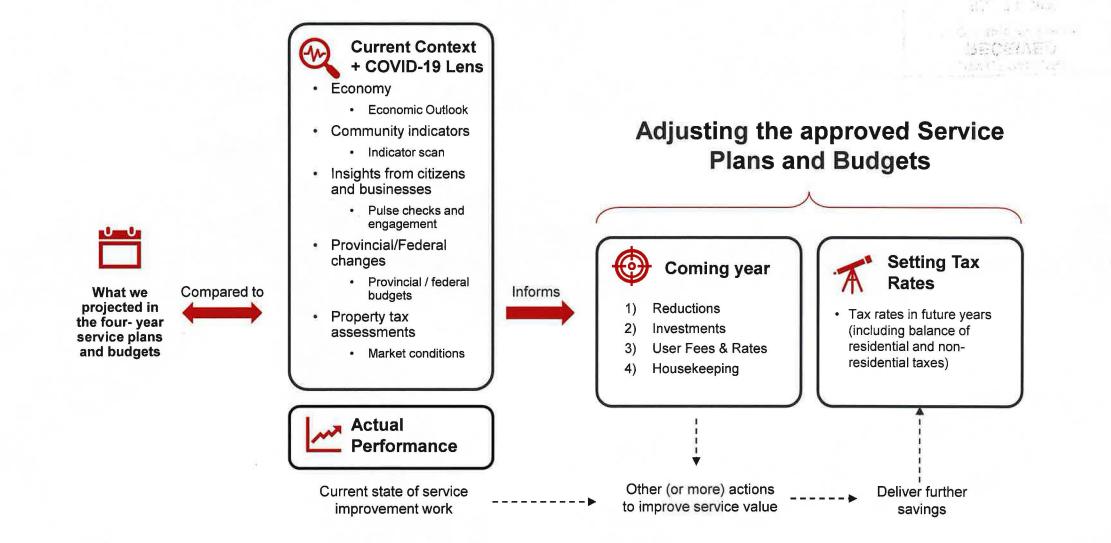


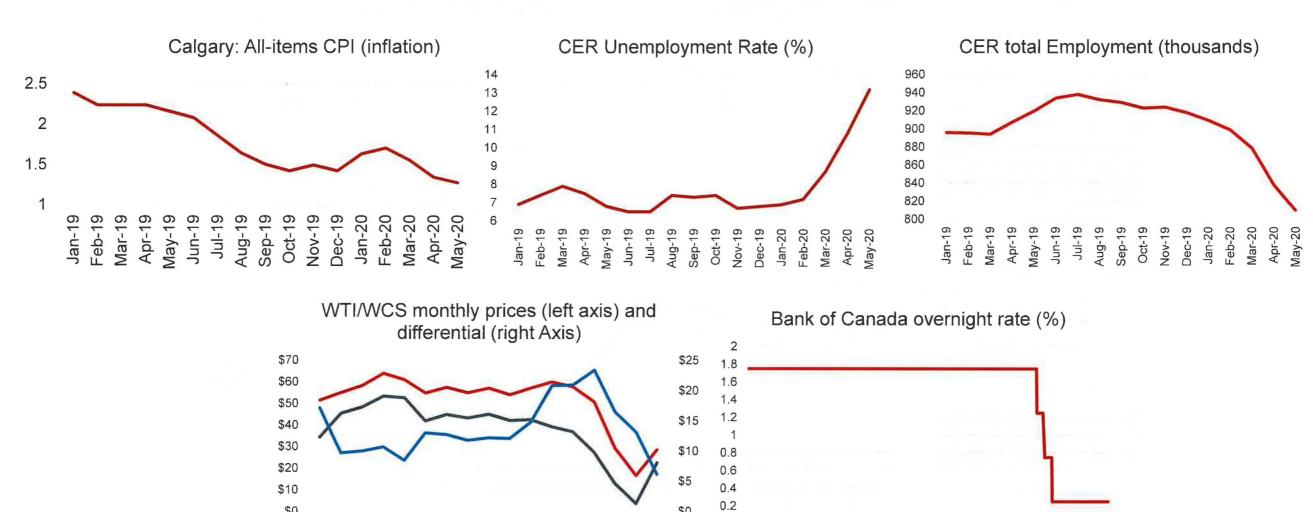
PFC2020-0726 2021 Adjustments – Indicative Tax Rate 2020 July 14 Priorities and Finance Committee CITY OF CALGARY RECEIVED IN COUNCIL CHAMBER JUL 2 0 2020 ITEM: #14.12.1 FFC 2000-0722 CITY CLERK'S DEPARTMENT



# Mid-Cycle Adjustments – an opportunity to respond to PRESENTATION external changes and adjust the 4-year plan and budget



## Community Indicators – adjustments are needed



\$0

0

I-Mar-19

1-Apr-19 1-May-19

[-Feb-19

-Jan-19

1-Jun-19 1-Jul-19 1-Sep-19 1-Oct-19

1-Aug-19

1-Dec-19

1-Nov-19

1-Jan-20 I-Feb-20

1-Mar-20

1-Apr-20 1-May-20 1-Jun-20

Apr-20

May-20

\$0

Jan-19

Feb-19

Mar-19 Apr-19 Jun-19 Jul-19

May-19

Oct-19

WTI (USD/bbl) — WCS (USD/bbl) — Differential (USD/bbl)

Aug-19 Sep-19 Dec-19 Jan-20 Feb-20 Mar-20

Nov-19

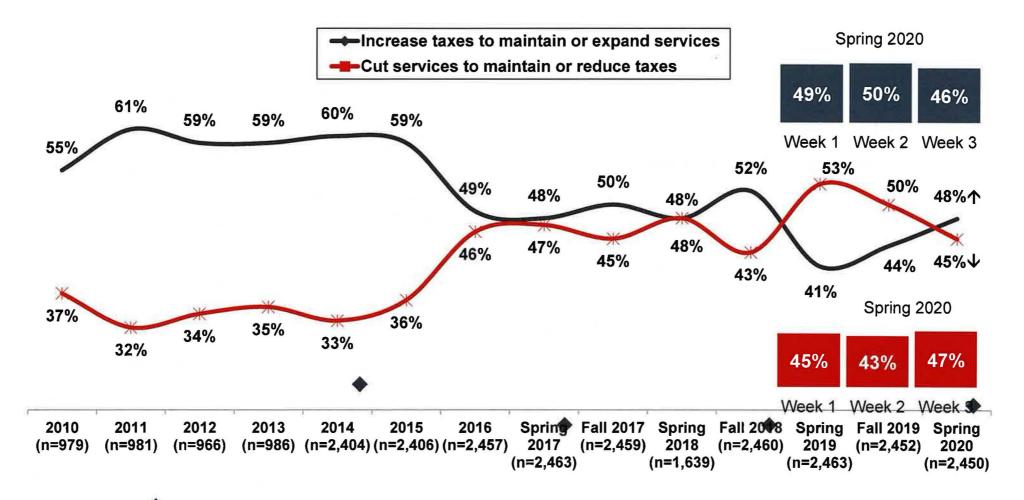
Calgary

(tā)

PFC2020-0726 PRESENTATION



### Citizen's perception on balancing between service delivery PRESENTATION and taxation



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?

 $\uparrow$ Statistically higher than prior wave  $\lor$ Statistically lower than prior wave

Base: Valid Respondents Source: 2020 Spring Pulse Survey

### PFC2020-0726 PRESENTATION Calgary 2021 Total operating budget gap to 0% \$250 Options to offset the estimated remaining COVID-19 impact of \$ 58M and the impact of \$32M due to previously approved Millions 2021 tax rate include a potential combination of: use of reserves, re-purposing corporate capital funding, corporate The cumulative 2021 revenue programs, service reductions, and further enhance existing \$(22) \$26 impact of COVID-19 is estimated \$200 initiatives as defined by the SAVE program, such as to be approximately \$ 138M efficiencies, reducing manageable costs, vacancy Includes management. In addition, the SAVE program has also been Calgary Police directed to identify revenue opportunities. \$(58) Services \$58 \$150 \$ 218M Gap (to be offset for **0% tax rate increase**) \$(58) \$54 \$100 łI. 138M \$(24) \$ 56M + \$ \$56 \$50 \$(32) 24M + 3 "Bow Wave" \$(24) \$24 \$ Ś-COVID-19 COVID -19 COVID -19 COVID -19 COVID-19 Offsetting remaining **SAVE Program Target** Offsetting previously Impact of 2020 **One Calgary** Offsetting previously Approved 2021 Tax Rate **Revenue Impact Revenue Impact Expenditure Impact Expenditure Impact** COVID-19 impact (base budget) approved 2021 Tax rate approved 2021 Tax rate Tax Increase **Revenue Impact**

(Public Transit)

(base budget

8

one-time solutions)

(Self-Supported &

Other Services)

(offset by one-time rebate in 2020)

**Budgeted figures** 

(Public Transit)

Estimates, potentially subject to change

(Self-Supported

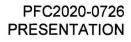
Services)

(Other Services)

(one-time rebate

approved in Nov 2019)

(base budget)



# Calgary 🐼 Tactics to narrow the gap



SAVE Program



\$24 Million in one time funding



Re-purposing corporate capital funding



Use of reserves



Corporate programs



Service reductions





COVID-19 is creating a high degree of uncertainty



Length of pandemic



Size of financial gap in 2020 and 2021



Ability to make up the gap

 $\stackrel{2m}{\longleftrightarrow} \stackrel{2m}{\blacksquare} \quad \text{Impacts on service levels}$ 



### Key messages

- Multi-year service plans and budgets foundation going forward
- The COVID-19 pandemic has created significant changes and a great degree of uncertainty in external environment since the 2021 - 2022 service plans and budgets were approved in November 2018
- Council direction is needed for Administration to prepare adjustments to 2021 service plans and budgets.
- The City is proposing to limit the strain on Calgarians and avoid a tax increase in 2021

PFC2020-0726 PRESENTATION



- That Council direct Administration to recommend adjustments to the 2021 service plans & budgets based on a 0% tax rate increase in 2021; and
- Direct that this report and attachments be held confidential pursuant to Section 24 (Advise from officials) of the Freedom of Information and Protection of Privacy Act, until the Priorities and Finance Committee rises and reports.

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Note: Visual to be refined further

