



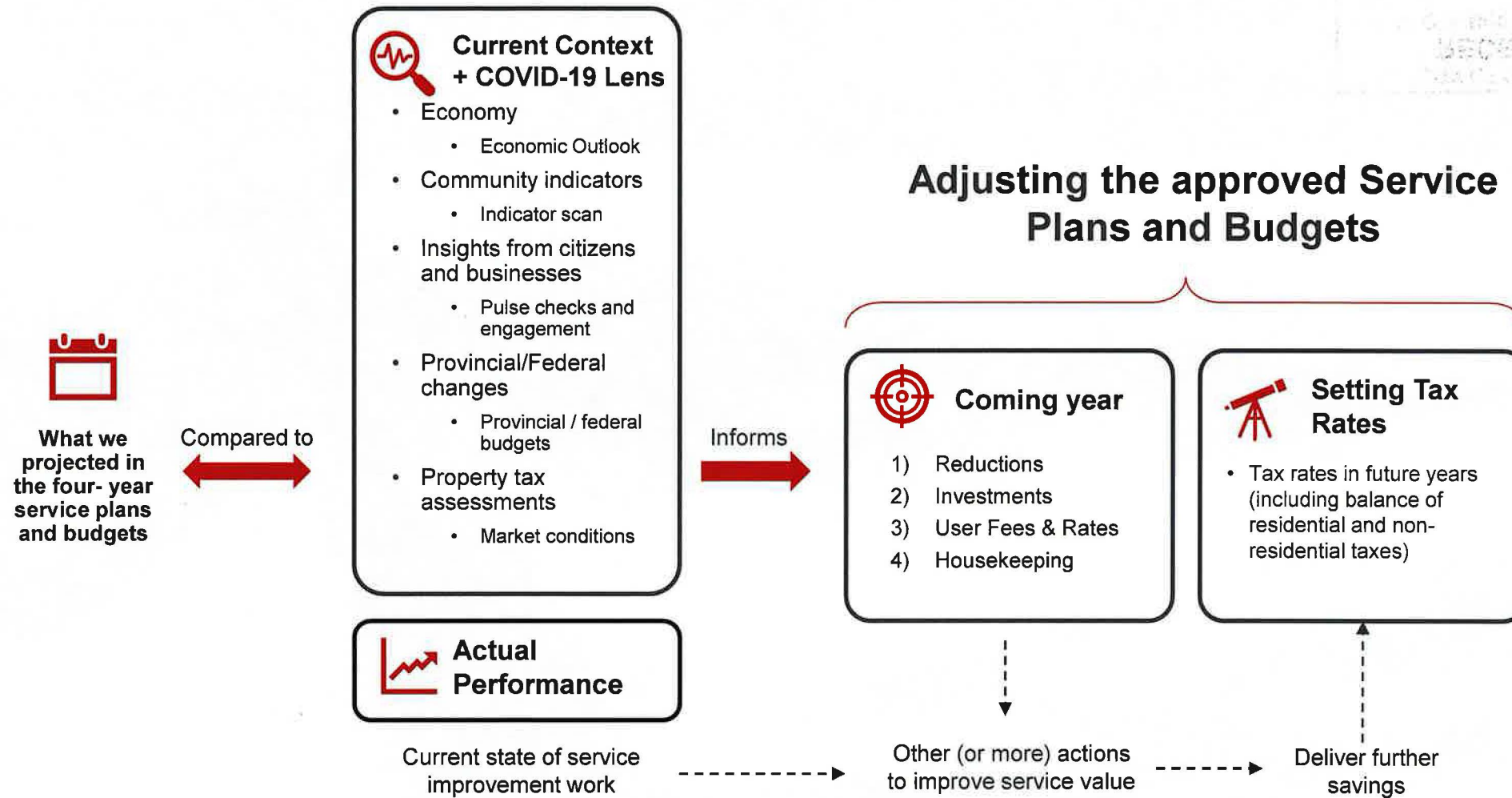
PFC2020-0726 2021 Adjustments – Indicative Tax Rate

2020 July 14

Priorities and Finance Committee

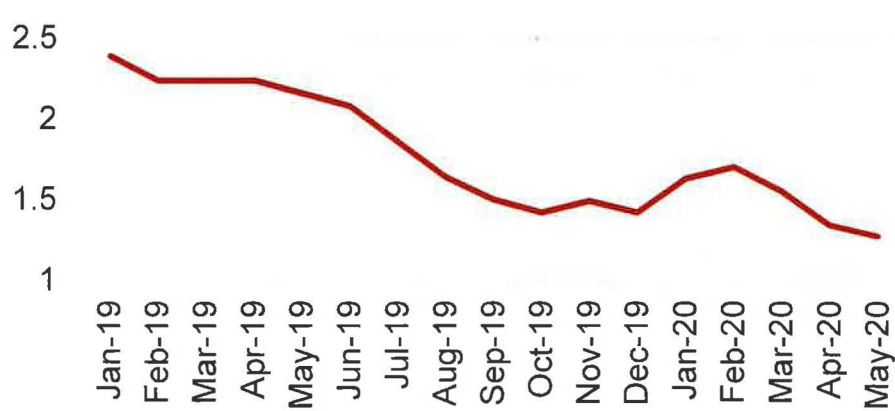


Mid-Cycle Adjustments – an opportunity to respond to external changes and adjust the 4-year plan and budget

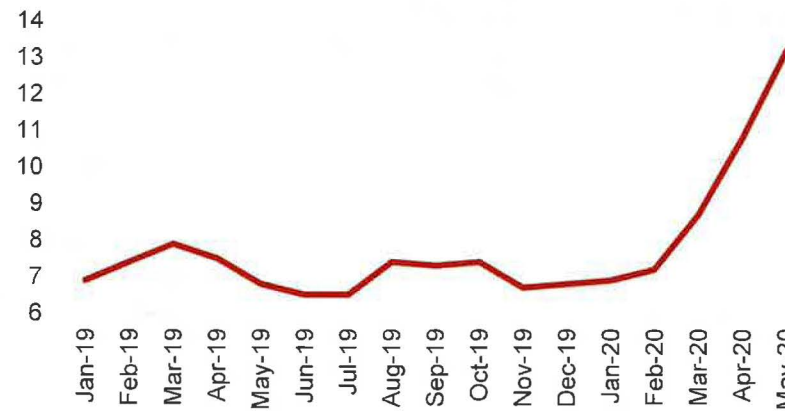


Community Indicators – adjustments are needed

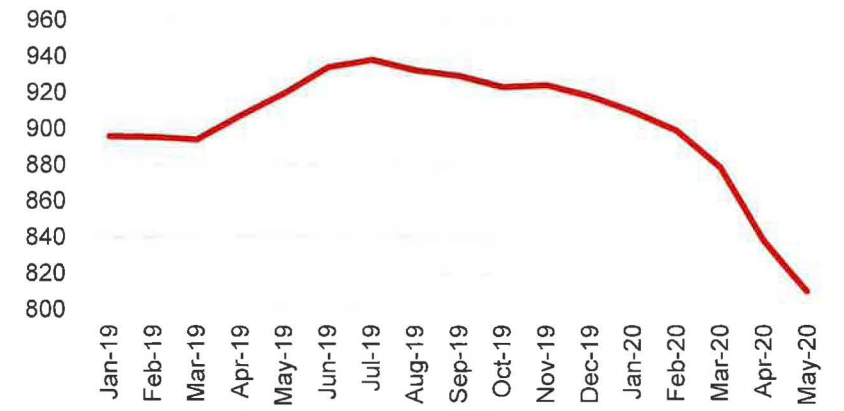
Calgary: All-items CPI (inflation)



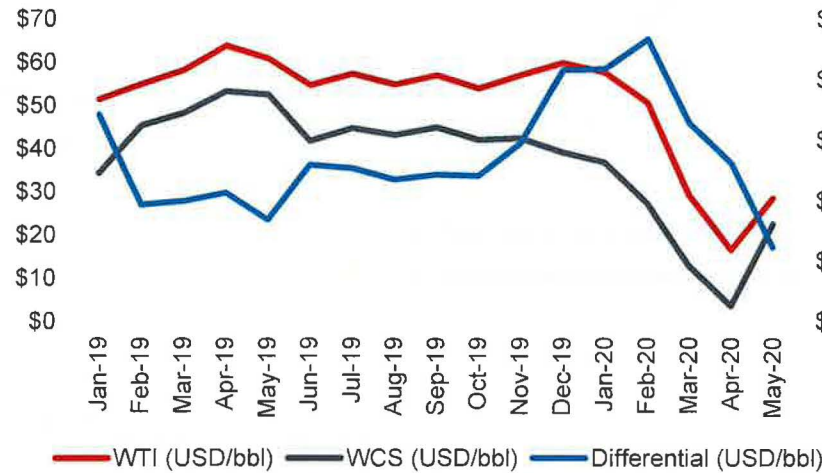
CER Unemployment Rate (%)



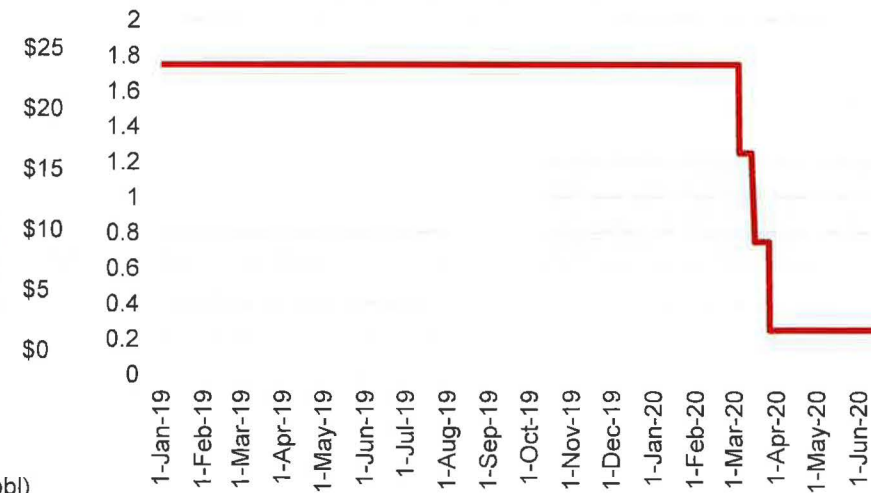
CER total Employment (thousands)



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

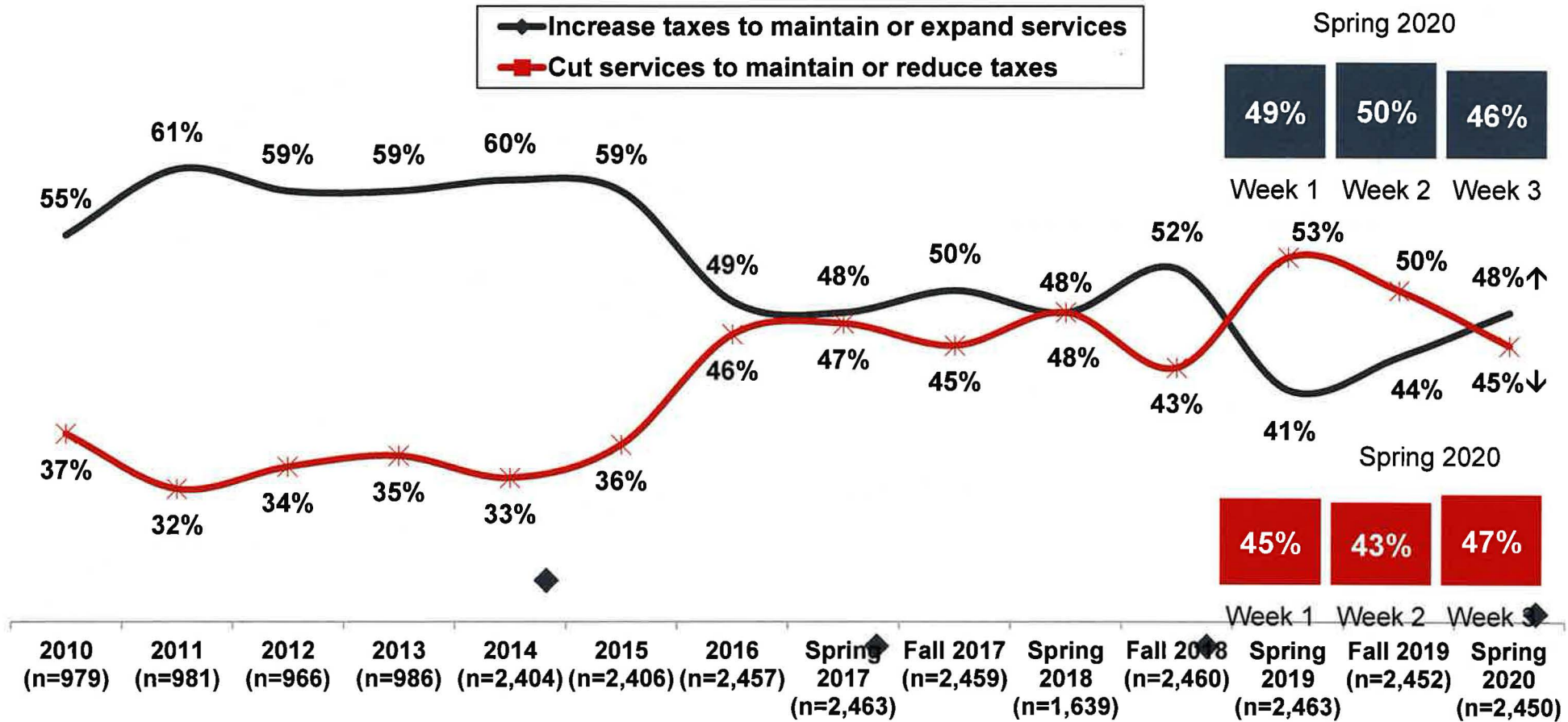


Bank of Canada overnight rate (%)



Source: The City of Calgary Corporate Economics

Citizen's perception on balancing between service delivery and taxation



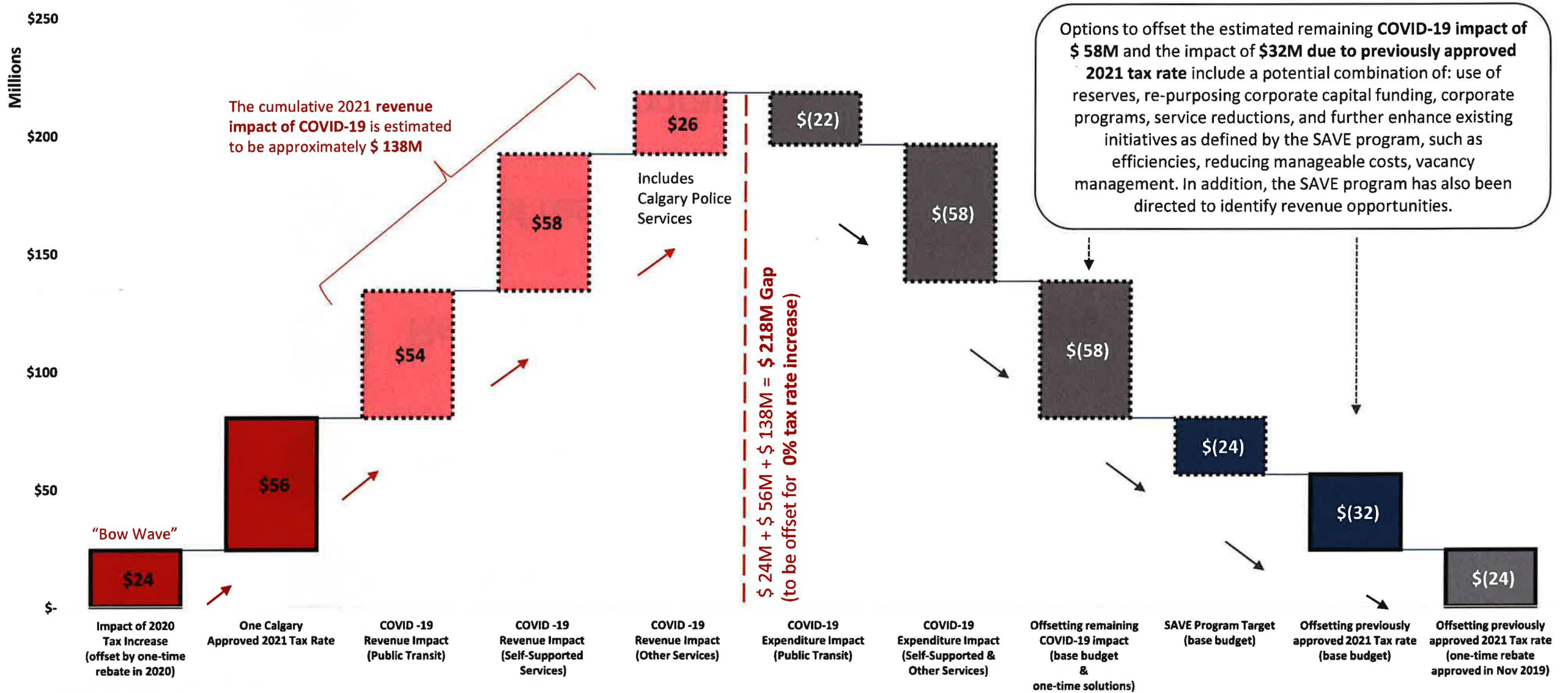
Municipal property taxes are the primary way to pay for services and programs provided by The City of Calgary. Due to the increased cost of maintaining current service levels and infrastructure, The City must balance taxation and service delivery levels. To deal with this situation, which of the following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

Base: Valid Respondents Source: 2020 Spring Pulse Survey

↑Statistically higher than prior wave
↓Statistically lower than prior wave



2021 Total operating budget gap to 0%



Budgeted figures
 Estimates, potentially subject to change

Note: COVID-19 estimates subject to high degree of uncertainty, depending primarily on evolving transit ridership. More information and further analysis is needed to determine the extent and duration of the financial impact.

Tactics to narrow the gap



SAVE Program



\$24 Million in one time funding



Re-purposing corporate capital funding



Use of reserves



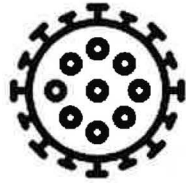
Corporate programs



Service reductions



COVID-19 is creating a high degree of uncertainty



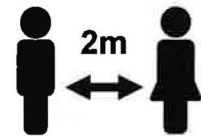
Length of pandemic



Size of financial gap in 2020 and 2021



Ability to make up the gap



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

1. That Council direct Administration to recommend adjustments to the 2021 service plans & budgets based on a 0% tax rate increase in 2021; and
2. 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.

How 2020 budget adjustments impact 2021 tax rate

Note: Visual to be refined further

