

DRAFT

COVID-19 Service (as of 2021 April 16) and Financial (as of 2021  
March 31) Impacts – April Update

## Response and Recovery

### The City's service and financial impacts from COVID-19



#### Response and recovery

The City's service and financial impacts from COVID-19



#### Community impacts

Find information on the indicators and risks associated with the community impact of COVID-19.



#### Current service and financial impacts

Review current COVID-19 impacts to the services we offer, and how we're responding and adapting to the evolving pandemic.



#### Projected service and financial impacts

Read about the potential upcoming service and financial impacts due to COVID-19.



#### Support for citizens and businesses

Learn more about how we're supporting our community through the COFLEX program.



### Additional information

[Mandatory Mask Bylaw](#)

[COVID-19 Support and Resources](#)

## Community Impacts of COVID-19



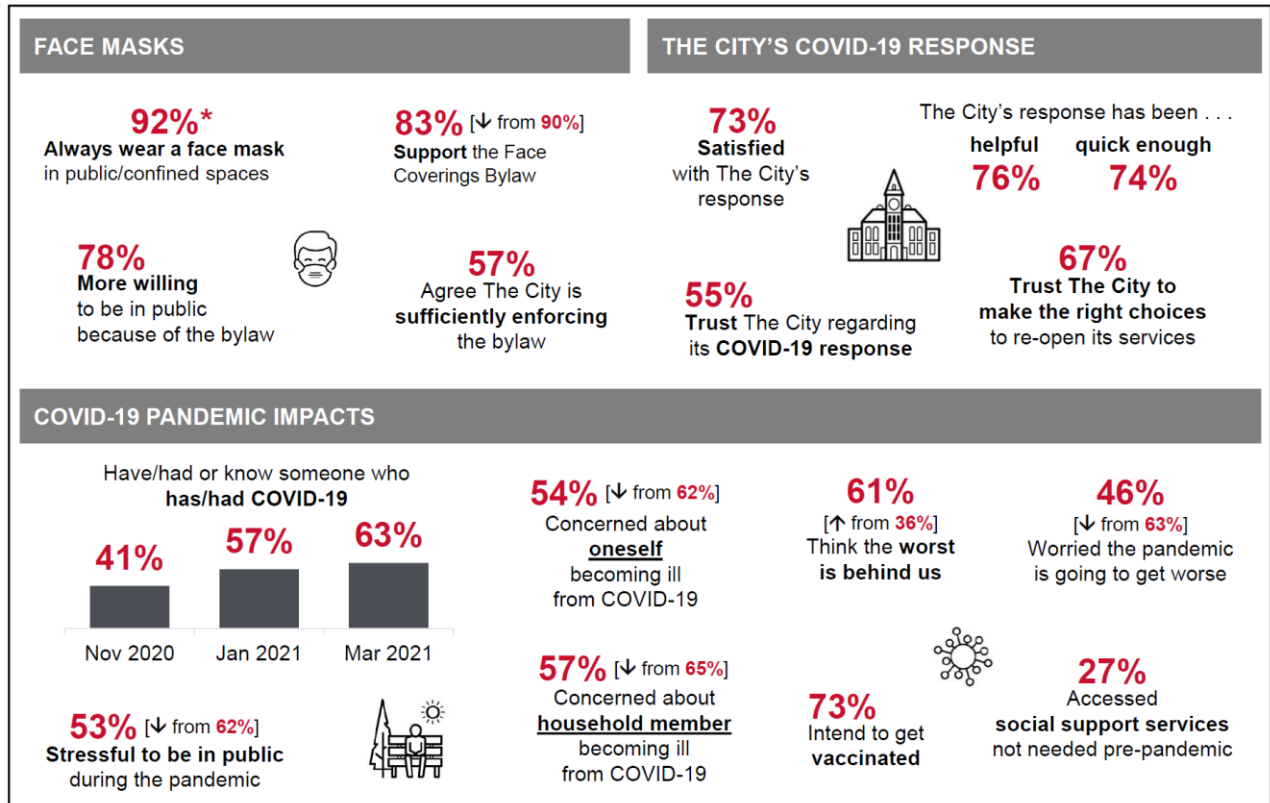
As Calgary continues to face the global pandemic, we continue to monitor impacts to the community in order to support Calgarians through these challenging times.

### WHAT'S HAPPENING IN THE COMMUNITY

The City of Calgary continues to keep watch on what is happening in the community in its response to COVID-19 in order to meet the needs of citizens in a timely manner. At the same time, The City closely monitors service and financial impacts due to the ongoing pandemic. Since the March COVID report, there have been a few significant developments. The Provincial government announced a return to Step 1 restrictions to address the spread of COVID-19 and variant strains, which will remain in place until further notice. Alberta Health Services started screening for COVID-19 variants in February, and variant cases now comprise more than half of all active COVID-19 cases in Alberta. Vaccination of Albertans has been expanded to a larger number of age-specific groups that are now able to book appointments or access walk-in services. Starting on April 20, Albertans aged 40 and over can receive the AstraZeneca vaccine.

Calgary's economy continues to struggle and unemployment remains high. Sectors such as tourism, hospitality, entertainment, oil and gas, and commercial real estate have been particularly affected, and the return to Step 1 restrictions may affect employment. Bus and Ctrain boardings continue to be well below annual averages. Taxi and rideshare trips increased slightly in March 2021 compared to February, but remain at approximately half of normal levels.

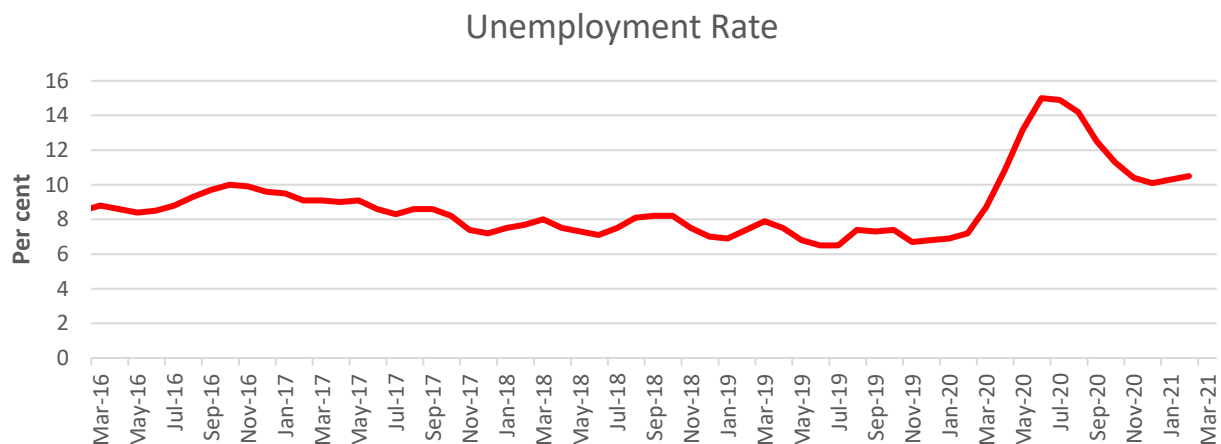
The City reached out to citizens to understand the impacts of COVID-19 through a [Citizen Perspectives Survey](#) conducted from March 11 to 19 (see image below for a summary of the results). Notable results include a decrease in support for The City's Face Coverings Bylaw, down to 83% from 90% in January. More Calgarians are feeling optimistic that the worst is behind us, with a large jump to 61% up from 36% in January.



\*Data collection occurred after the Face Coverings Bylaw came into effect.

## Unemployment

The unemployment rate in the Calgary Economic Region was 10.4% in March 2021, down from 10.5% in January 2021. The reinstatement of Step 1 public health measures may affect employment.

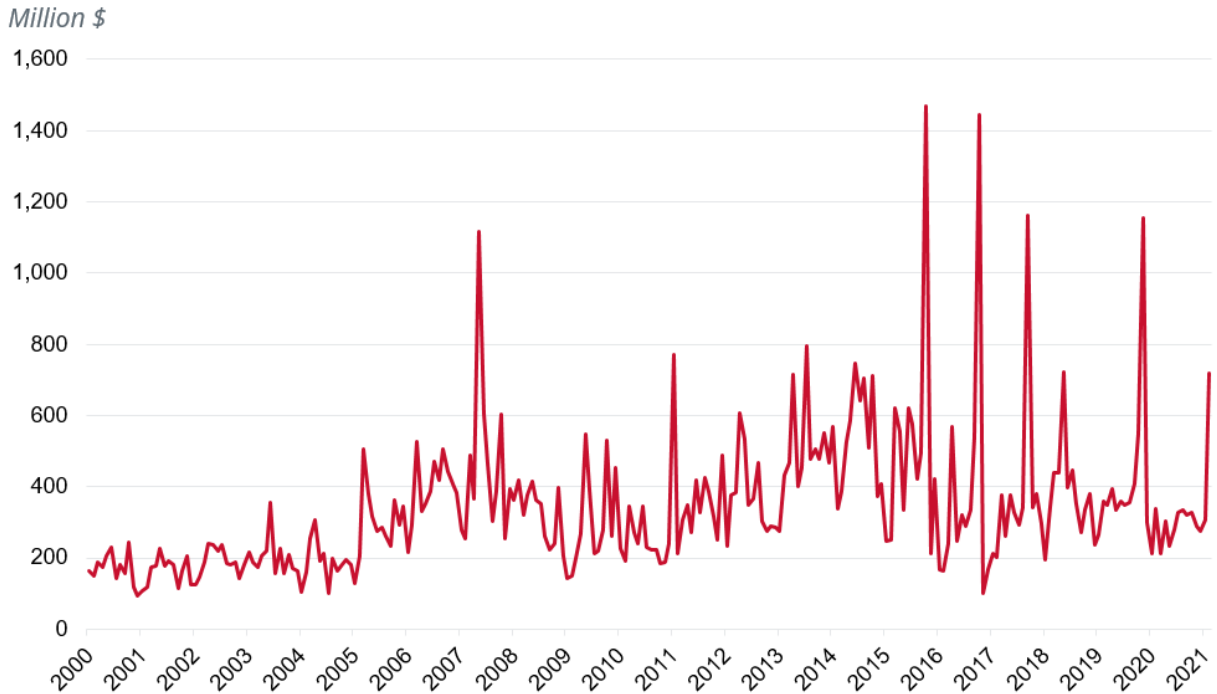


Source: Corporate Economics

### Building Permits

The total monthly value of building permits has risen to \$718.0 million as of February 2021. The increase in building permit value comes primarily from high activity in the commercial improvements category.

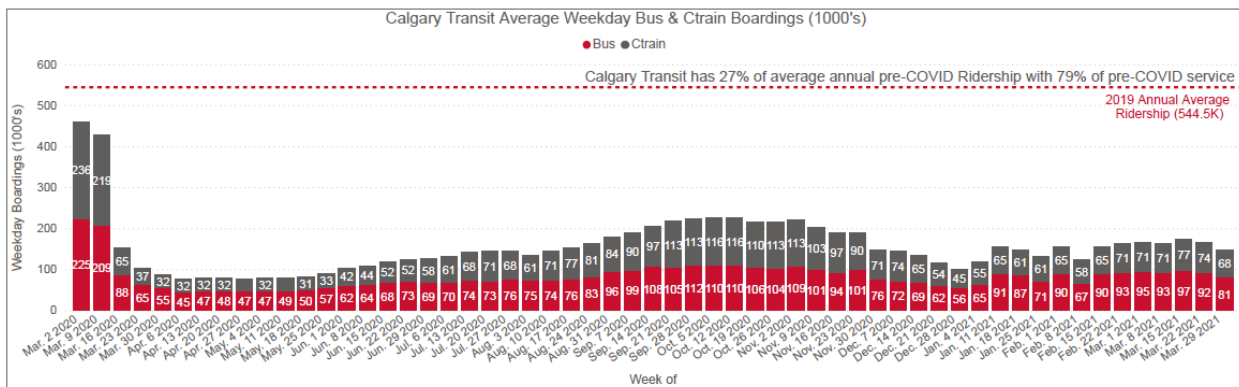
Monthly Total Value of Building Permits (*The City of Calgary*)



Source: Corporate Economics

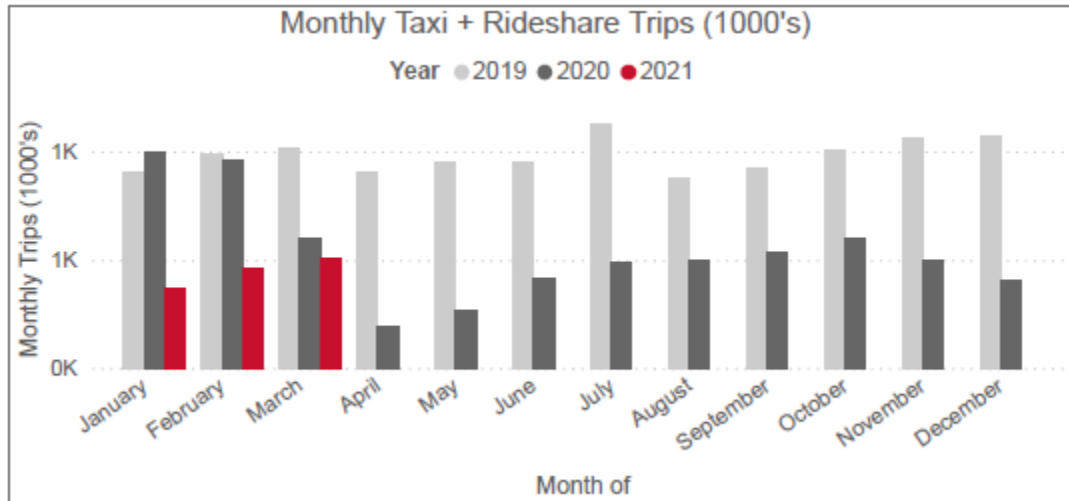
### Mobility

Mobility in Calgary has changed significantly since the same time last year. Bus and Ctrain average weekday boardings continue to be well below pre-COVID-19 levels. Bus and Ctrain boardings totaled 149,000 in the week of March 29, 2021, compared to 461,000 in the first week of March 2020. Calgary Transit has 27% of average annual pre-COVID ridership with 79% of pre-COVID service.



Source: Transportation

Taxi and rideshare trips increased in March 2021 compared to February, but remain at 50% of March 2019 trips.



Source: Transportation

Additional links

Current [Economic Indicators](#).

Other Tax information on Calgary.ca visit: [Our Finances](#).

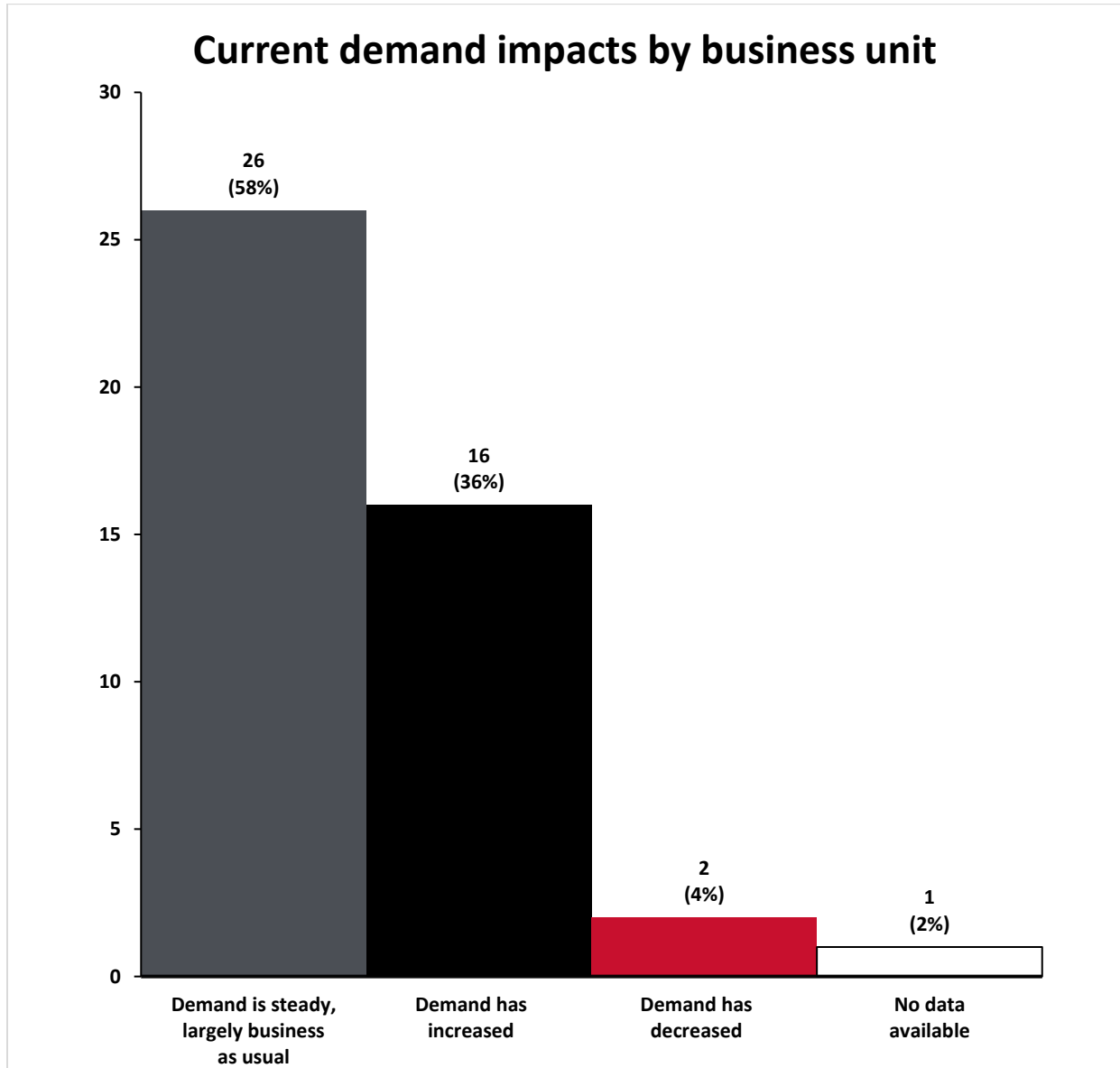
COVID-19 Current Service and Financial Impacts



The City continues to offer the services, programs and projects that citizens have come to expect. Here you'll find a record of current COVID-19 impacts to the services we offer, and how we're responding and adapting to the evolving pandemic.

### Current Demand Impacts

The graph below shows the level of impact we experienced in March.



\*Information from Calgary Police Services, Civic Partners and wholly owned subsidiaries such as Calgary Housing Corporation was not requested as part of business unit submissions.

+ A listing of business units with increased demand

<b>Business Unit List</b>
Calgary Approvals Coordination
Calgary Building Services
Calgary Housing
Calgary Neighbourhoods
Calgary Parks
City Manager's Office
Community Planning
Corporate Security
Environmental & Safety Management
Facility Management
General Manager - Chief Financial Office Department
Human Resources
Information Technology
Law
Mayor's Office
Resilience & Infrastructure Calgary

+ A listing of business units with steady demand

<b>Business Unit List</b>
Assessment
Audit Committee
Calgary Community Standards
Calgary Fire Department
Calgary Growth Strategies
City Auditor's Office
City Clerk's Office
Corporate Analytics & Innovation
Corporate Programs
Customer Service & Communications
Finance
Fleet Services
GM - Community Services
General Manager - Deputy City Manager's Office
GM - Planning & Development
GM - Transportation
GM - Utilities & Environmental Protection
Green Line
Office of the Councillors
Real Estate & Development Services
Roads
Supply Management



Transportation Infrastructure
Transportation Planning
Waste & Recycling Services
Water Resources and Water Services

+ A listing of business units with decreased demand

Business Unit Name
Calgary Recreation
Calgary Transit

How COVID-19 is shifting demand for the services we offer

With stronger public health measures and changing restrictions, both internal and external supporting business units are seeing increased service demand.

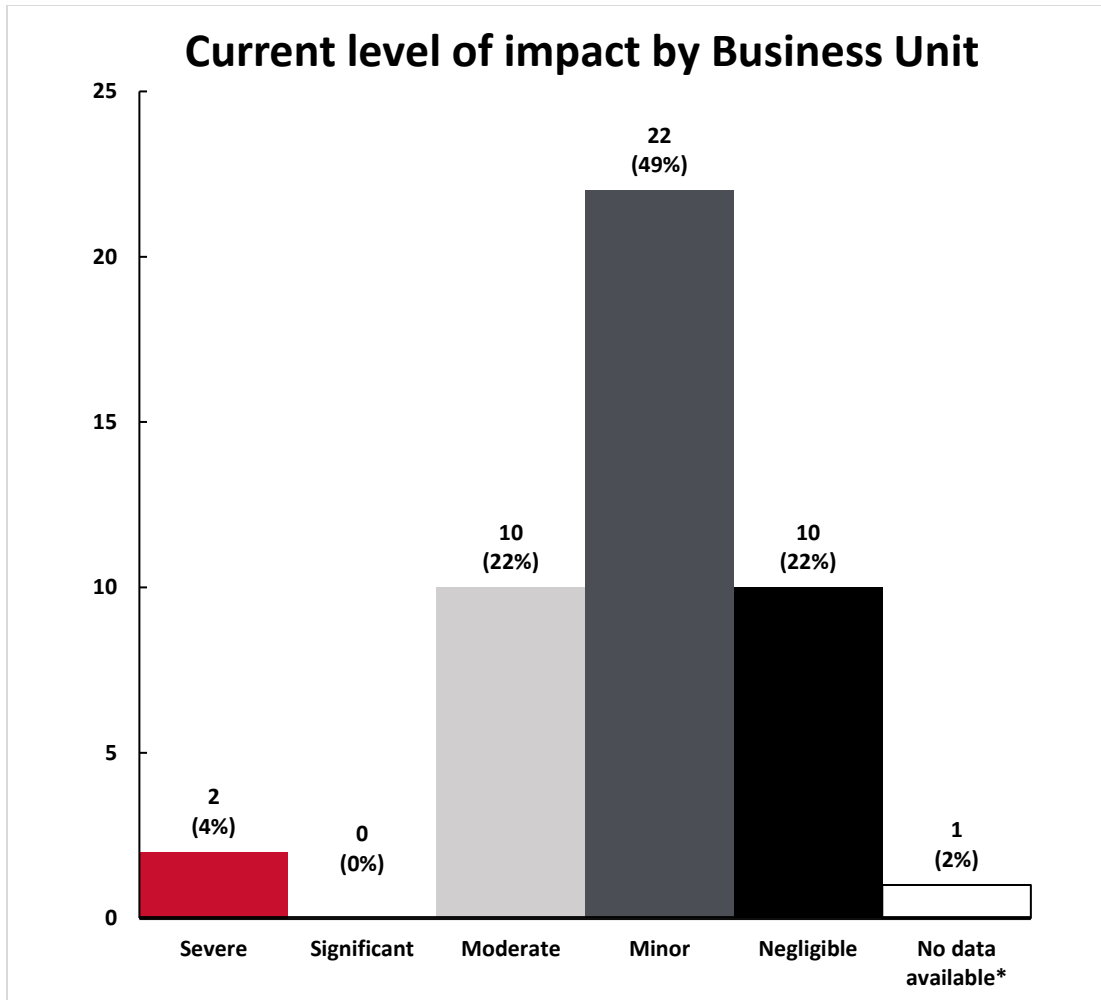
- The number of building permits are at an 11-year high, driven by residential improvement applications for home renovations. Video inspections are used to comply with health and safety protocols.
- Increased demand for expertise in funding, partnerships, and community relationships in response to community needs.
- Increased demand for Occupational Health and Safety services related to protecting employee safety and well-being.
- High citizen park usage continues year-round. Physical-distancing attentive programs for spring include nature adventure playgrounds, scavenger hunts, self-guided park walking tours. Firepit bookings has been extended into summer.

The majority of business units are seeing steady demand, in line with business as usual. Some business units have noted changes in focus areas.

- Requests for assistance in researching and providing various tax relief programs.
- Shift in water usage (decline from businesses and an increase from residences).
- Initiatives to support economic growth, for example downtown revitalization and the Industrial Area Growth Strategy.
- 311 crisis communications support, citizen COVID-19 insights and web support.
- Community peace officers received an extension of enhanced authorities.

Some business units noted decreased demand or restricted ability to deliver services.

- Limited ability to deliver recreation services due to ongoing public health orders.
- Transit ridership levels due to changing traveling requirements of customers (e.g. increased teleworking, online schooling etc.).



\*Information from Calgary Police Services, Civic Partners and wholly owned subsidiaries such as Calgary Housing Corporation was not requested as part of business unit submissions.

### Severe levels of impact

- Ongoing response to changing public health orders continues to limit the delivery of recreational services.
- Overall transit ridership was reduced by approximately 70% compared to 2019, due to continued remote working/studying options.
  - Transit service is being maintained at service levels required to support customers using transit service for their day to day activities, and to meet social distancing requirements by avoiding overcrowding of buses and Ctrains.

### How we're adapting to serve you during COVID-19

#### How we've continued to deliver services to Calgarians throughout the pandemic

- Enhanced the online development map to support digital citizen engagement, share information, and collect feedback on development applications that impact them.
- Expedited building approvals for public health facilities.
- Additional safety measures are in place for medical incident response.

- Shifted fire safety education to virtual delivery.
- Providing customer education via webinars.
- In-person public engagement shifted to virtual platforms, which has proven to be a more inclusive approach.
- Video inspections are being used to comply with health and safety protocols.
- Increased security presence on C-Train to assist with maintaining order.

#### How we're supporting citizens and businesses financially

- Expedited business and building safety approvals for pandemic affected businesses.
- Using innovative ways (e.g. land use bylaw amendments) to reduce costly barriers and enable faster development.
- Due to the increased number of COVID-19 related cyber-attacks we have increased our security to keep citizen's personal information safe, including their financial information.
- Created a strategy to support businesses through the 'Shop Local' and 'Shop Here' campaigns.
- Flexible solutions for local businesses e.g. outdoor patios & deferred levy payments for the local development industry.
- Relief to 57 lease holders through The City's Tenant Relief Program.
- Streamlined Parks Vendor Program application process.
- Continuously expanding our open data portal to promote transparency and accountability in government, along with data to support businesses.
- Rate freezes and deferrals for:
  - Planning & Development fees
  - Taxi, Limousine & Vehicle-for-Hire driver license renewal fees are waived until May 2022
  - Transit fare
  - Residential black, blue and green cart program rates
  - Landfill Tipping Fee
  - Water
  - Business licensing renewal fees are waived until March 2023
  - Cemetery, greenspace and community sport field fees
  - Parks Vendor Program fees waived for summer 2021
  - For-Profit Festival Fee (ticket surcharge) postponed until 2022.

#### Restrictions are requiring us to limit or delay some of our services

- Public health orders have severely limited the ability to deliver recreation services. In March 2021 there were 9.8% of visits compared to 2020. Over 1100 (80%) Recreation staff have been laid off or terminated.
- Construction of City affordable homes experienced slight delays due to incorporation of new health and safety protocols. However, overall performance targets have been met.
- In-person participation in legislative meetings has been significantly curtailed. Remote participation coincided with records levels of public participation.
- Calgary Fire suspended functions that increase risks to staff and citizens including multi-station training for frontline firefighters.

- Redeployed security guard services depending on what City facilities are open and closed.
- Investment Recovery has shifted from face to face to online sales due to restrictions which have impacted recoveries.
- Limited proactive preventative maintenance in the stormwater and water services due to staffing limitations.

#### New work we are doing because of COVID-19

- Increased service demand for new initiatives requiring support, such as the COVID-19 Community Advocacy Plan, Municipal Stimulus Program and Rapid Housing Initiative.
- With the return of Step 1 restrictions and online schooling, we are adjusting supports to organizations with new and increased service demands.
- Planning to support a return of festivals and events this summer that align with provincial restrictions.
- Enhanced public park use and physical distancing.
- Implemented a flexible infrastructure program to support people and businesses, including the Adaptive Roadways and Restaurant Patios initiatives.
- Monitoring and maintenance of the digital certification/signature technology used by engineers, geoscientists and architects.
- Increased collaboration with other levels of government including the Province & The City of Edmonton regarding strategies for identifying, monitoring & responding to rallies/protests.
- Legal counsel around a number of issues such as enforcement and vaccination sites.

#### How we've adapted our internal services

- Changed our internal processes, including working remotely, using virtual engagement sessions, continuously reviewing and prioritizing deliverables, shifting to new tools to ensure business continuity and collaborating via non-traditional means.
- Enhanced cyber-security measures to protect City networks while supporting remote work.
- Increased the total number of resources for the IT Help Desk and Deskside Support in response to higher demand due to remote work.
- Digital intake for every planning and development application type from outline plan to occupancy is now offered.
- Implemented best practices for public and employee health and safety, including resources to support employee psychological and physical safety as well as staggering on-site staff start and break times.
- Provided increased financial expertise and analysis to support significant budget recommendations and decisions.
- Delayed implementing aspects of the corporate performance development system until late-2021, to avoid drawing focus away from more urgent pandemic response issues.
- Heightened efforts to build resilience tools to support increased consulting demand.

#### **Most Recent Financial Impacts**

The estimated negative financial impact of COVID-19 as of March 31, 2021 is \$13 million, excluding Calgary Police Service. Factors impacting both revenues and expenditures are described in more detail in the table below.

**Estimated COVID-19 financial impacts: January 1 – March 31, 2021**

Category	\$ Impact	Explanation
Revenue Loss	(41.1)	<ul style="list-style-type: none"> <li>Loss in transit revenue due to reduced ridership</li> <li>Closure of recreation facilities</li> </ul>
Incremental Expenses	(1.4)	<ul style="list-style-type: none"> <li>Layoff related costs for certain temporary and permanent staff</li> <li>Information Technology equipment and pandemic supplies</li> <li>Facility cleaning</li> </ul>
Savings	29.5	<ul style="list-style-type: none"> <li>Reduction in Calgary Transit Access trips provided by contracted service providers</li> <li>Savings resulting from staff reductions and facility closures</li> </ul>
<b>Total</b>	<b>(13.0)</b>	

Note: All figures in \$ millions

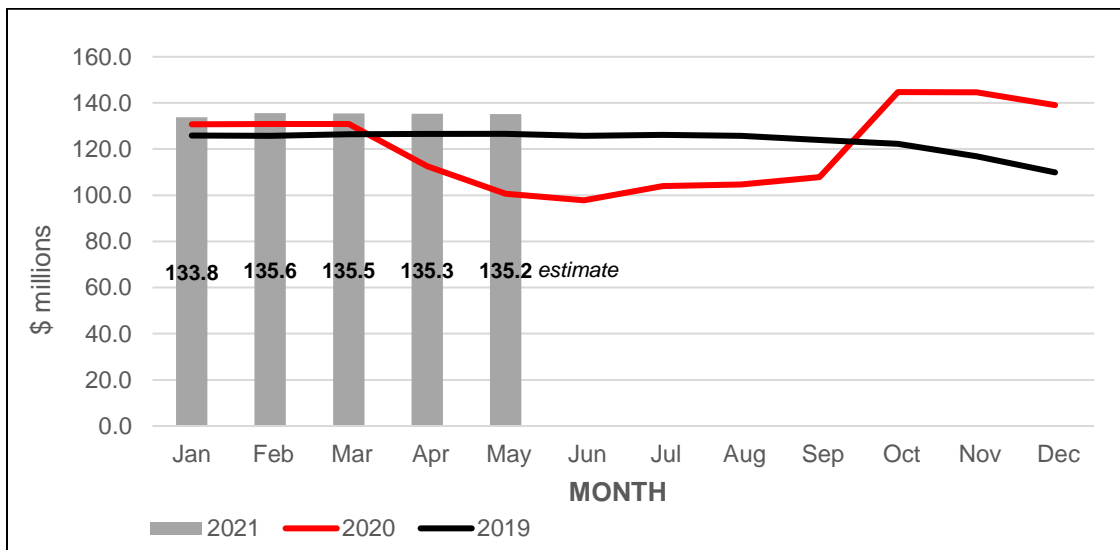
**Breakdown of estimated COVID-19 financial impacts: January 1 – March 31, 2021**

Business Unit	Revenue Loss	Incremental Expenses	Estimated Savings	Net Financial Impact
Calgary Transit	(32.4)	(0.4)	20.3	(12.5)
Calgary Recreation	(8.6)	(0.2)	8.9	0.1
Facility Management	-	(0.2)	-	(0.2)
Calgary Fire Department	-	(0.2)	-	(0.2)
Information Technology	-	(0.1)	-	(0.1)
Calgary Community Standards	-	(0.1)	-	(0.1)
Fleet Services	-	(0.1)	-	(0.1)
Other	-	(0.2)	0.3	0.1
<b>Total</b>	<b>(41.1)</b>	<b>(1.4)</b>	<b>29.5</b>	<b>(13.0)</b>

Note: All figures in \$ millions.

## Tax Payments

Tax payments in 2021 have been stable in terms of Tax Installment Payment Plan (TIPP) installments (monthly tax installment program) based on the full year 2020 tax levy. Despite some mid-year volatility, the majority of 2020 payments were received by year-end. Payments continue to be made during the pandemic, and we continue to support property owners through these challenging times with a collaborative, solutions-focused approach. In 2020, the tax payment deadline was extended to October 1 through the elimination of the July 1 late payment penalty of 7%, accompanied by a lowering of the October 1 penalty to 3.5%. In 2021, Council again supported penalty relief by lowering the July 1 penalty to 3.5%, and eliminating all other late payment penalties until April 1, 2022. The impact of these changes to tax payments in 2021 remains to be seen and is difficult to estimate.



## Capital Impacts

Overall, The City continues to move forward with capital investments.

- Most investments continue to proceed as planned.
- There have been some minor delays in planning and delivery that are being actively managed.
  - Resource redirection for pandemic planning and response.
  - Increased time to accommodate for changing health and safety regulations.
  - Longer lead times for supply related items associated with cross-border issues
  - Challenges with conducting critical engagement to move forward on capital delivery.
- Some investments have accelerated (e.g. Facility lifecycle) and The City continues to look for other opportunities to accelerate investments.
- The City continues to watch and mitigate key risks that may impact schedules and budgets.
  - Possible future supply challenges depending on the future of the pandemic.
  - Possible future COVID-19 outbreaks on job sites or production plants.

- The City continues to plan, design and deliver investments approved through the Municipal Stimulus Program (MSP).

### Corporate Risks

The April risk assessments by business units identified 41 risks, close to 70% of the risks were rated high or severe.

Slight	Low	Medium	High	Severe
0%	7%	27%	46%	20%

Here are highlights of the 5 Priority Risks:

5 Priority Risks*	From April 2021 projections
Economic Risk	Calgary’s economy is under strain. In March 2021 unemployment was at 10.4% and sectors such as tourism, hospitality, entertainment, oil and gas, and commercial real estate are struggling. Employment may be affected by the return to Step 1 restrictions. There is a risk that the downtown core is unable to quickly recover from the sustained stressors placed on it. As of February 2021, The City was working on 63 City-specific post-pandemic economic recovery activities. Most initiatives, like the Industrial Growth Strategy, were already underway but are now gaining significant focus and momentum. The Downtown Strategy focuses on challenges specific to the downtown core - it leverages the collective efforts of The City and its public and private sector partners.
Financial Risk	The City has a high level of operating and capital financial risk. Certain services such as transit and recreation are experiencing lower revenue generation, which may increase pressure to operate within budget. This also includes low demand related to the organization’s planned industrial land sales and various services that rely on revenue, and the use of financial reserves to cover operating gaps. There is a risk that a potential increase in assessment complaints may result in changing property valuations, which could affect the collection of taxes. The City continues to implement recommendations from the Financial Task Force, leverage the Solutions for Achieving Value and Excellence (SAVE) program, and apply cost reduction measures in response to the Financial Risk. The City has also started to manage the significant pandemic-induced price increases for commodities affecting the cost of materials, equipment, and supplies.

5 Priority Risks*	From April 2021 projections
Health, Safety and Wellness Risk	<p>There is a risk of COVID-19 infection for citizens and City staff. The risk of exposure is higher for some staff who are public facing or in crew-based work situations. Employee capacity, stress and burnout is also a risk as there are increased demands for additional activities and reporting as part of The City's response to COVID-19, in addition to the significant number of initiatives and projects at The City. The City has prioritized efforts to build employee resilience and create physically and psychologically safe work environments by using data to uncover hazards, understand incidents and assess the success of responses. Efforts to support a positive employee experience are ongoing.</p>
Reputation Risk	<p>Political expectations and decisions by other orders of government are driving significant demand for health and safety communications not normally within The City's the scope of work. The proportion of Calgarians reporting that they're satisfied with The City's COVID-19 response (73%) is down 11 percentage points from last Spring. The trust in The City's response during the same timeframe dropped from 69% to 55%. There is a decline in other citizen perception data such as support for the Face Coverings Bylaws and there is less concern about becoming ill or a household member becoming ill from COVID-19, which could contribute to the lower satisfaction and trust with the City's responses. In response, The City will continue to deliver education and to speak with One Voice in response to COVID-19 and ensure communications are aligned and updated. To fully manage this risk, all areas across the organization need to identify and address the reputational risks associated with their area.</p>
Social Impact Risk	<p>Non-profits in the city are limited in their ability to fundraise and earn revenue. The provincial and federal governments have shifted program and funding priorities, which has led to uncertain resources for affordable housing and limited programs and services promoting social cohesion and inclusion, while mental health is a growing concern. With a return to Step 1, and the possibility of increased unemployment, the demand for social supports including mental health and basic needs will increase. Communities are also facing continued social unrest. The City will continue to work with our partners and community to recognize and respond to the emerging needs of Calgarians including the recently endorsed mental health and addiction strategy, the continued investment to support positive outcomes and the share accountability and responsibility to mitigate social unrest within the city.</p>

\*The 5 Priority Risks are a subset of The City's Principal Corporate Risks and were approved by the Executive Leadership Team in December 2020. A full update on The City's Risk Profile,



including all of the Principal Corporate Risks, were provided to the [Audit Committee on January 28, 2021](#).

## Projected service and financial impacts of COVID-19



The 2021 year-end projections outline what we think is coming. We continue to explore a wide range of tactics to achieve service and financial balance, including options that may require trade-offs in services that citizens need and expect.

### 2021 Year-end Financial Projections

The 2021 year-end projections below are based on the [Fall 2020 - Calgary and Region Economic Outlook 2020-2025](#), which assumes a continued progression to economic recovery driven by several factors. These include announcements of COVID-19 vaccines, fiscal stimulus packages from other orders of government, and resiliency learnings from the first wave of the pandemic. The 2021 economic forecasts and year-end financial projections are subject to a high degree of uncertainty.

2021 year-end projections:

- The net operating gap for 2021 is currently estimated at \$62 million.
  - The total revenue shortfall of \$183 is to be partially offset by savings and service changes of \$121 million.
- The financial gap of \$62 million will be managed through the COFLEX Program, which will enable Administration to optimize both Municipal Operating Support Transfer (MOST) funding and other ongoing expenditure management initiatives.

**2021 Year-end Projected Gap**

Category	April Projection*	Explanations for 2021 Year-end Projected Gap
Revenue	(183)	<ul style="list-style-type: none"> <li>• Significant drop in Calgary Transit and Specialized Transit ridership</li> <li>• Lower Recreation booking revenues due to imposed public health orders</li> <li>• Real Estate &amp; Development Services anticipate delayed/unrealized land sale transactions and lower leasing revenue</li> <li>• Lower parking revenue from Calgary Parking Authority partially offset by higher ENMAX dividend</li> <li>• Lower penalty and fine revenue for Calgary Police Service</li> </ul>
Expenditures	121	<ul style="list-style-type: none"> <li>• Vacancy management, reduced service hours, and reduced trip demand in Calgary Transit Access will all contribute to significant expected savings</li> <li>• Lower cost of sales for reduced land sales and a lower reserve contribution as a result of reduced revenues by Real Estate &amp; Development Services</li> <li>• Lower contribution to vehicle, red light camera and helicopter reserve, higher drawdown from the court fine reserve by Calgary Police Service</li> <li>• Recreation expense savings during facility closures</li> <li>• Combination of vacancy savings and expenditure management in several other business units</li> </ul>
<b>Total gap</b>	<b>(62)</b>	

\* All figures in \$ millions

Additional links

[COVID-19 changes to city services and facilities](#)



## Supporting Citizens and Businesses



We have maintained a flexible approach to changing service demands and public health orders. To ensure we were able to continue delivering the services that Calgarians need and expect through the pandemic, The City worked with our Federal and Provincial partners to secure operating funding to help fill existing and projected operating gaps.

[For additional information, please see City of Calgary – COVID-19 recovery funding.](#)

For additional information, please see [Item 4.4.1 C2020-1362 COVID Relaunch Working Group presentation](#) at the Special Meeting of Council on November 23, 2020.