

DRAFT

COVID-19 Service¹ and Financial² Impacts – July Update

¹ Service Impacts as of 2021 July 16

² Financial Impacts as of 2021 June 30

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



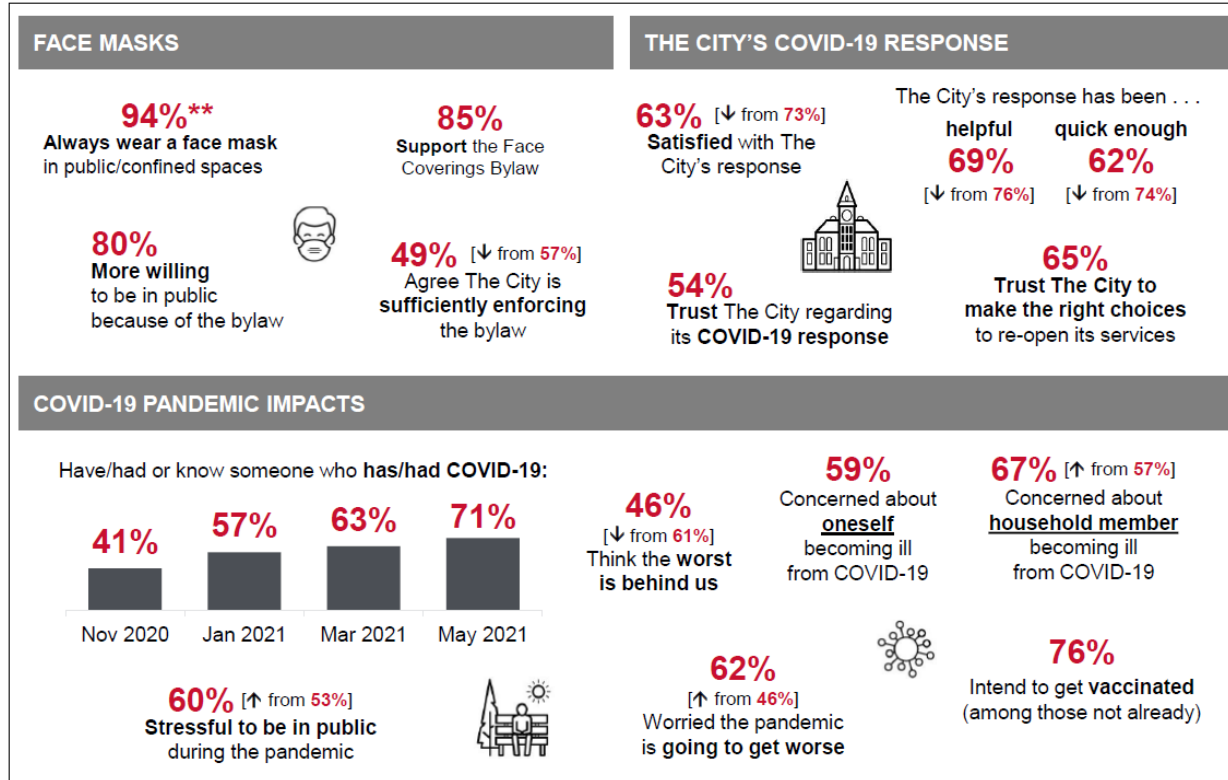
As Calgary continues to face the global pandemic, we continue to monitor impacts to the community in order to support Calgarians through these challenging times.

WHAT'S HAPPENING IN THE COMMUNITY

The City of Calgary continues to monitor what is happening in the community and 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 April COVID-19 report, there have been several significant developments. The Provincial government eased public health restrictions and on July 1 Alberta entered Stage 3 of the Open for Summer Plan. Restrictions on social gatherings (indoor and outdoor), recreation, performance, and entertainment activities, as well as business closures and capacity restrictions for large events have all been lifted. The City of Calgary repealed the Temporary COVID-19 Face Coverings Bylaw (26M2020) on 2021 July 5, although for the protection of patrons and staff, face coverings continue to be required in City-owned and operated facilities.

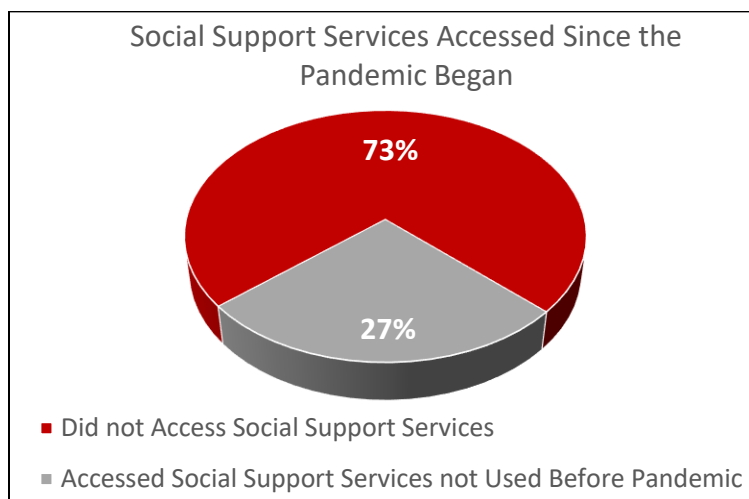
The City reached out to citizens to understand the impacts of COVID-19 through a [Citizen Perspectives Survey](#) conducted from May 6 to 13 (see image below for a summary of the results). Notable results include a decrease in satisfaction with The City's COVID-19 response at 63%, down from 73% in March. Additionally, the percentage of respondents saying The City's COVID-19 response has been "helpful" is down to 69% from 76% in March, and respondents saying the City's response has been "quick enough" has also dropped to 62% from 74% in March. Optimism that the worst of the pandemic is behind us has fallen to 46% from 61% in March.



*Data collection: May 6 - 13, 2021, comparisons are to the last survey wave "COVID-19 Snapshot 9" (data collection March 11 - 19, 2021).
**Data collection occurred after the Face Coverings Bylaw came into effect.

Access to Social Support Services

Half of Calgarians (49%) report that their mental health has worsened during the pandemic. Calgarians have been negatively impacted by the pandemic in more than one way resulting in more than one quarter of Calgarians (27%) seeking out social support services during the pandemic which they did not use before. Of those receiving social support services, financial support (72%) was the most accessed service, followed by mental health support (13%).



Source: City of Calgary 2021 Citizen Perspectives Survey Report COVID-19 Snapshot 9

Unemployment

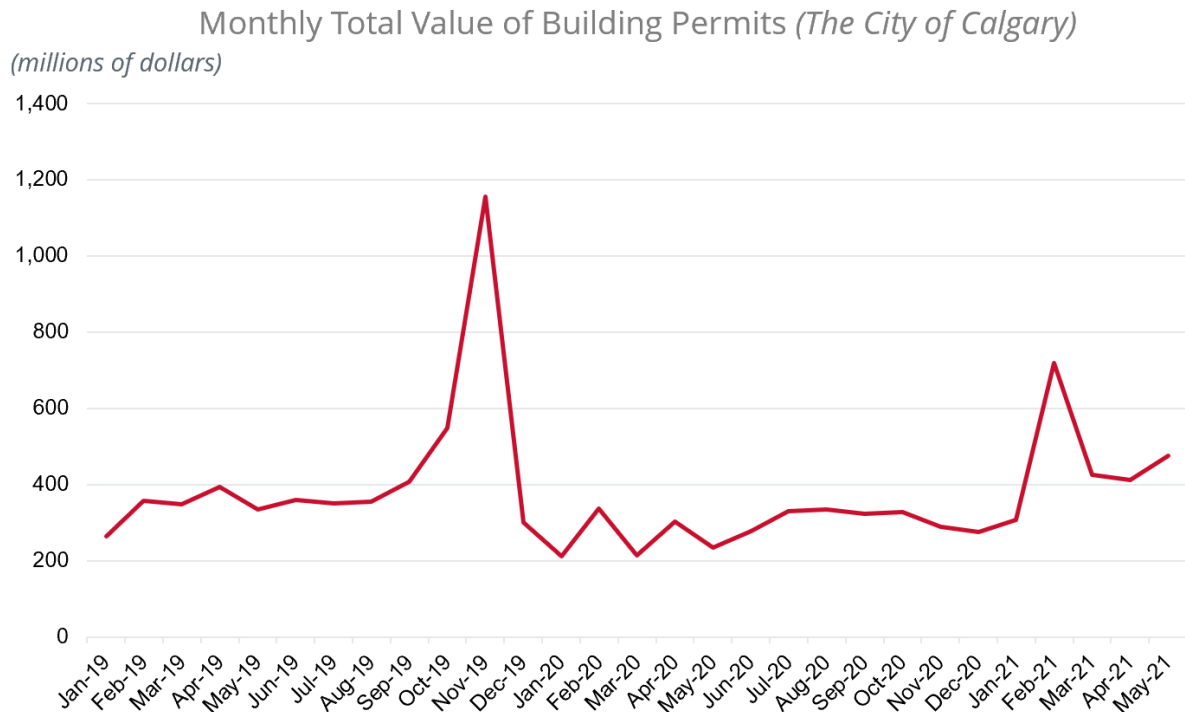
The unemployment rate in the Calgary Economic Region was 9.1% in 2021 June, up from 8.9% in May, but well below the 2020 June unemployment rate of 15.1%. The lifting of public health restrictions may have a positive effect on employment.



Source: Corporate Economics

Building Permits

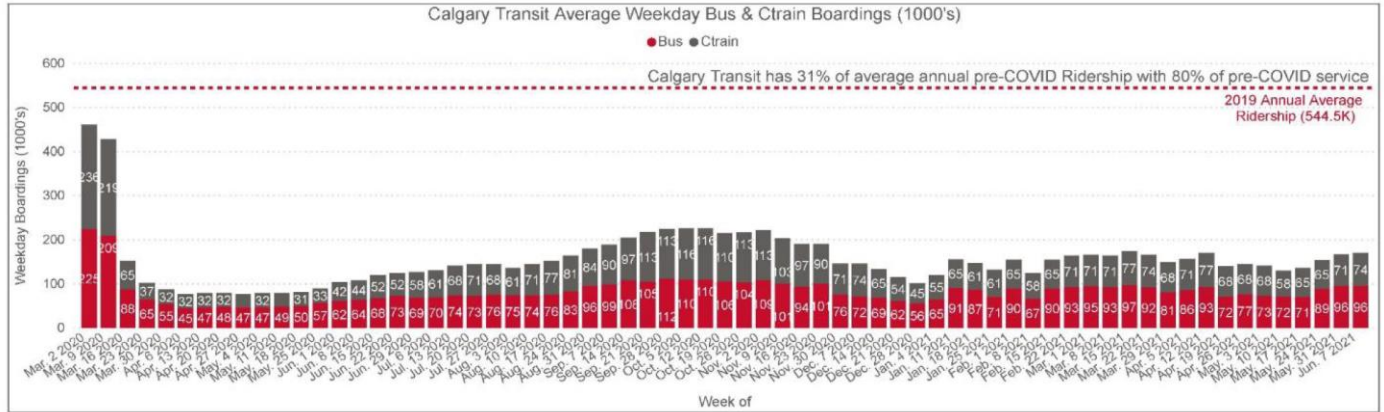
The total monthly value of building permits was \$474.4 million as of 2021 May, compared to \$718.0 million in February. However, that high February value was due to two major projects related to the new BMO Centre expansion.



Source: The City of Calgary Building Permit Application Statements

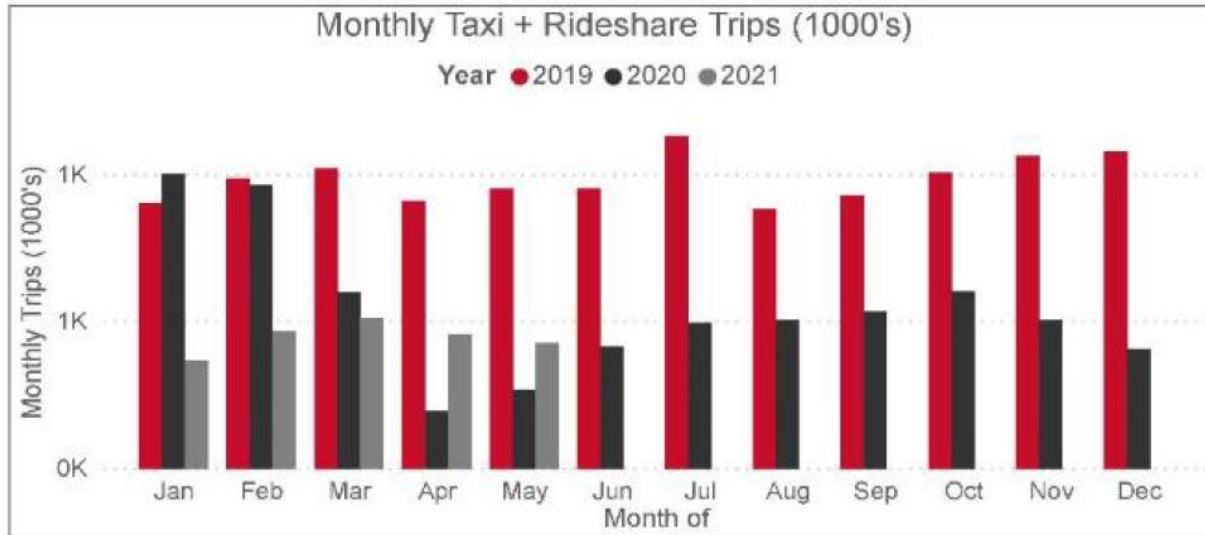
Mobility

Bus and Ctrain average weekday boardings continue to be well below pre-COVID-19 levels. Bus and Ctrain boardings totaled 170,000 in the week of 2021 June 7, compared to 108,000 in the week of 2020 June 8. Calgary Transit has 31% of average annual pre-COVID ridership with 80% of pre-COVID service.



Source: Transportation

Since March, taxi and rideshare trips have decreased slightly. While taxi and rideshare trips in 2021 May are above 2020 volumes, they are still well below the number in 2019 May.



Source: Transportation

Additional links

Current [Economic Indicators](#).

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

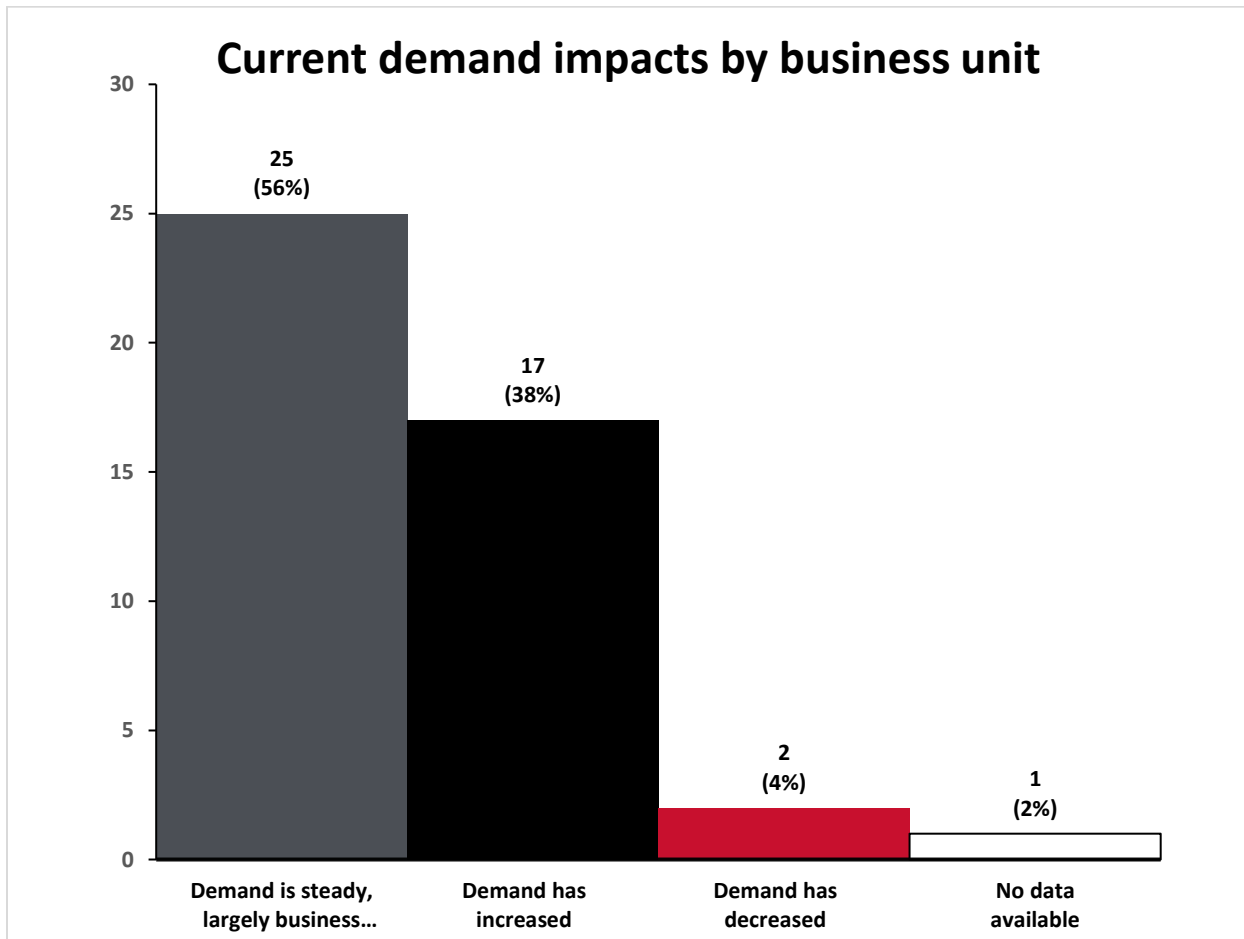
COVID-19 Current Service and Financial Impacts



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 from April to July.



*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

Business Unit List
Calgary Approvals Coordination
Calgary Building Services
Calgary Housing
Calgary Neighbourhoods
Calgary Parks
City Manager's Office
Community Planning
Corporate Security
Customer Service & Communications
Environmental & Safety Management
Facility Management
General Manager - Chief Financial Office Department
General Manager – Planning & Development
Human Resources
Information Technology
Law
Resilience & Infrastructure Calgary

+ A listing of business units with steady demand

Business Unit List
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
Finance
Fleet Services
General Manager - Community Services
General Manager - Deputy City Manager's Office
General Manager - Transportation
General Manager - Utilities & Environmental Protection
Green Line
Mayor's Office
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 the changes in public health measures and easing/removal of restrictions over the period of April to June, both internal and external supporting business units are seeing increased service demand.

- There continues to be an increase in application volumes in all areas (i.e., the number of building permits are at an 11-year high, driven by residential improvement applications for home renovations and patios requests.)
- Video inspections and virtual platforms for outreach continue to be used to comply with health and safety protocols and to promote a more inclusive approach for citizens.
- Increased demand for expertise in funding, partnerships, and community relationships in response to community needs.
- High usage of parks and pathways continues. Physical-distancing attentive programs for summer include nature adventure playgrounds, self-guided park walking tours, and firepit bookings. The liquor in parks pilot has also been launched.
- The City continues to ensure that policies and procedures are in place to protect employee safety and well-being, while also addressing increased demand for COVID-19 support from the corporation in response to the changing environment (i.e., updating policies and procedures to support the Office Facilities Reoccupation Program).

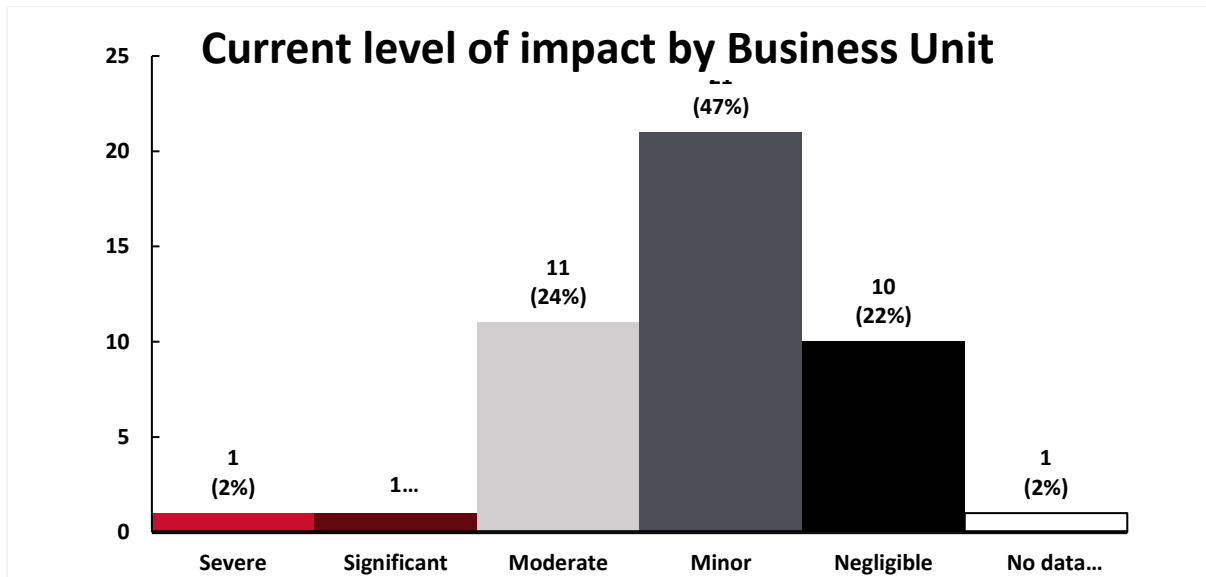
The majority of business units are seeing steady demand, in line with “business as usual”. Some business units have noted changes in focus areas.

- Requests for assistance in researching and providing various tax relief programs.
- Preparation for the shift in enforcement strategy as the Province transitions to Stage 3 of the Open for Summer Plan, which lifts existing requirements for masks, social gatherings, and business closures, as well as The City’s repeal of the Temporary COVID-19 Face Coverings Bylaw.
- Adapting to provide services in areas that were not anticipated/planned in response to the Stage 3 reopening (i.e., increased waste removal for Calgary Stampede, festivals and events).
- Initiatives to support economic growth, for example downtown revitalization and the Industrial Area Growth Strategy.
- Providing Alberta Health Services with a number of temporary, pop-up and permanent locations for COVID-19 testing and vaccinations.

- Shift in water usage (continued decline from businesses and an increase from residences).

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

- In Q2, Recreation was limited in their ability to deliver services due to public health restrictions. As restrictions have lifted, service delivery is increasing but is still limited by Recreation’s ability to rehire staff.
- 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

- 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

- Shifted delivery of multiple services to online and digital formats, including:
 - Digital file submission, review and approval;
 - Virtual and remote meetings;
 - Preparing, collaborating on and explaining property assessments;
 - Collaborating with contractors and consultants via non-traditional means;

- Providing customer education via webinars; and
- Held the Climate Symposium and the Mayor Environmental Expo as virtual events.
- Additional safety measures are in place for medical incident response.
- Increased security guards on LRTs to assist with social disorder.
- In-person public engagement shifted to virtual platforms, which has proven to be a more inclusive approach.
- Appointment-based drop-in recreational opportunities, and indoor and outdoor youth and adult sports at select facilities.
- Modifying in-person service delivery to meet physical distancing practices or utilizing risk-appropriate protective equipment dependent on circumstances.
- Prioritized Alberta Health Services' applications and emergency temporary shelters.
- Increased cleaning and installed directional signage and physical barriers to assist with the safety of both citizens and staff at Civic Facilities.
- Enhanced the online development map to support digital citizen engagement, share information and collect feedback on development applications.
- Transitioning to remote work environments where appropriate, supported by enhanced Information Security measures.

How we're supporting citizens and businesses financially

- Expedited business and building safety approvals for pandemic affected businesses and created a new Business Experience Representative role to support the customer journey as it relates to applications for restaurant and brewery businesses.
- Created a strategy to support businesses through the 'Shop Local' and 'Shop Here' campaigns.
- Using innovative ways (e.g. land use bylaw amendments) to reduce costly barriers and enable faster development.
- Continuously expanding our open data portal to promote transparency and accountability in government, along with data to support businesses.
- Flexible solutions for local businesses e.g. outdoor patios & deferred levy payments for the local development industry.
- 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.
- Relief to 57 lease holders through The City's Tenant Relief Program, ending 2021 July.
- Rate freezes and deferrals for:
 - Transit fares
 - Water rates
 - Residential black, blue and green cart program rates
 - Landfill Tipping Fee
 - Cemetery, greenspace and community sport field fees
 - Planning and development fees
 - For-Profit Festival Fee (ticket surcharge) postponed until 2022
- Some user fees waived or cancelled:
 - Property tax credits, business tax rebates and reduction or cancellation of late fees
 - Some outdoor patio and +15 easement fees waived

- Parks Vendor Program fees waived for summer 2021
- Taxi, Limousine & Vehicle-for-Hire driver license renewal fees are waived until May 2022
- Business licensing renewal fees are waived until March 2023

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

- Construction of City affordable homes experienced slight delays due to incorporation of new health and safety protocols.
- Limited proactive preventative maintenance in stormwater and water services due to staffing limitations.
- 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.
- In-person participation in legislative meetings had been significantly curtailed. Limited in-person participation in legislative meetings returned in 2021 July. Restrictions are scheduled to be further loosened in 2021 September.
- Public health orders have severely limited the ability to deliver recreation services. In Q2 2021 there were 8.0% of visits compared to 2019. Reopening facilities and supporting events is limited by our ability to rehire staff.
- School closures in 2021 resulted in a delay for Transportation Planning's school data collection requests. Collection will resume in 2021 September.
- Calgary Fire suspended functions that increase risks to staff and citizens including multi-station training for frontline firefighters, some wellness services and community engagements. These are being reassessed as restrictions lift and recovery continues.

New work we are doing because of COVID-19

- Although restrictions have been lifted, through the summer period we will continue to support the flexible infrastructure program including Adaptive Roadways and Restaurant Patios.
- Recreation is planning a variety of outdoor summer programming, including Community Nature Active Playground, and has created micro-grants to provide local organizations and individuals the ability to create safe arts and culture activations.
- As we move into Stage 3, Calgary Neighbourhoods is adjusting supports to organizations with new and increased service demands.
- Capital project strategy support to Infrastructure Calgary's COVID-19 related initiatives.
- Emergency Management & Business Continuity is undertaking a post assessment of the pandemic supply program and stockpile to assess COVID-19 effects on response.
- Human Resources is supporting the organization in resuming services that were disrupted due to the COVID-19 pandemic (e.g. hiring in recreation facilities).
- Policies and procedures are being updated to support the Office Facilities Reoccupation Program.
- Resilience and Infrastructure Calgary is engaged in new work related to social recovery, consulting with community, anti-racism, increased focus on downtown strategy and Economic Resilience Task Force, while also leading a community of practice for several Alberta municipalities on equitable recovery.

How we've adapted our internal services

- Customer Service & Communications has adapted in response to COVID-19 through initiatives such as remote media availabilities, 311 self-serve dashboard and online engagement and research focus groups.
- The Resilience team is working to build tools to support heightened demand for Resilience consulting as well as seeking out alternative sources of funding/financing in anticipation of constrained resources.
- Human Resources has prioritized and, in limited situations, delayed implementation of work previously planned (e.g. succession management, in-person learning).
- IT has increased the total number of resources for the IT Help Desk and Deskside Support in response to higher call volumes and is preparing for additional technical support to assist employees returning to City office spaces.
- Field Survey staff have altered normal operations using technology to ensure both COVID safety and productivity are paramount.
- The automation workflows for monitoring cyber incidents continue to be streamlined. These workflows, developed with the use of software, save significant staff time, which frees up staff for other critical work.
- Finance is working closely with business units to monitor year end projections.
- The Municipal Emergency Plan remains active and is conducting enhancing monitoring. Daily and weekly reporting remains in place as services evaluate community response and the delivery of the provincial vaccination program.
- The City Auditor's Office has moved audit, investigative and advisory services to virtual platforms, leveraging available technology.

Most Recent Financial Impacts

The estimated negative financial impact of COVID-19 as of 2021 June 30, is \$31 million. This figure also includes impacts on Corporate Programs, which were not reported on in Q1 2021.

Factors impacting both revenues and expenditures are described in more detail in the table below.

Estimated COVID-19 financial impacts: 2021 January 1 – June 30

Category	\$ Impact	Explanation
Revenue Loss	(89.5)	<ul style="list-style-type: none"> • Loss in transit revenue due to reduced ridership • Closure of recreation facilities
Incremental Expenses	(3.0)	<ul style="list-style-type: none"> • Layoff related costs for certain temporary and permanent staff • Information Technology equipment and pandemic supplies • Facility cleaning
Savings	61.2	<ul style="list-style-type: none"> • Reduction in Calgary Transit Access trips provided by contracted service providers

		<ul style="list-style-type: none"> Savings resulting from staff reductions and facility closures
Total	(31.3)	

Note: All figures in \$ millions.

Breakdown of estimated COVID-19 financial impacts: 2021 January 1 – June 30

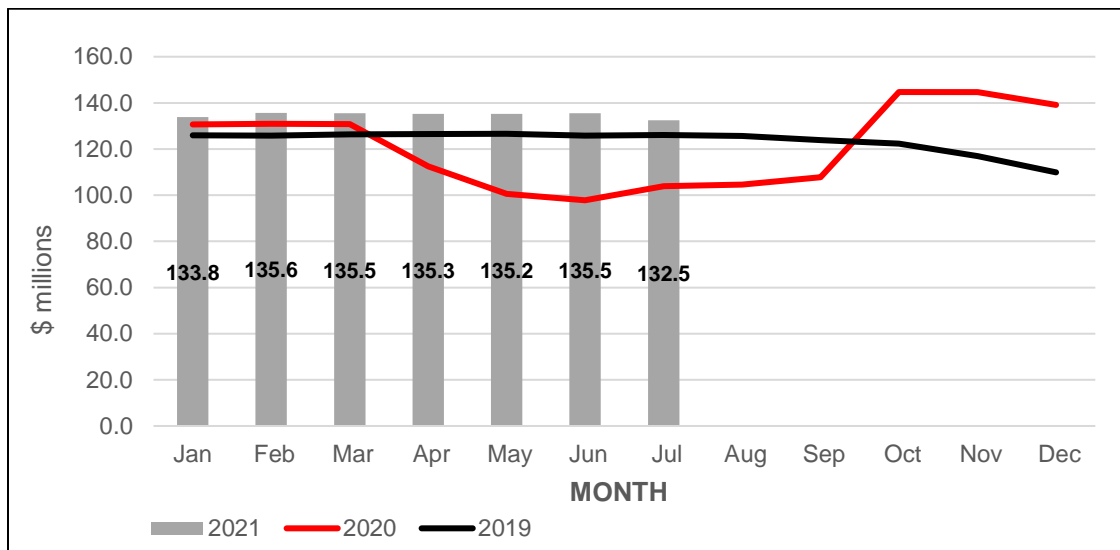
Business Unit	Revenue Loss	Incremental Expenses	Estimated Savings	Net Financial Impact
Calgary Transit	(62.4)	(0.7)	45.3	(17.8)
Calgary Recreation	(14.3)	(0.2)	15.6	1.1
Corporate Programs	(9.7)	-	-	(9.7)
Roads	(2.7)	(0.0)	-	(2.7)
Calgary Fire Department	-	(0.6)	-	(0.6)
Facility Management	(0.0)	(0.5)	-	(0.5)
Remaining Business Units	(0.4)	(1.0)	0.3	(1.1)
Total	(89.5)	(3.0)	61.2	(31.3)

Note: All figures in \$ millions.

Tax Payments

Property taxes billed in 2020 have been paid, with only a small balance outstanding, which is consistent with years prior to the pandemic. While 2020 taxes have been largely paid, the time period over which they were paid was longer than in prior years. This was the result of Calgarians assessing their financial situations and adjusting the timing of their payments to reflect their circumstances. Changes to the timing of payments was further supported by actions taken by The City to support Calgarians, including payment deadline extensions and property tax deferrals.

Tax payments made to The City through the Tax Instalment Payment Plan (TIPP) in 2021 have been stable, with monthly cash received in excess of \$130 million for the first seven months of this year. Approximately 60% of The City's property tax accounts pay their taxes monthly through this program. Participation in this program is at an all-time high with approximately 290,000 accounts enrolled. A comparison of lump-sum payments received over the last three years identifies that tax payments received in 2021 are ahead of those received for the same period in 2020 by approximately \$400 million, but amounts received in both recent years are below those of 2019. Tax relief options provided by The City in 2020 and 2021, such as reduced penalties and tax deferrals for certain properties, have influenced the timing of payments in each of those years.



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).

Risk Assessment

The July risk assessments by business units identified 40 risks and 55% of the risks were rated high or severe. This is a decrease compared to close 70% of the risks being rated high or severe in the April COVID-19 update.

Slight	Low	Medium	High	Severe
0%	10%	35%	42%	13%

Here are highlights of the 5 Priority Risks:

5 Priority Risks*	From July 2021 projections
Economic Risk	Calgary appears to be emerging from the COVID-19 induced economic recession. The successful vaccine rollout is a contributing factor to the positive economic outlook. Alberta entered Stage 3 of the Open for Summer Plan and this may positively impact the unemployment rate. Certain economic sectors including tourism, hospitality, entertainment, and commercial real estate may recover more slowly. Uncertainty remains as to whether the downtown core is able to recover from the sustained stressors placed on it. The City implemented multiple strategies to support the recovery, and has undertaken 63 post-pandemic activities to better address and understand the economic challenges including the Industrial Growth Strategy and the Downtown Strategy.
Financial Risk	The City has a high level of operating and capital financial risk. Certain services such as transit, recreation, parking and permits are experiencing lower revenue generation, which increases pressure on the operating budget. There is a risk that a potential increase in assessment complaints may result in changing property valuations, which could affect tax revenue. The risk of higher construction costs due to a shortage of labour and materials could lead to unexpected expenses. The receipt of municipal tax payments are progressing largely as planned. This, along with the strength of The City's reserves, helps manage the operational funding constraints. Also, in response to the Financial Risk, recommendations from the Financial Task Force are being implemented, the Solutions for Achieving Value and Excellence (SAVE) program is being leveraged, cost reduction measures are being applied, and strategies are in place to manage the significant pandemic-induced price increases for the cost of materials, equipment, and supplies.

5 Priority Risks*	From July 2021 projections
Health, Safety and Wellness Risk	Employee health and wellness, including psychological safety and delivering safe services to citizens remains a priority with the upcoming return to the corporate workspace. The risk of COVID-19 infection for citizens and City staff remains with a higher exposure for some staff who are public facing or in crew-based work situations. The vaccine rollout and The City’s implementation of best practices for the public and employee health and safety helps prevent and manage the spread of COVID-19. Employee capacity, stress and burnout remains a risk due to the prolonged impacts of the pandemic. 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.
Reputation Risk	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 The City’s response has been helpful is at 69% (down from 76% in March) and 62% reported that the City’s response was quick enough (down from 74% in March). The Face Covering Bylaw was rescinded on 2021 July 5, and this may impact citizen satisfaction and trust in The City’s response to COVID-19. In response, The City will continue to provide information and speak with One Voice in response to COVID-19. This will ensure aligned and updated communications that strengthen trust by telling our story of high-quality, affordable services.
Social Impact Risk	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 remains a concern. The lifting of public health restrictions on July 1 may decrease the unemployment rate and may impact the demand for social supports including mental health and basic needs. Communities are also facing continued social unrest. The City will continue to work with partners and the community to recognize and respond to the emerging needs of Calgarians including the recently endorsed mental health and addiction strategy, continued investment to support positive outcomes and shared accountability and responsibility to mitigate social unrest within the city.

*The 5 Priority Risks are a subset of The City’s Principal Corporate Risks and were approved by the Executive Leadership Team on 2021 June. A full update on [The City’s Risk Profile at Mid-Year 2021](#), including all of the Principal Corporate Risks, was provided to the Audit Committee on 2021 July 22.

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 [Spring 2021 - Calgary and Region Economic Outlook 2021-2026](#), which assumes a continued progression to economic recovery. The overarching assumptions behind the most recent economic forecast are:

- COVID-19 vaccines will be widely administered this summer or fall.
- The Bank of Canada can keep its core interest rate low until the end of 2022.
- Fiscal policy measures implemented by all levels of government are effective in helping individuals and businesses until economic growth is sustainable.
- There is no structural damage to Calgary’s economy from the COVID-19 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 projected at \$10 million. The aggregate revenue shortfall of \$177 million is partially offset by expenditure savings and service changes of \$167 million. The projected gap is substantially lower than the last reported figure as we refined our projections within Corporate Programs as more information is known around contingencies. Utilizing these newly available contingencies will help address both a substantial part of the current \$34 million gap as well as some of the projected impacts for the rest of 2021.
- To balance the above impacts, the operating financial gap of \$10 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 Operating Gap

Category	July Projection*	Explanations for 2021 Year-end Projected Gap
Revenue	(177)	<ul style="list-style-type: none"> • Significant drop in Calgary Transit and Specialized Transit ridership • Lower Recreation booking revenues due to imposed public health orders • Real Estate & Development Services anticipate delayed/unrealized land sale transactions and lower leasing revenue • Lower parking revenue from Calgary Parking Authority partially offset by higher ENMAX dividend • Lower penalty and fine revenue for Calgary Police Service
Expenditures	167	<ul style="list-style-type: none"> • Vacancy management, reduced service hours, and reduced trip demand in Calgary Transit Access will all contribute to significant expected savings • Lower cost of sales for reduced land sales and a lower reserve contribution as a result of reduced revenues by Real Estate & Development Services • Lower contribution to vehicle, red light camera and helicopter reserve, higher drawdown from the court fine reserve by Calgary Police Service • Recreation expense savings during facility closures • Combination of vacancy savings and expenditure management in several other business units • Contingency savings within Corporate Costs that are not anticipated to be utilized in the current year
Total gap	(10)	

* 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 2020 November 23.