

# BRIEFING

Page 1 of 2

Item # 7.2.1

**Chief Financial Officer's Briefing to  
Combined Meeting of Council  
2020 July 20**

**ISC: UNRESTRICTED  
C2020-0754**

## **COVID-19 Service Plan and Budget Update - June**

---

### **PURPOSE OF BRIEFING**

This report provides an update on the current service and financial impacts due to COVID-19 up to 2020 June 19 and a 2020 year-end projection given the current situation.

### **SUPPORTING INFORMATION**

On 2020 April 30, Administration presented C2020-0504 2020 Initial Scenario Forecasts in Response to COVID-19, on the financial and service impacts associated with the COVID-19 emergency. That report included a commitment to monthly reporting which administration delivered in May with Report C2020-0586 and this report for June.

#### **COVID-19 Service Plan and Budget Update - June**

These updated projections are based on revised planning assumptions: that the province remains in Stage 2 of the relaunch until transitioning to Stage 3 at the end of October 2020 and remaining in Stage 3 until the end of first quarter 2021. Administration is working with the Calgary Police Commission to integrate Calgary Police Service information into monthly reports to ensure Council has a full view of the projections.

While many service impacts are unchanged from those presented on 2020 April 30, there are some notable changes:

- The projected year-end financial gap increased by \$2 million.
  - Projected revenue variance has become more unfavourable by \$4 million primarily the result of lower revenue projections for public transit (\$7 million) and other service lines (\$1 million), partially offset by improved projections for recreation (\$4 million).
  - The change in revenue was partially offset by more favourable projections in recoveries (\$1 million) and expenditures (\$1 million) across multiple service lines.
- Savings generated from temporary COVID-19 changes (including use of reserves) decreased by approximately \$3 million as several self-supported services adjusted to balance their internal financial impact to zero.
- Other savings increased by \$5M to close the financial gap

Potential relaunch strategies and actions have been included in this update however as at the date of this report, not all of these activities are approved to proceed. Police information will be available when approved by the Police Commission.

#### **Iterative approach**

This update presents the best current estimates of the impacts, but information is continually evolving. As more information becomes available there will be further refinement of projections, and further adaptations of services to support relaunch, so that the emerging picture becomes more accurate over time. Administration's next update of this information will be presented in late July.

# BRIEFING

Page 2 of 2

Item # 7.2.1

## Mid-Year Accountability Report

The monthly updates on the COVID-19 impacts to the service plans and budgets have a considerable degree of overlap with the content for the time period intended to be covered by the 2020 Mid-Year Accountability Report and meet the spirit of the applicable section of the *Multi-Year Planning & Budgeting Policy* (CFO004). In view of this, the City Manager has deferred the Mid-Year Accountability Report, as authorized by Council on 2020 June 15 (C2020-0698). It will be combined with the Year-End Accountability Report, to be presented to Council in 2021. Deferring the 2020 Mid-Year Accountability Report will allow Administration to focus on delivering other work this year including the Solutions for Achieving Value and Excellence (SAVE) program, continued COVID-19 reporting, Relaunch activities, and Mid-Cycle Adjustments.

## **ATTACHMENT**

1. Attachment 1 – C2020–0754 COVID-19 Service Plan and Budget Update-June