

2022 Projected COVID-19 Impacts and Mitigation Measures

The following document provides an overview of the 2022 projected operating impacts as a result of the COVID-19 pandemic and identifies any anticipated one-time savings that could help address the resulting financial impact.

This information is provided to Council to highlight some of the continuing challenges The City anticipates as the pandemic evolves. Despite best efforts exercised in collecting this information, these projections are likely to change due to a high degree of uncertainty with respect to both the magnitude as well as duration of the impact of the pandemic on respective services.

In September 2021, business units were asked to base their projections on adjusted 2022 operating budgets and to consider the impacts of any proposed base reductions resulting from SAVE business cases.

The assumptions used in creating these projections were informed by 2021 Spring Economic Outlook, Alberta Health Services updates and any other relevant information business units might have.

The overarching assumptions were:

- COVID-19 vaccines will be widely administered this summer or fall.
- The Bank of Canada can keep its core interest rate low without risking high inflation rates in Canada until the end of 2022.
- Fiscal policy measures implemented by all levels of government are effective in helping individuals and businesses post-pandemic until economic growth is sustainable.
- There is no structural damage to Calgary’s economy from the COVID-19 pandemic.

The 2022 projected operating impact of COVID-19 is approximately \$40 million, mostly due to reduced transit ridership, and lower revenue from parking, penalties, and recreation facilities. Mitigation measures providing savings include reduction of service, lower contributions to reserves, deferral of some expenditures and intentional management of the workforce. The pandemic and our response to it continues to be dynamic and our aim is to remain flexible. Administration continues to explore a wide range of tactics to achieve financial balance, including the potential for options that may require trade-offs in services that citizens need and expect.

Due to the uncertainty, Administration is not recommending any budget adjustments at this time but will manage and report on a variance basis, in line with the approach that was successfully used to manage the impacts of the pandemic in 2020 and 2021. Administration will be monitoring the financial impacts throughout 2022 and continually assess opportunities to reduce the impact by the end of 2022.

2022 Projected COVID-19 Impacts (\$000s)

Business Unit	Revenue	Expenditures	Operating Impact
Calgary Transit	(62,600)	33,065	(29,535)
Corporate Programs	(3,638)	-	(3,638)
Calgary Police Service	(8,200)	4,000	(4,200)
Calgary Recreation	(2,152)	-	(2,152)
Facility Management	-	(250)	(250)
Total	(76,590)	36,815	(39,775)

COFLEX Program Overview

The COFLEX program was approved at the 2020 November 9 (C2020-1362) meeting of Council. Through this program, Administration was directed to use funding from the 2020 Municipal Operating Sustainment Transfer (MOST) to focus on the following areas:

- Coping with COVID
- Supporting our Partners during COVID
- Preparing for Uncertainty around COVID
- Planning for Life with/ after COVID

Some of the MOST funding was used in 2020 to offset impacts from the pandemic, however the majority was carried into 2021 due to the timing of the receipt of the grant. From the remaining funds, Administration set aside \$62 million to deal with the operating gap that was projected in early 2021. Another \$73 million had been allocated to approximately 33 initiatives including: Targeted Funding Investment for City Partners (\$23.7 million), Mass Vaccination Roll Out (\$9.6 million), Reopening of Recreation Facilities (\$4.5 million), Affordable Housing (\$5.5 million), Levy Relief (\$4.6 million) for Business Improvement Areas, Parks Experience Program (\$2.5 million), The City Tenant Relief Program (\$2.4 million), Operational Support for Calgary Housing (\$2.1 million), among others. The current projections indicate that up to \$4.7 million is available for allocation to additional projects.

While there are still projections of COVID-related shortfalls for individual services, the August Executive Information Report indicates that the current projection for The City as a whole is a favourable variance of \$4 million. There are still a number of uncertainties that will impact the year-end financial position, however at this point, the favourable projection would allow the \$62 million set aside for 2021 to be used as needed in 2022 instead.

The following table shows the COFLEX funding summary for information as of 2021, October 21.

Item	Amount (\$000s)	Projected Spend (\$000s)*	Relinquish (\$000s)	Business Unit
TOTAL COFLEX FUNDING	73,000			
Pathways Enhanced Snow Clearing	250	234	16	Roads
N95 Masks	800	628	172	CEMA
Additional Transit Passenger Counters	1,000	1,000	-	Calgary Transit
Leverage City Invest. for Affordable Housing	5,500	5,500	-	Calgary Housing
Operational Support for Calgary Housing	2,120	2,120	-	Calgary Housing
Expansion of Deskside Support Team	250	250	-	IT
Property Tax Assistance Program	205	-	205	Finance
Parks Experience Program 1 & 2	3,021	2,526	495	Calgary Parks
BIA Levy Relief	4,593	4,593	-	Calgary Neighborhoods
Reopening Select Recreation Facilities	320	320	-	Calgary Recreation
Support for Temporary Public Land Patios	1,245	1,245	-	Roads
Plus 15 Commercial Use of Easement Fees	200	200	-	Roads
Adaptive Roadways	1,450	1,050	**400	Roads
Livery Transport Services Fee Waiving	1,406	1,028	378	Calgary Com. Standards
My Fare Phase 2	800	800	-	Calgary Transit
Effective Communication for Pandemic Relief	800	727	73	City Manager's Office
Mass Vaccination Roll Out	9,640	9,640	-	CEMA
Clean-Up Costs Resulting from Encampments	100	25	75	Calgary Com. Standards
Public Safety Support for Calgary Transit	1,800	1,800	-	Calgary Transit
Targeted Funding Investments for City Partners	23,700	23,700	-	Calgary Neighborhoods
ERTF – Third Party Net Benefit Analysis	75	75	-	GM – CFOD
Community Programming Support	135	135	-	Recreation
Safe Community Activation Through Arts & Culture	600	600	-	Recreation
Bridging Digital Inequity in our Community	350	350	-	IT
Reopening of All Recreation Facilities	6,000	4,500	1,500	Calgary Recreation
Voluntary Rapid Testing Program	510	510	-	CEMA
COVID Reporting & Risk Management	704	504	200	Corporate Initiatives
Future of Remote Work – Options Analysis	60	52	**8	Resilience & Infrastructure Calgary
Personal Responsibility Campaign (Phase 13) – Enjoy our safe City Services	75	75	-	CEMA
The City Tenant Relief Program	2,438	2,438	-	Real Estate & Development Services
Calgary Transit Seat Replacement	867	867	-	Calgary Transit
2021 Election Safety Improvements	630	630	-	City Clerk's
Personal Responsibility Campaign (Phase 14) – Enjoy our safe City Services	200	200	-	CEMA
APPROVED COFLEX REQUESTS	71,844			
PROJECTED SPEND	68,322			
REMAINING COFLEX FUNDING	4,678			

*Projected Spend as of Oct 19, most current information available.

** Identified as potential relinquishment

