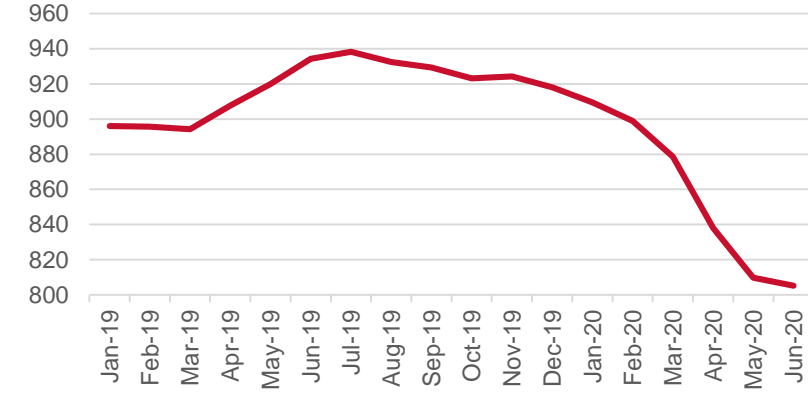
Calgary: All-items CPI (inflation)



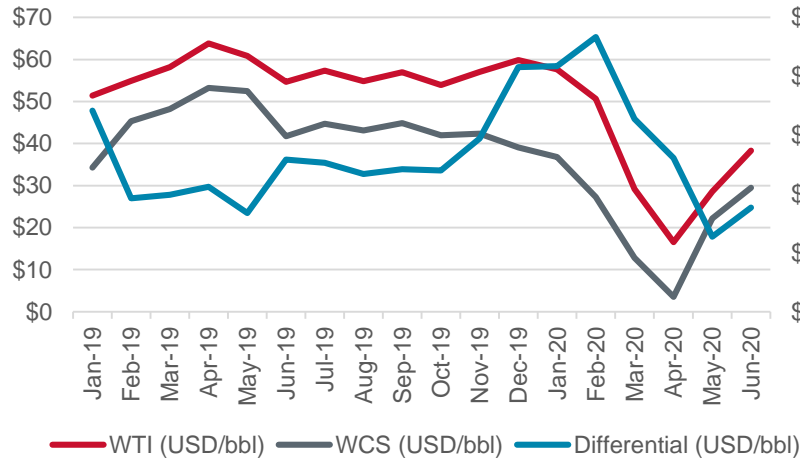
CER Unemployment Rate (%)



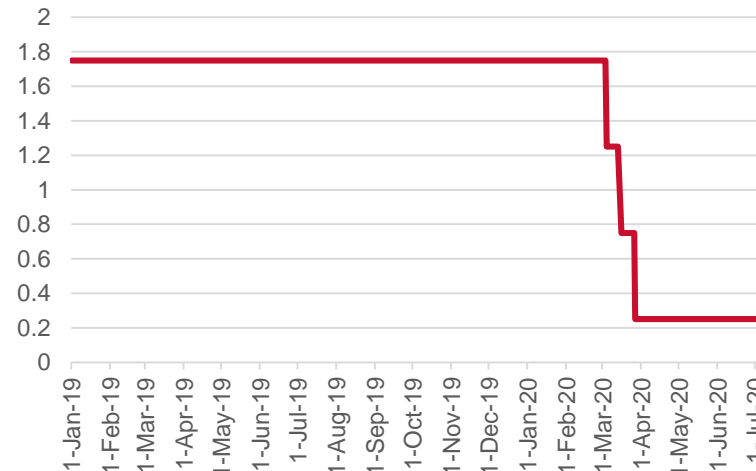
CER Total Employment (thousands)



WTI/WCS monthly prices (left axis) and differential (right Axis)



Bank of Canada overnight rate (%)



Source: The City of Calgary Corporate Economics

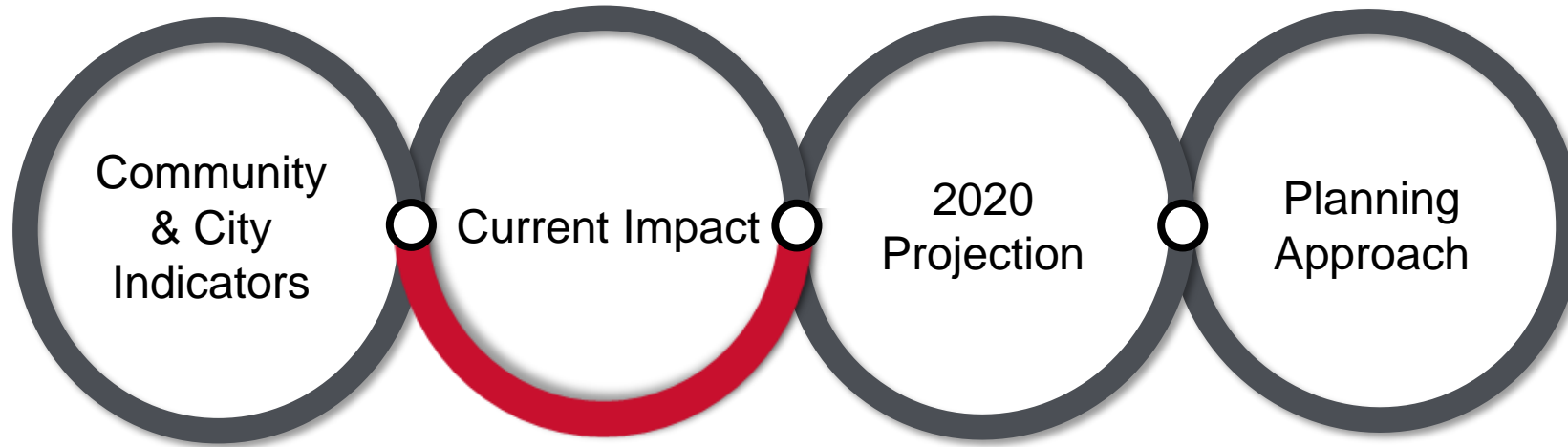


# Community Indicators – Environmental

Data compilation on indicators related to the environment is in progress and will be presented in the September monthly report.



# Update on current COVID-19 impact

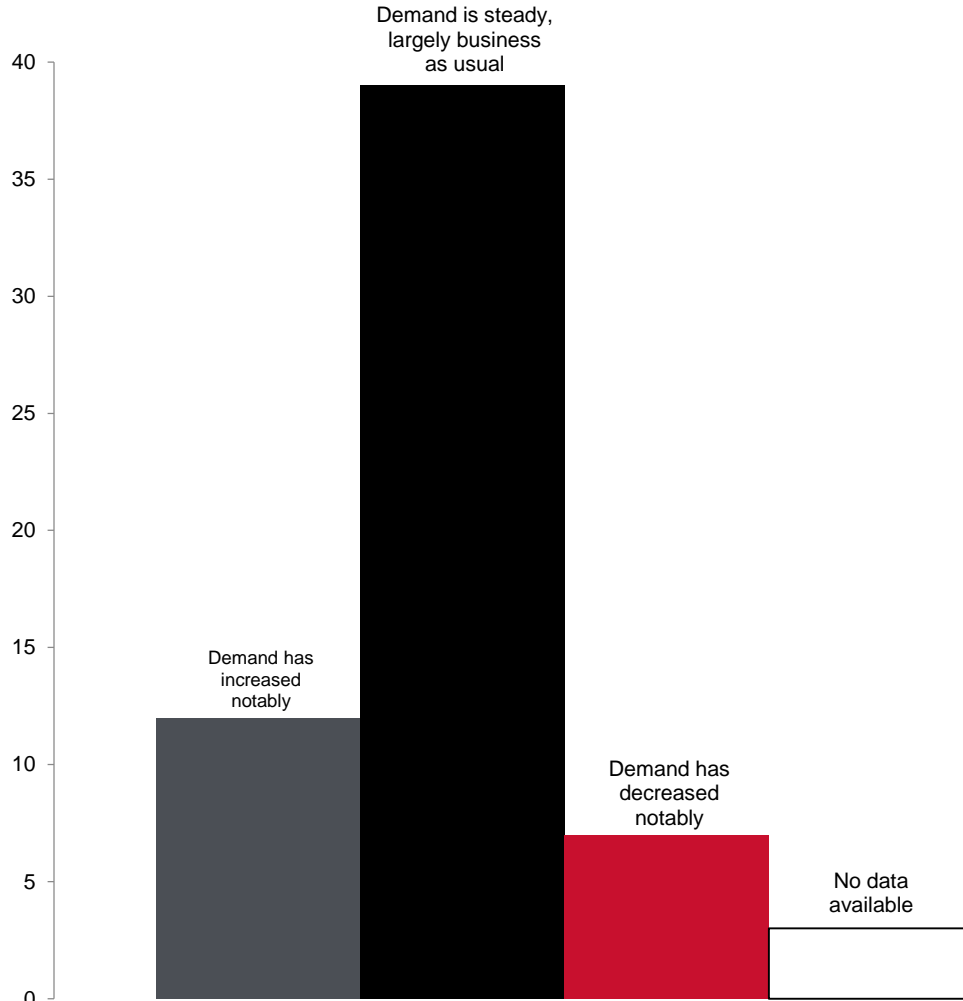




# Impact of COVID-19 on service demand

As of 2020 July 17

What impact have you seen on the current demand for your service?



Demand	Number of Services
12 ↑	<ul style="list-style-type: none"> <li>Affordable Housing demand has increased notably, due to coordinating and responding to new initiatives requiring support during COVID.</li> <li>Generally internal service providers, such as Human Resources Support, Organizational Health, Safety &amp; Wellness, IT Solutions &amp; Support, Facility Management and Financial Support</li> <li>Community Strategies, Social Programs, and Waste &amp; Recycling have also seen increases.</li> </ul>
39 ↔	<ul style="list-style-type: none"> <li>Steady demand for 38 services remains unchanged since the last report</li> <li>Demand for Procurement &amp; Warehousing demand is returning to steady levels, previously increased demand, as COVID-19 support shifts to re-occupation.</li> </ul>
7 ↓	<ul style="list-style-type: none"> <li>Public Transit, Specialized Transit and Recreation Opportunities have experienced decreased demand with large revenue impacts which affect The City as a whole</li> <li>Decreased service demand for Arts &amp; Culture, Fire Safety Education, Land Development &amp; Sales, and Parking, remains consistent since last month.</li> </ul>
3 No Data Available	<ul style="list-style-type: none"> <li>Services primarily made up of Civic Partners were not asked for this information.</li> <li>Calgary Police Service impacts will be available when approved by the Calgary Police Commission</li> </ul>



# Impact of COVID-19 on services

As of 2020 July 17

## Current Impact on Service

### Severe Impacts

#### Arts and Culture / Recreation Opportunities

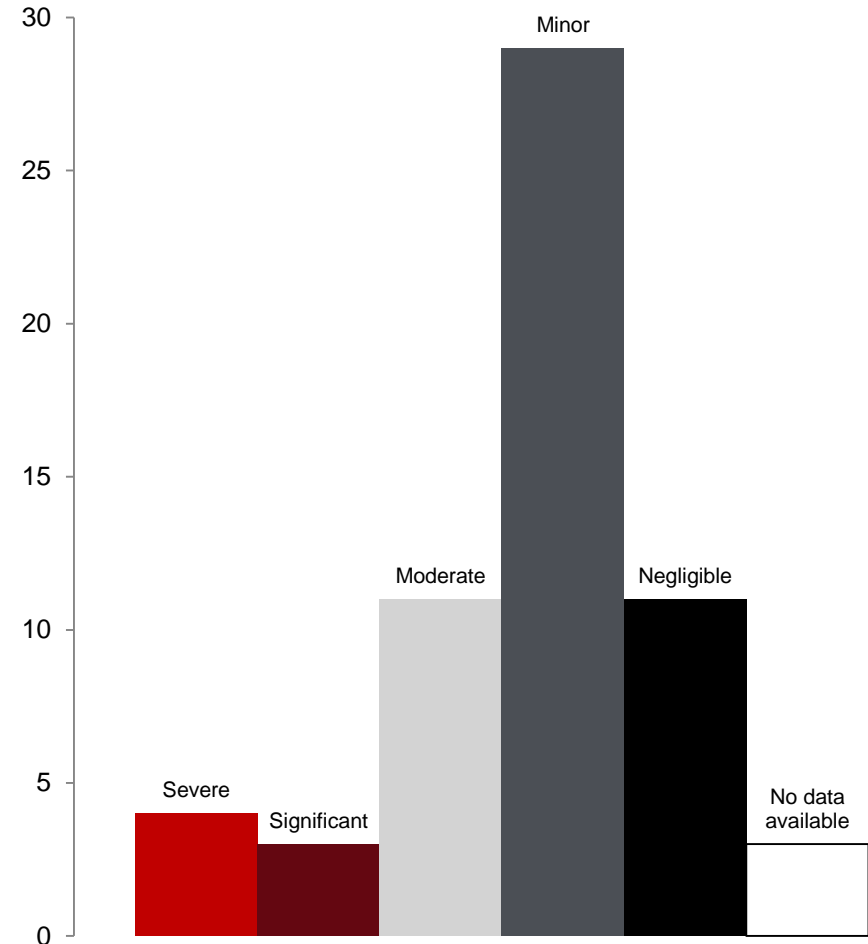
- Continued to open selected facilities including: tennis courts; outdoor day camps; athletic parks; arenas; and aquatic and fitness centres
- Further facilities are scheduled to open in late July and August
- 24,531 visits compared 411,527 in June 2019
- Golf had 28,000 rounds played at 3 courses, compared to June 2019 with 39,000 rounds at 6 courses

#### Public Transit / Specialized Transit

- Though Public Transit ridership is still low due to remote working/studying options, some increase has been noted over the last month with overall ridership reduced by 75%
- Monthly revenue is reduced by approximately 80% for Public Transit service
- Increased social disorder incidents continue

### Significant Impact

- Fire Safety Education: restrictions resulted in fewer requests
- Municipal Elections: 2020 Civic Census cancelled
- Social Programs: services continue to move to in-person delivery with safety modifications



\* Services primarily made up of Civic Partners were not asked for this information. Calgary Police Service impacts will be available when approved by the Calgary Police Commission.



# Additional impacts of COVID-19 on services

As of 2020 June 17

Demand impacts	Doing More	
<ul style="list-style-type: none"> <li>• <b>Stabilized demand for parking</b></li> <li>• <b>Calgary Parking Authority is focusing on promoting contactless interactions with customers and are adapting service delivery in areas with on-street / sidewalk patios</b></li> <li>• <b>Adaptive roadways were set up along 13 km of street lanes to support increased demand for space supporting active modes</b></li> <li>• <b>Increased demand for internal support relating to protecting employee safety and wellbeing through the relaunch phases, including development and implementation of The City's recently published Office Facility Reoccupation Plan (OFRP) Playbook.</b></li> </ul>	<ul style="list-style-type: none"> <li>• <b>Fair Entry front counters reopen (June 22) returning to in-person service to clients</b></li> <li>• Facility cleaning as services and activities relaunch</li> <li>• Financial relief: Extended tax payment deadline; Planning &amp; Development deferral and/or waive fee payments; Waived Business Licence renewal; Rent relief; Waived Taxi &amp; Limousine driver fees and 50% plate fees; Additional support partners; and Low Income Transit pass fares suppressed for March, April and May</li> <li>• Online programs and applications</li> <li>• IT solutions and support</li> <li>• Communications and on-line engagement</li> </ul>	
<ul style="list-style-type: none"> <li>• Black, Blue and Green Cart Program tonnes are increasing compared to 2019</li> <li>• Waste at Waste Management Facilities now at seasonal norms, however with significantly higher traffic than 2019</li> <li>• Continued increased demand from youth in targeted services (employment services, crisis referrals), and anticipate this trend to continue</li> <li>• High public park usage during the pandemic</li> <li>• Shift in demand between different customer classes for consumption of water &amp; wastewater</li> <li>• Increased demand for accelerated paving programs while traffic is reduced</li> <li>• Licenses for larger restaurant patios has increased</li> </ul>	<th data-bbox="1302 815 2509 882">Doing Less / Delays</th> <ul style="list-style-type: none"> <li>• <b>Prioritized hiring</b></li> <li>• <b>Suspended in-person engagement on policy / delayed delivery of reports to Council</b></li> <li>• <b>Delay in tribunal hearings, online hearings have begun</b></li> <li>• Calgary Transit removed some routes, reduced frequency on others</li> <li>• Cancelled 2020 Community cleanups</li> <li>• Cancelled 2020 census</li> <li>• Spay/Neuter program</li> <li>• Closure of some of the plus 15 network</li> </ul>	Doing Less / Delays

Items in BOLD are changes from last month's update





# Relaunch Activities

Some relaunch activities for July include:

- ✓ Calgary Parks has re-opened spray parks, splash pads and wading pools at Bowness Park, Prairie Winds Park, Rotary Park and South Glenmore Park;
- ✓ Appeals & Tribunals resumed hearings by moving online;
- ✓ Calgary Recreation re-opened 186 tennis courts with physical distancing restrictions;
- ✓ Outdoor recreation day camps registration started June 25;
- ✓ Free summer programming at locations across Calgary starting July 6;
- ✓ Property Assessment resumed interior and exterior non-residential property inspections; and
- ✓ Four aquatic and fitness centres open July 10: Bob Bahan Aquatic & Fitness Centre, Canyon Meadows Aquatic & Fitness Centre, Glenmore Aquatic Centre and Killarney Aquatic & Recreation Centre.



# Preliminary financial impacts: March 12 – June 30

	\$ millions	
Revenue Loss	(70.3)	<ul style="list-style-type: none"> <li>• Closure of recreation facilities</li> <li>• Loss in transit revenue</li> <li>• Reduction in permit revenue</li> <li>• Property sale transactions have fallen</li> <li>• Lower revenue for Calgary Police Service</li> </ul>
Incremental Expenses	(18.0)	<ul style="list-style-type: none"> <li>• Overtime</li> <li>• Layoffs of certain temporary and permanent staff</li> <li>• IT equipment and pandemic supplies</li> <li>• Facility cleaning</li> </ul>
Savings	27.9	<ul style="list-style-type: none"> <li>• Reduction in Calgary Transit Access trips provided by contracted service providers</li> <li>• Staff reductions and delays in hiring seasonal staff</li> <li>• Reduced training and fuel costs</li> </ul>
<b>Total</b>	<b>(60.4)</b>	

*Notes:*

- *Calgary Parking Authority and other corporate revenues not included.*
- *Calgary Police Service fine revenue impacts are largely anticipated to be in Q3-Q4 due to time lags*
- *Brackets indicate unfavourable variance.*



## Preliminary financial impacts: March 12 – June 30

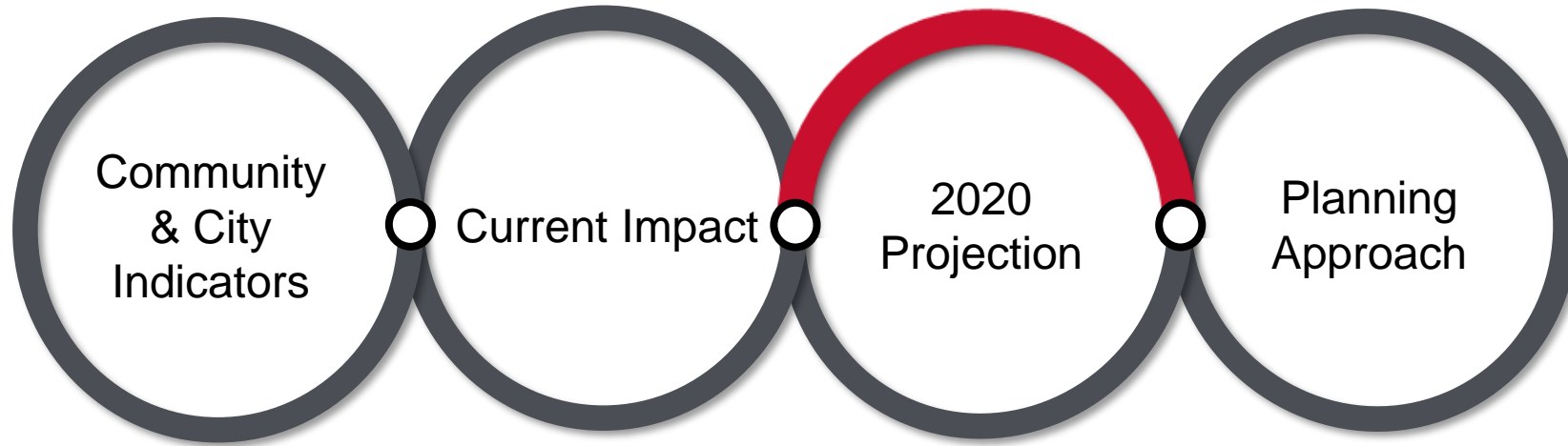
Amounts in \$ millions	Revenue Loss	Incremental Expenses	Estimated Savings	Net Impact
Transit	(39.7)	(4.5)	12.2	(32.0)
Recreation	(11.1)	(3.1)	7.3	(6.9)
Calgary Building Services	(9.1)	-	-	(9.1)
Real Estate & Development Services	(4.7)	-	-	(4.7)
Roads	(1.5)	-	-	(1.5)
Parks	(1.2)	(0.6)	2.6	0.8
Information Technology	-	(2.4)	-	(2.4)
Facility Management	-	(1.7)	1.4	(0.3)
Other	-	(4.7)	1.4	(3.3)
Calgary Police Service	(3.0)	(1.0)	3.0	(1.0)
<b>Total</b>	<b>(70.3)</b>	<b>(18.0)</b>	<b>27.9</b>	<b>(60.4)</b>

*Notes:*

- *Calgary Parking Authority and other corporate revenues not included.*
- *Calgary Police Service fine revenue impacts are largely anticipated to be in Q3-Q4 due to time lags*
- *Brackets indicate unfavourable variance.*



# Service Plan and Budget Projection





# Methodology

- Corporate-wide exercise
  - Civic partners excluded
  - **Calgary Police Service included**
- Services updated:
  - Projected impacts to their service & finances by year-end 2020 (gap)
  - Projected impacts of temporary COVID-19 changes (narrowing the gap)
- Assumptions regarding provincial relaunch stages
  - Significant assumptions due to scope of uncertainty
- Scope includes:
  - Potential relaunch strategies and activities
  - Relief packages and associated funding sources approved by Council

Items in **BOLD** are changes from last months update



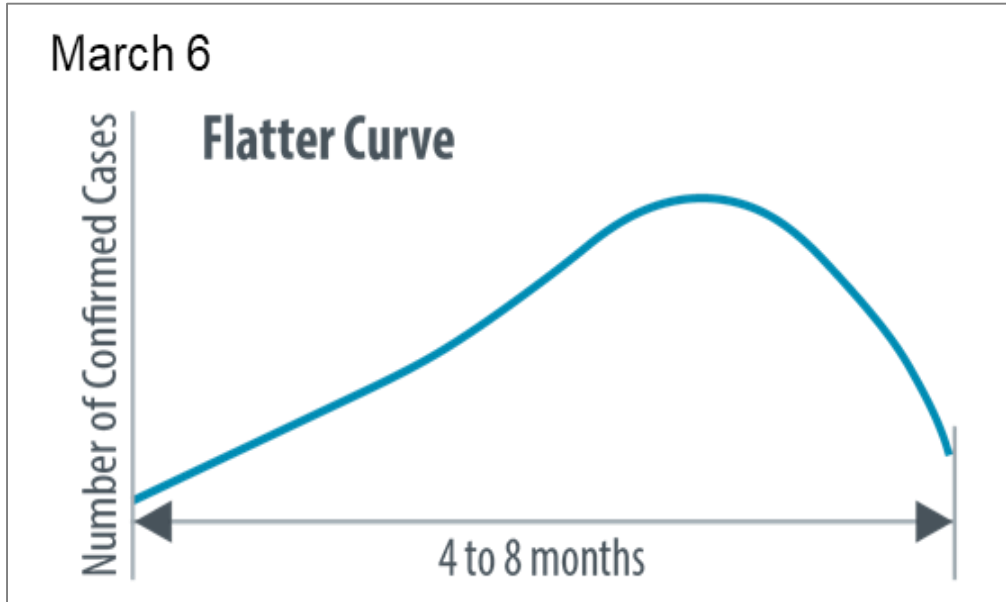
# More sophisticated planning assumptions

Approach: using more sophisticated planning assumptions over time to determine projected impacts to services and finances for 2020 year-end

Planning Assumptions	Initial April & May Submissions	June & July Submissions
Sources	<ul style="list-style-type: none"> <li>Internal city sources</li> </ul>	<ul style="list-style-type: none"> <li>Internal city sources</li> <li>University of Calgary collaboration</li> <li>Big Cities partnership</li> <li>External scenarios (e.g. Stokes Economics)</li> </ul>
Developed	<p>1 scenario, 3 timelines</p> <ul style="list-style-type: none"> <li>'Current situation' as seen at that time would last until the end of Q2, Q3, or Q4</li> <li>All assuming a flattened curve</li> </ul>	<p>3 scenarios, 3 timelines</p> <ul style="list-style-type: none"> <li>Worse case, limited success to flatten curve</li> <li>Base case, moderate success to flatten curve</li> <li>Better case, full success to flatten curve</li> </ul>
Used	<ul style="list-style-type: none"> <li>April: Current situation Q2, Q3 and Q4</li> <li>May: Current situation until end of Q2</li> </ul>	<ul style="list-style-type: none"> <li>June: Base Case only</li> <li><b>July: Base Case only</b></li> </ul>



# Key assumptions\* underlying the financial and performance projections



- Between June 12 and the end of October the Province of Alberta remains in Stage 2 of their relaunch strategy and the State of Local Emergency (SOLE) has ended.
- The Province of Alberta is expected to move to Stage 3 at the end of October 2020 and remain in effect until the end of the first quarter (Q1) 2021. This includes Alberta Health Service (AHS) public health orders regarding staff and public safety, social distancing, use of facial coverings and gatherings.
- Relaunch strategies, activities and costs included in the impacts.
- **The City of Calgary prioritized hiring remains in effect until the end of the year.**
- Supply chain movement and procurement of goods eases over the remainder of 2020 and is back to pre-COVID levels by December 31. Although service providers who bring finished goods directly to consumers are constrained by social distancing, the access to manufactured inputs and other goods in the supply chain would be unconstrained because of safe practices.

Items in BOLD are changes from last months update

*\*Changes in these assumptions may have a significant impact on projections*



# Key assumptions\* underlying the financial and performance projections continued

- Impacts to capital investments (construction, job sites, access to materials and contractors) chain eases over the remainder of 2020 and is anticipated to be back to pre-COVID levels by the end of first quarter (Q1) 2021.
- COVID-19 has resulted in a 15% drop in residential investments. Construction was identified as an essential service to help support economic activity. Citizens have also initiated smaller scale projects (repairs and renovations). Overall residential investment is expected to resume as of June 2020.
- Lower non-residential investment continues until the end of 2020.
- Current revenue trends hold, unless more refined assumptions on user fee and rate revenue available.
- Current expenditure trends hold, unless more refined expenditure projections are available based on your service's circumstances.
- While both a provincial capital stimulus package and the Federal Safe Restart Agreement has been announced, details of what The City may receive and criteria tied to any funding is still emerging. Therefore, no new funding was assumed for this monthly report.
- Performance expectations for future projections may not align with prior Council approvals.

*\*Changes in these assumptions may have a significant impact on projections*



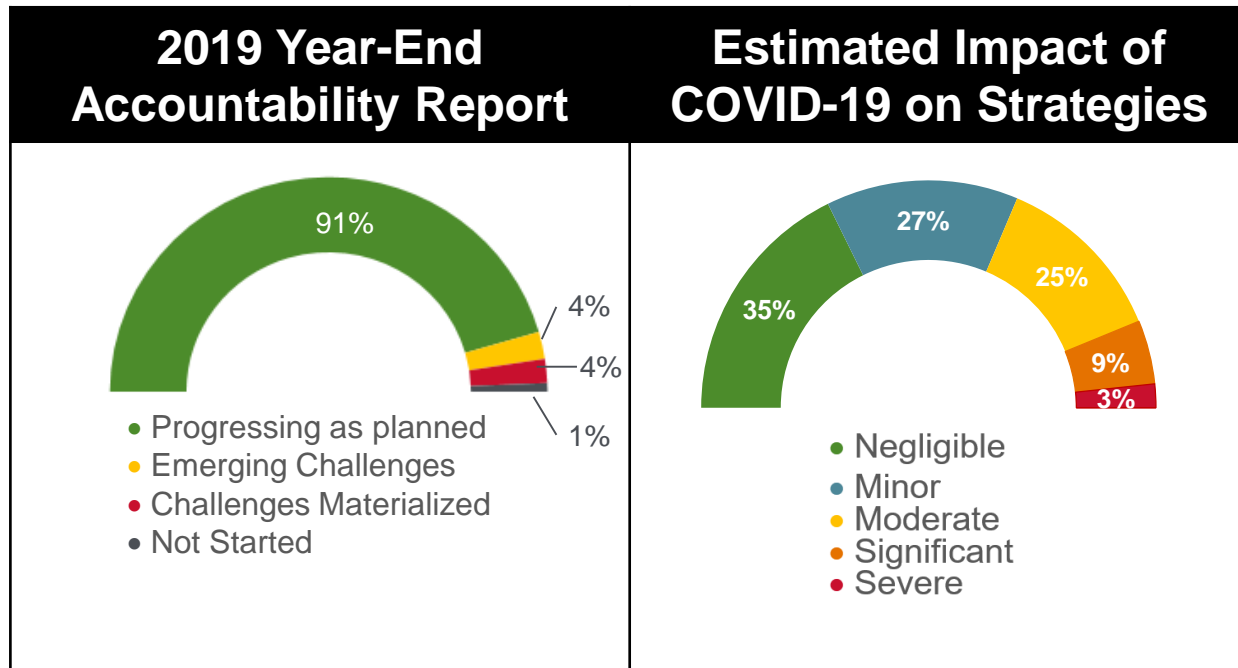


# Projected strategy impacts

The One Calgary 2019-2022 Service Plans and Budgets include 622 strategies, each of which was reflected in the 2019 Year-End Accountability Report. At the end of 2019, 91% of the strategies were on track.

Overall there was very little change since June with respect to the data for 609\* strategies:

- 96% of strategies maintained their impact category previously reported in June.
- 15 strategies are projected to be less impacted by year-end than in June, with 6 improving as they move from the significant category to moderate impact category, reflecting a more positive outlook.
- 62% of strategies have a negligible or minor impact, while another 25% are seeing a moderate impact.
- Strategies that have been significantly or severely impacted (12%) are related to interactions with the public or partners and are associated with services such as Arts & Culture, Bylaw Education & Compliance, Calgary Police Service, Community Strategies, Municipal Elections, Parks & Open Spaces, Public Transit, Recreation Opportunities, and Social Programs.
- 8 strategies from Calgary Police Service are included.
- \*Strategies related to Civic Partners (13 strategies) are not included in the COVID-19 impacts.



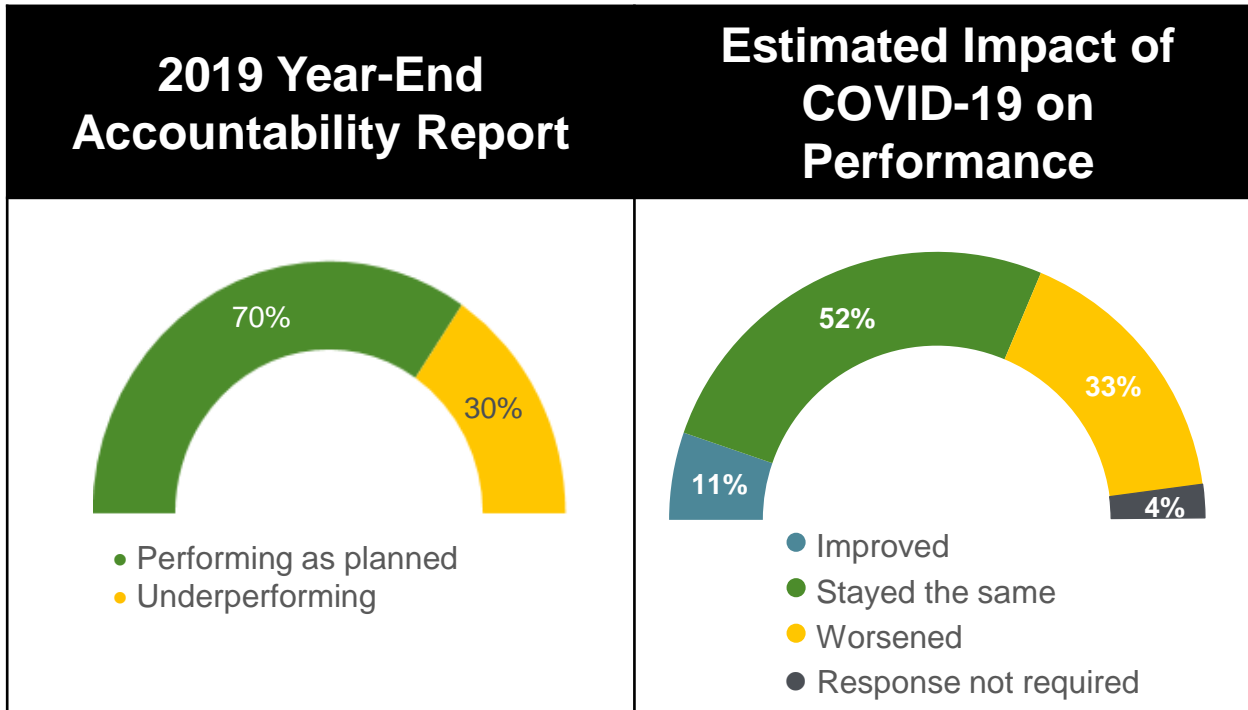


# Projected performance impacts

The One Calgary 2019-2022 Service Plans and Budgets include 256 approved performance measures, each of which was reflected in the 2019 Year-End Accountability Report. At the end of 2019, 70% of the performance measures were performing as planned; and 30% were underperforming.

Overall there is a slight positive shift from last month's update:

- 94% of performance measures maintained their impact category previously reported in June.
- 63% of performance measures are holding steady and are projected to “improve” or “stay the same” by 2020 year-end.
- 33% of performance measures are projected to worsen by 2020 year-end.
- 5 performance measures from the Calgary Police Service are included in the estimated impact.
- \*Performance measures related to Civic Partners (10 measures) are not included in the COVID-19 impacts and are categorized as “response not required”.





# Projected 2020 gap

Account Category	July Projection (\$ M)	June Projection (\$ M)	Diff. vs June (\$ M)	Explanations
Revenue*	(237)	(208)	(29)	<ul style="list-style-type: none"> <li>• <b>Lower revenue for Calgary Police Service</b></li> <li>• <b>Reduction in licenses and building permits</b></li> <li>• <b>Corporate Programs revenue estimates revised (Calgary Parking Authority dividend, penalty revenue, tax cancellations)</b></li> <li>• Loss of transit revenue (reduced ridership)</li> <li>• Council approved relief packages</li> <li>• Decrease in water consumption from temporary business closures</li> <li>• Lower franchise fees from water utility services</li> </ul>
Recoveries	(3)	(1)	(2)	<ul style="list-style-type: none"> <li>• Lower demand for internal services such as waste management as a result of vacancies and reduced building capacity</li> </ul>
Expenditures	56	49	7	<ul style="list-style-type: none"> <li>• Temporary and part-time staff lay-offs</li> <li>• Seasonal staff reductions in parks</li> <li>• Vacancy savings from intentionally managing the workforce</li> <li>• Offset by increased overtime and supply costs associated with COVID-19</li> </ul>
<b>Total gap</b>	<b>(184)</b>	<b>(160)</b>	<b>(24)</b>	

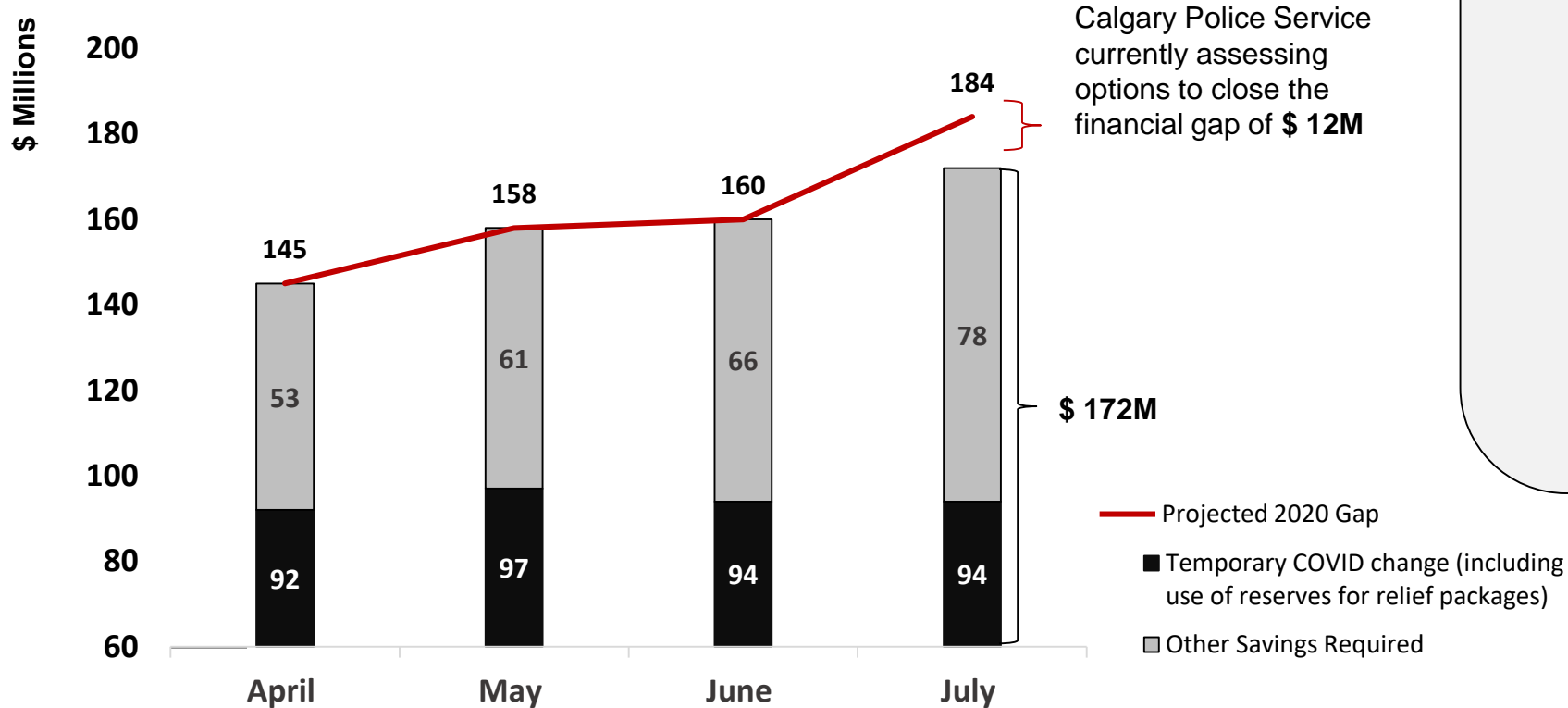
\*Revenue from self-supported service lines cannot be used to offset the corporate financial gap

Note: \$ estimates rounded to the nearest million.

Items in BOLD are changes from last months update



# Narrowing the gap



- Projected 2020 gap increase of \$ 24M to a total of \$ 184M
  - Other savings to offset the increase in the financial gap will need to be identified (\$ 12M)
  - Calgary Police Service are examining options to close the remainder of their financial gap
  - Other savings will need to increase further for any balance that Calgary Police Service cannot close

Note: \$ estimates rounded to the nearest million.



# Largest value temporary COVID-19 changes in 2020

Service	Change Amount	Summary	Citizen Impact
Public Transit	\$42	Remove some transit routes, lower service level on some transit routes.	Direct
Building Safety	\$12	Expenditure reductions and utilization of reserve as required.	Indirect
Water Treatment & Supply	\$9	Consider capital and operating reductions. Consider further use of debt and reserves.	Indirect
Specialized Transit	\$8	Align Specialized Transit to demand.	Direct
Business Licensing	\$4	Approved Business License relief package.	Direct
Sidewalks & Pathways	\$3	Relinquish and absorb growth, maintain pedestrian pavement marking level of service, service levels for snow and ice control slightly reduced.	Direct
Streets	\$3	Service levels not increased as planned or reduced.	Direct
Wastewater Collection & Treatment	\$2	Consider capital and operating reductions. Consider further use of debt and reserves.	Indirect

*Note: All \$ figures rounded in millions*



# Projected risk impacts

## 2020 Year-end July projection (53 risks)

Slight	Low	Medium	High	Severe
6%	19%	28%	34%	13%

5 Priority Risks*	From the 2020 Year-end July projections
Economic Risk	This risk is impacted by a combination of the COVID-19 pandemic and the collapse of crude oil prices, which have caused three principal shocks to Calgary’s economy: structural change, supply shock and a demand shock. The culmination of the three shocks has had a significant impact on our economy. Multiple services expressed deferred or delayed revenue as a specific impact to their service.
Financial Risk	This risk is impacted by the accuracy of the projected gap and the successful delivery of temporary service changes to generate savings that assist in closing the gap. With the SAVE program already in progress, delivering additional savings will be challenging. Services indicated they will continue to draw from reserves to offset decreases in revenue or increased expenditure, or to address adverse variation from forecasted growth. <b>Services have identified costs related to sustained closures or re-launch activities as a risk.</b> Administration may evaluate additional temporary service reductions if the financial gap widens.
Health, Safety and Wellness Risk	This risk remains high and is acutely impacting some areas more than others. Many services noted this as their top risk while they continue to monitor staff health, safety, and wellness. The City is managing the need for personal protective equipment as well as process changes to ensure safety equipment and protocols are established and effective, and <b>increased communications and material on mental health and wellness.</b>
Infrastructure Management Risk	This risk varies as many City owned buildings are experiencing a decreased in usage which can be translated into reduced maintenance service levels and costs. However, long-term planning projects are also being reduced which will result in a gap in data and will impact our ability to proactively manage our building assets.
Reputation Risk	<b>This risk has been noted by more services as their top risk. While a number of services are gradually re-opening, some service reductions remain which may negatively impact citizens’ perceptions. Re-opening City services could pose a threat to reputation if the public perceives that we are not able to do so safely. Currently, a large majority of citizens agree that as The City re-opens its services, it’s taking precautions to limit the spread of the virus.</b>

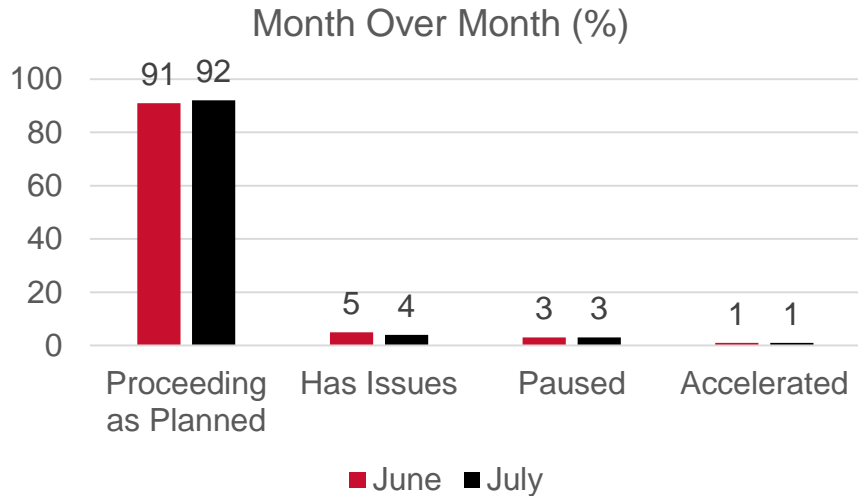
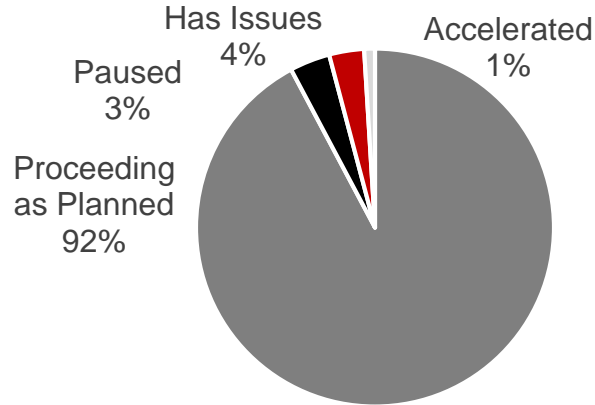
\*The 5 Priority Risks are a subset of The City’s Principal Corporate Risks and were approved by Administrative Leadership Team (ALT) in 2020 June. A full update on The City’s Risk Profile, including all of the Principal Corporate Risks **were** provided to the Audit Committee on 2020 July 23. **Items in BOLD are changes from last month’s update.**



# The City's current capital situation

Overall, The City continues to move forward with capital investments

July – How are Investments proceeding?



- Most investments are proceeding as planned
- Some investments have accelerated – e.g. Recreation facility lifecycle
- Continue to watch and mitigate key risks that may impact schedules:
  - Human capital challenges due to physical distancing and other restrictions
  - Access to materials if there is a second wave and production (and/or logistics) slows / shuts down
- Procurement strategies are being looked at to mitigate potential supply challenges



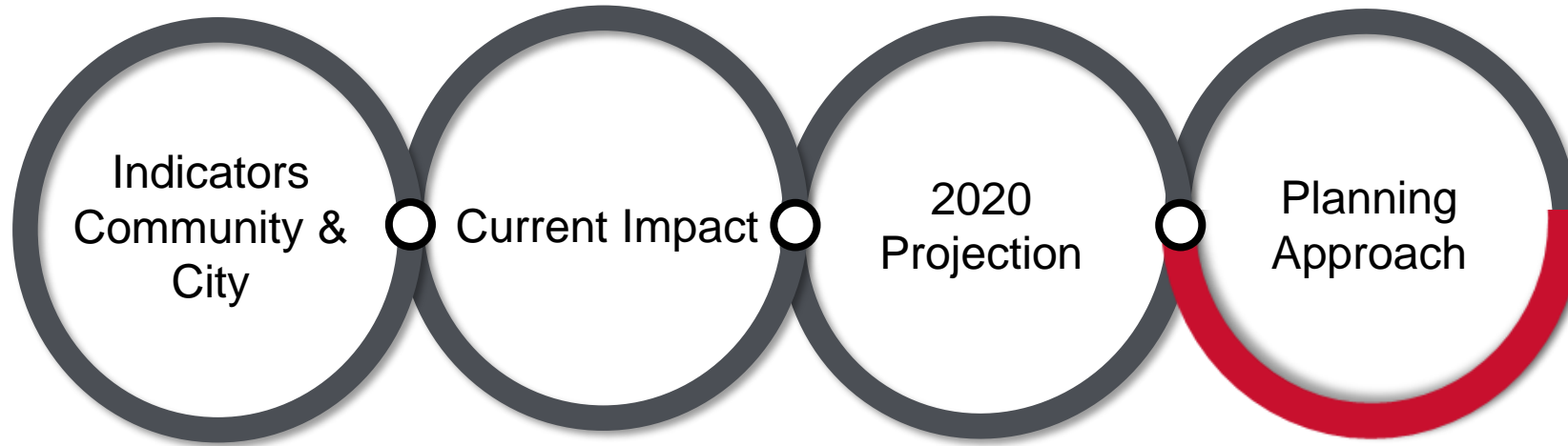
# Workforce

- Treat employees with dignity and respect while balancing employer/employee interests
- Extensive support for employee health, safety and wellness, including:
  - Regular communications (e.g. weekly townhalls, COVID-19 FAQ's, All Employee Notice bulletins)
  - Reoccupation playbook developed to address facilities, space, physical and psychological safety and the employee experience through the thrive strategy
- Intentional workforce management and adjustment
  - Prioritized hiring continues with oversight by the Corporate Workforce Planning Committee
- Anticipating recovery – ongoing workforce planning (culture, skill set and complement) for current state and economic resilience to align with Provincial relaunch updates





# We have a robust planning approach





# Some important questions from Council are guiding our work

## **Initial response provided 2020 April 30 (COVID Response Section) and update provided today (Current Impact Section)**

- 1) How will the desires and needs of Calgarians change?
- 2) What options do we have in our operating budget and capital budget?
- 3) Where do we lean in and out of services?

## **Initial response provided 2020 April 6 and/or further information provided 2020 April 30 (Municipal Relief Section)**

- 1) How will the ability of taxpayers and ratepayers to pay be impacted?
- 2) What options do we have in policy?
- 3) What can the City do to help - as an employer, a government, and corporation?
- 4) What is the City's plan in terms of offering relief for taxpayers?

## **Response provided 2020 July 14 with the report on indicative rates (Multi-Year Business Planning and Budgeting)**

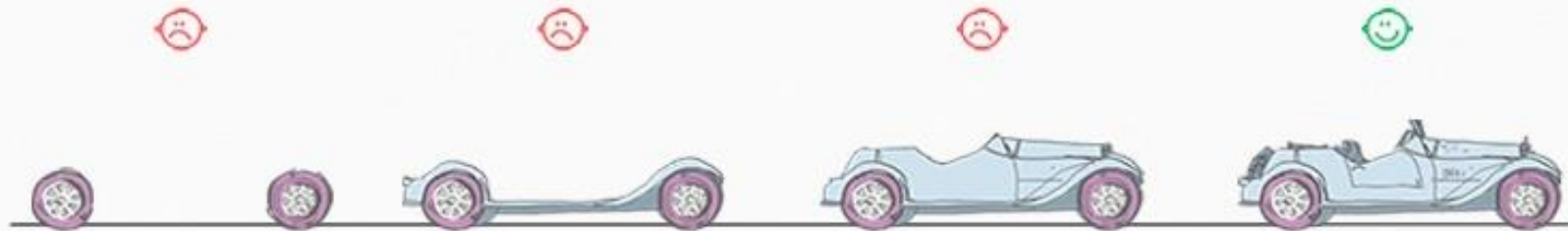
- 1) Does it still make sense to have a four year budget process with such volatility in the world, country, and province?

## **We are continuing to monitor**

- 1) How will the most vulnerable in our city be impacted?
- 2) How will the decisions of local business impact Calgary?
- 3) What is the impact of the world financial market volatility on our ability to achieve our budget targets?

# A dynamic environment requires an agile, value-driven approach to planning

Not like this...



Instead like this!





# Our initial forecasts will become more refined over time

## 1 Initial Forecast

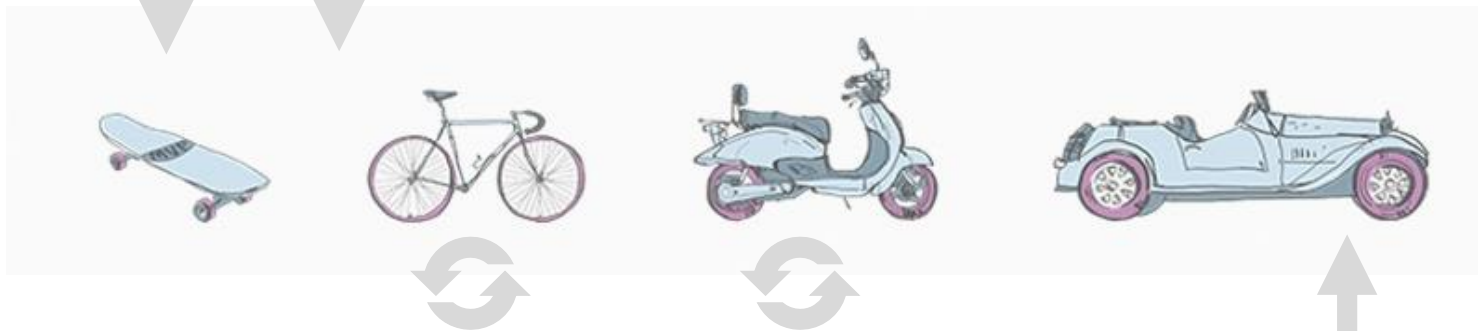
2020 April 30

Initial process gathered data for preliminary scenarios

## 2 Update

2020 May 25

Update projections of single scenario for 2020 year-end impacts



Next steps

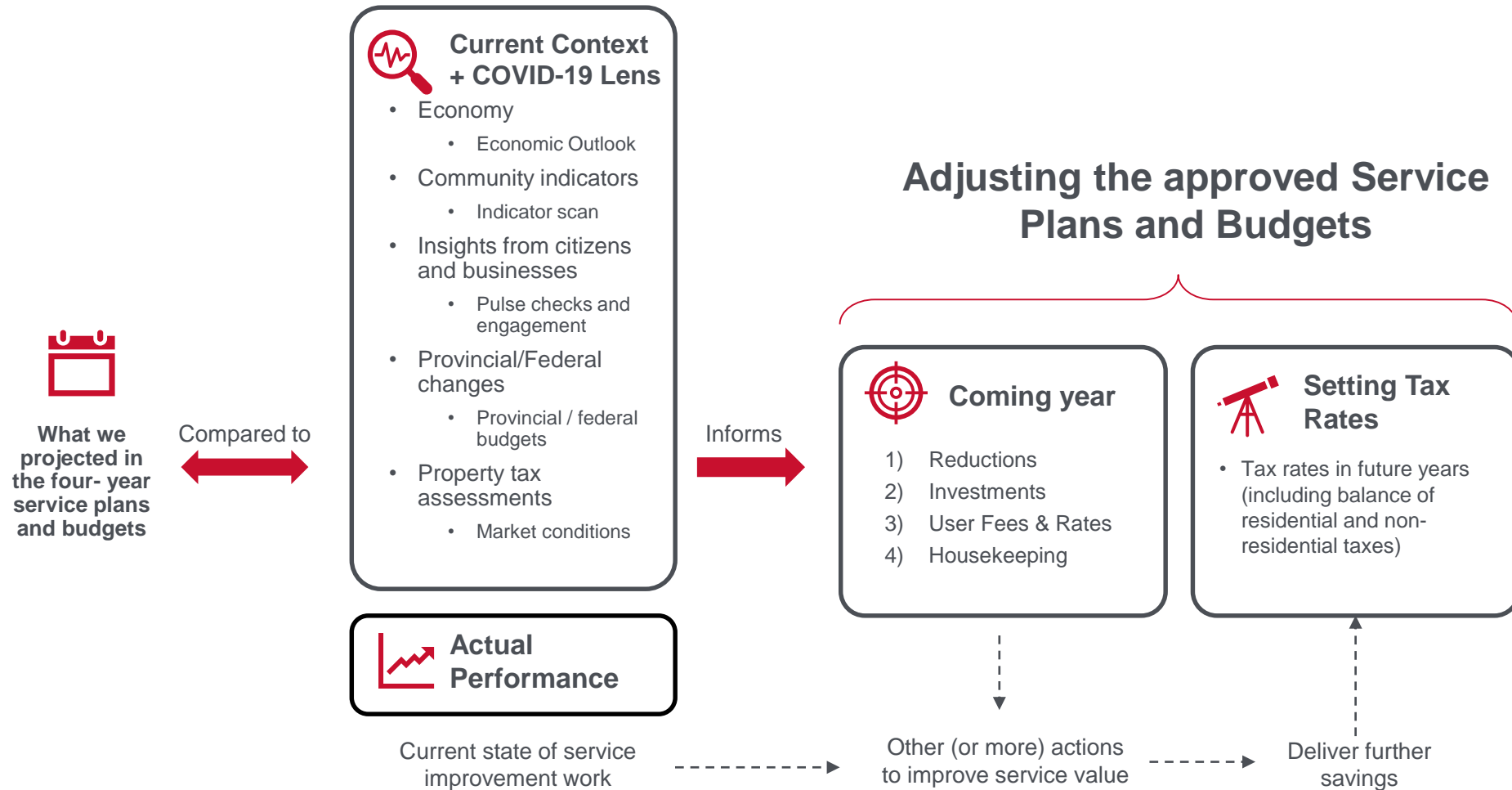
## 3 Refinement

Define fuller scenarios and develop planning assumptions based on each  
Ongoing process to refine the initial data and align it to the scenarios

- For 2020
- For the Mid-Cycle Adjustment (2021+)



# We will fit the elements of the adjustments process around the emergency response and recovery



## Striking the right balance



- Managing costs while delivering the high-quality services that citizens and businesses want and need is a balance we always work to achieve.
- In response to COVID-19, we must additionally balance controlling costs in the immediate term and the speed with which we are able to ramp up our services again as we move toward recovery.
- As we turn our focus to relaunch and recovery, maintaining affordability will be a key consideration in re-opening City facilities and in how we are able to meet any increases in demand for City services. This will be an important theme in our corporate planning and budgeting this year and beyond.