

Calgary



Corporate Programs Overview

CITY OF CALGARY
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Public

CITY CLERK'S DEPARTMENT

Mid-Cycle Adjustments
2020 November 24
Carla Male

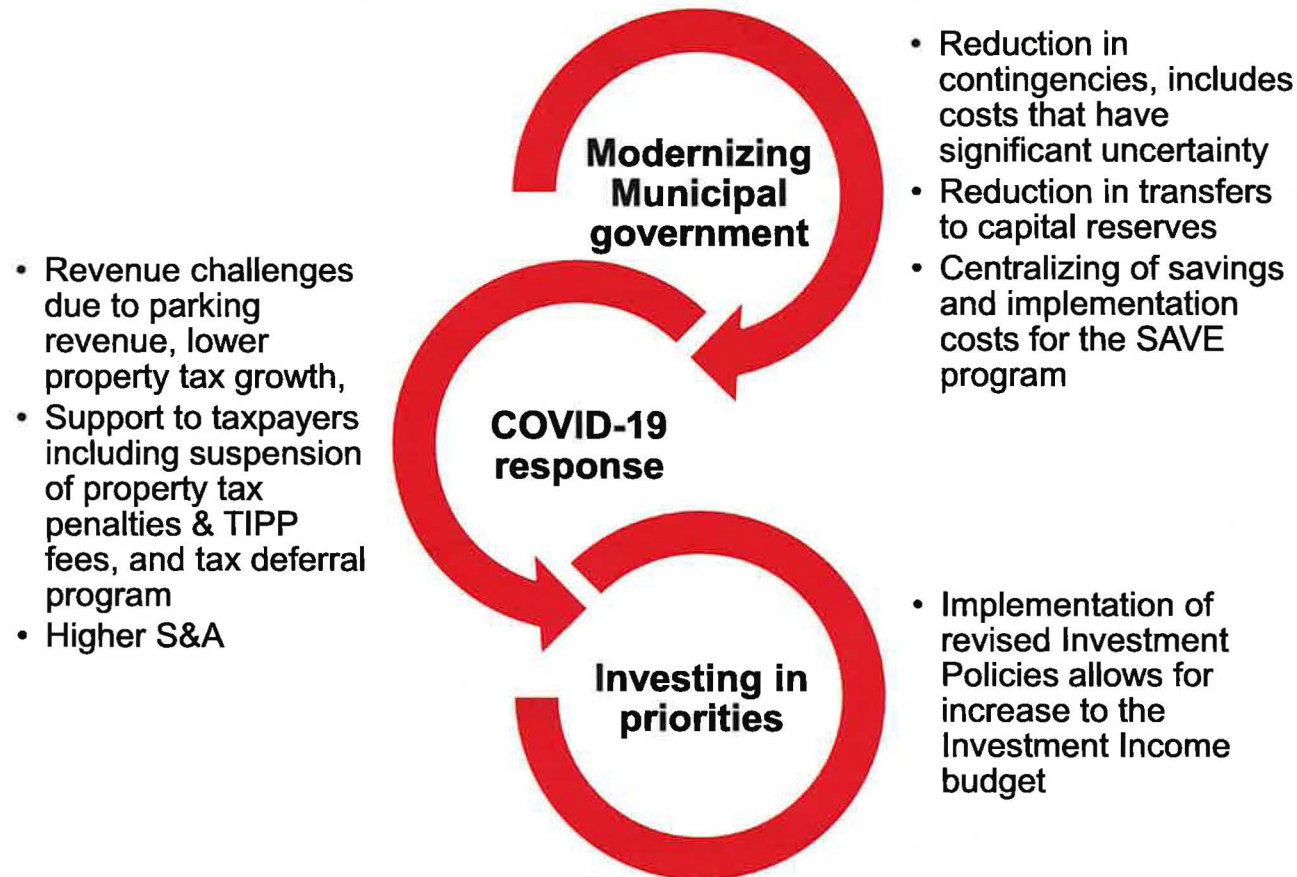


Overview of Corporate Programs

2021 Budget	Approved Budget as of 2020 June 30			Recommended Adjustments
	Expenditures net of Recoveries (\$000s)	Revenues (\$000s)	Net operating budget (\$000s)	Net operating budget (\$000s)
Franchise Fees	0	(255,970)	(255,970)	0
General Revenue	39,324	(159,299)	(119,975)	(27,657)
Investment Income & Financial Charges	30,904	(67,904)	(37,000)	(4,000)
Taxation	6,840	(2,031,518)	(2,024,678)	86,779
Common Revenue Total	77,068	(2,514,691)	(2,437,623)	55,122
Capital Financing Costs	434,723	(58,444)	376,279	(10,000)
Civic & Intergovernmental Affairs	544	0	544	0
Corporate Costs	219,137	(660)	218,477	(38,146)
Employee Benefits	2,646	(2,646)	0	0
Gas, Power and Telecommunications Committee	950	0	950	0
Scholarships	73	0	73	0
Corporate Costs & Debt Servicing Total	658,073	(61,750)	596,323	(48,146)
Total	735,141	(2,576,441)	(1,841,300)	6,976



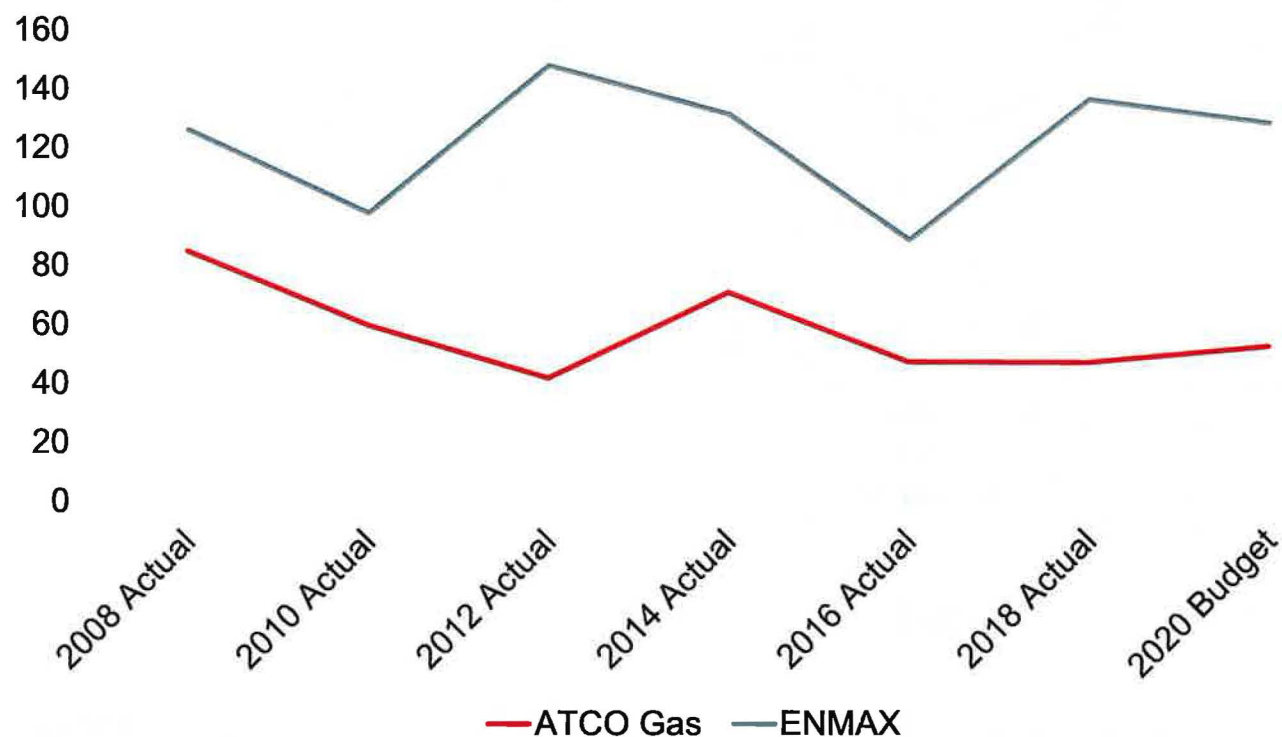
Corporate Programs Key Adjustments





What does this mean to our overall performance

Franchise Fee Revenues
(millions of dollars)

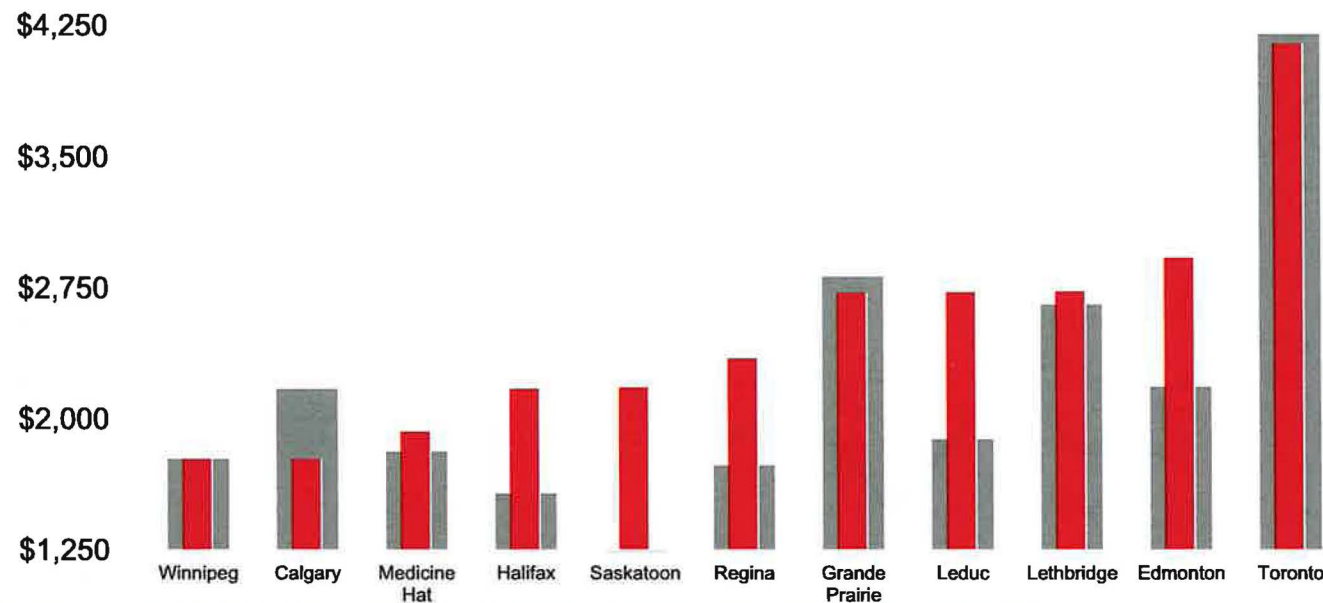


- Franchise Fee revenues depend on commodity price, volume of utility sales & the delivery costs.
- The slowing economy and the impact of the pandemic have lowered utility sales volumes of natural gas and electricity.
- Natural gas prices will see slight improvement through 2022 while electricity prices will remain relatively flat.



What does this mean to our overall performance

Municipal Property Tax for a Representative Two-Storey and Bungalow House in 2019 - Selected Canadian Cities

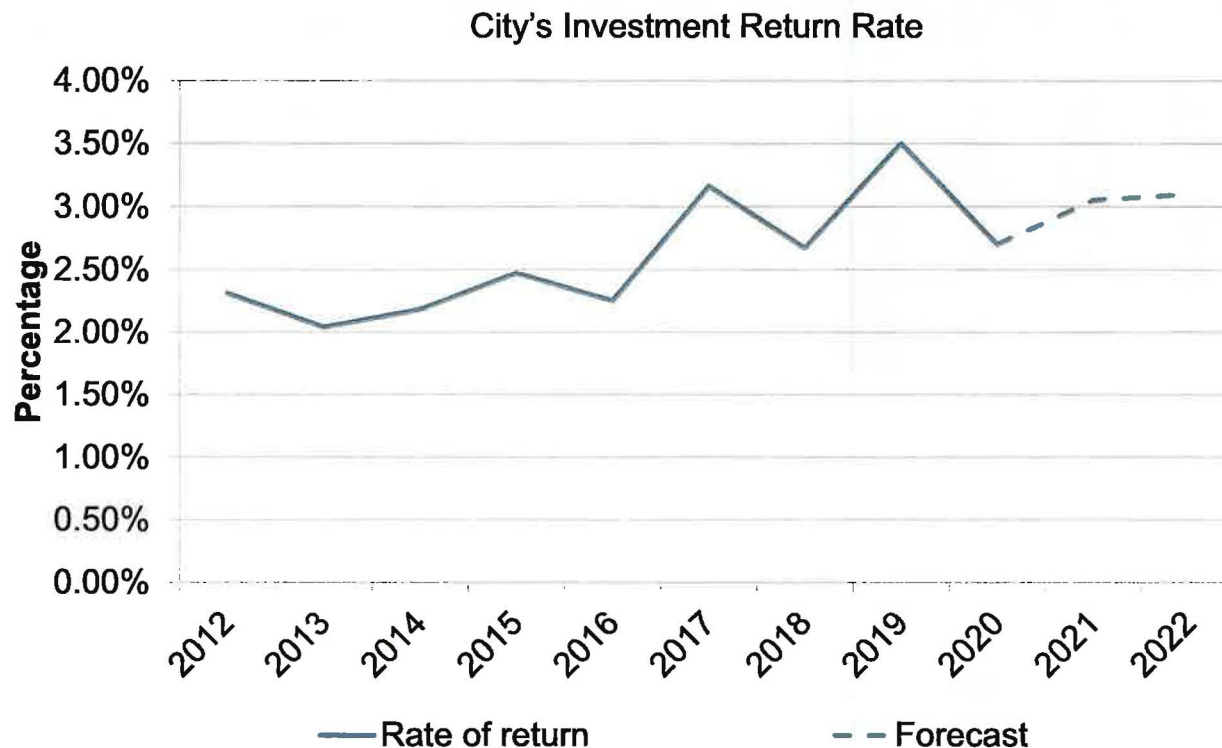


- Calgary has one of the lowest Municipal Property Tax for Two-Storey properties when compared to other Canadian cities.

Two-Storey	1	2	3	4	5	6	7	8	9	10	11
Bungalow	3	6	4	1	N/A	2	9	5	8	7	10



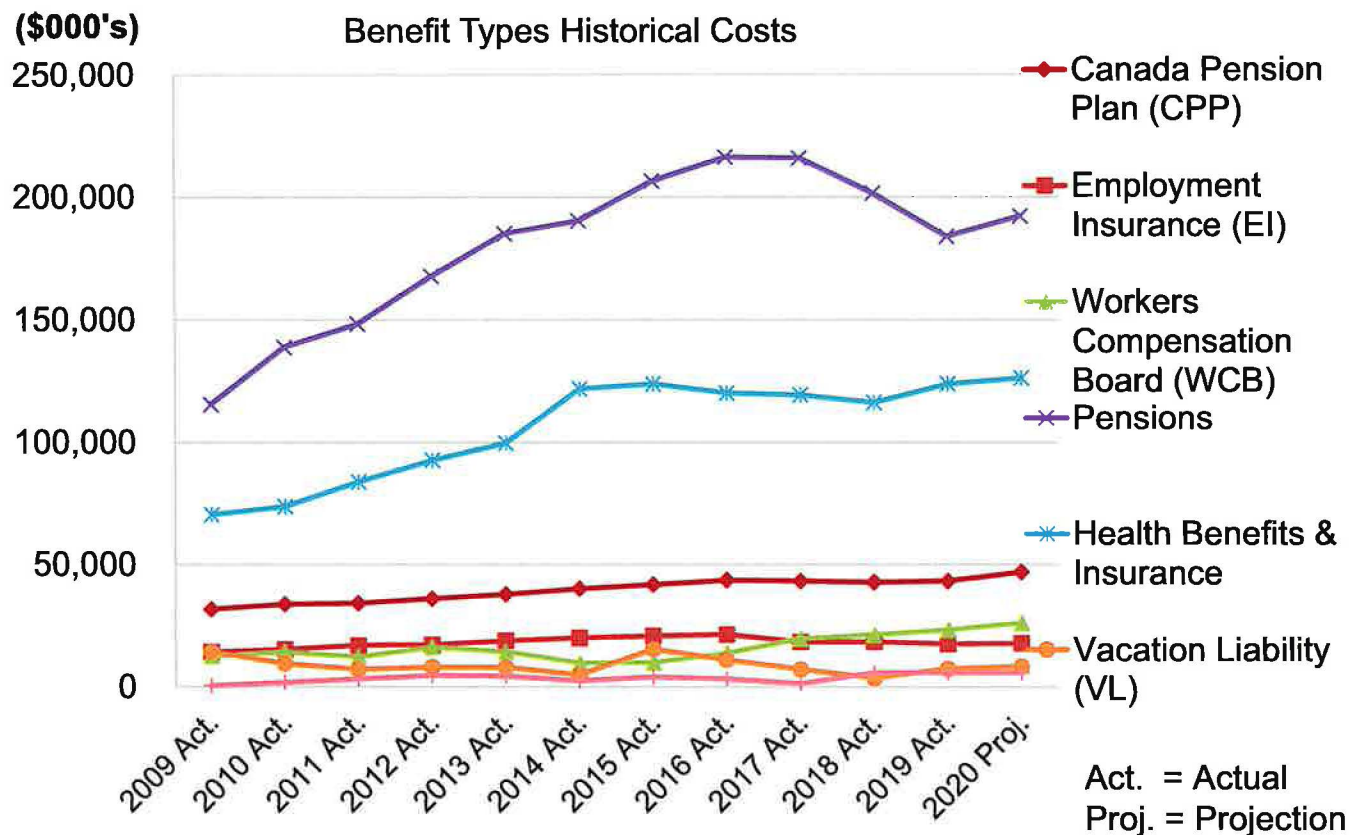
What does this mean to our performance overall



- Low interest-rates over the past few years.
- Uncertainties around the pandemic & shape of the economic recovery cause high market volatility
- central banks cut interest rates to zero/negative & adopted accommodative monetary policies
- Low yields have depressed investment returns
- changes to The City's asset mix should result in higher returns & lower risk



What does this mean to our performance overall



- Costs are driven by plan agreements, plan member head count and increasing health care costs.
- Inflation is dependent on the nature of the products and services
- Change in Pensions due to LAPP rate & the discount rate impact pension expense.