



2023-2026 Service Plans and Budgets: Guidance on Funding City Services

2022 July 5 – Combined Meeting of Council

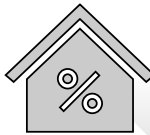
That Council:

1. Direct Administration to develop the 2023-2026 Service Plans and Budgets to align with estimated total target revenues to afford estimated total expenditures (laid out on page 2 of Attachment 3).
2. Direct Administration to progress Council's Strategic Direction and Focus Areas within these amounts.
3. Direct Administration to use the relevant tax rate reflecting the Council approved budget to forecast the January to June Tax Installment Payment Plan (TIPP) Recalculations and bring back a proposed change to Bylaw 9M2002 no later than 2022 December 20 to enable 10 days notification of change to TIPP participants.
4. Approve the proposed charges and rates for 2023-2026 for the Waste & Recycling service (Attachment 6 – Tables 1 and 2).
5. Approve proposed rate changes for 2023-2026 for:
 - a) Water Treatment & Supply (Attachment 7 – Table 1);
 - b) Wastewater Collection & Treatment (Attachment 7 – Table 3); and
 - c) Stormwater Management (Attachment 7 – Table 5).
6. Direct that Attachment 5 remain confidential pursuant to Section 24 (Advice from officials) of the *Freedom of Information and Protection of Privacy Act* to be reviewed by 2037 July 5.

Highlights



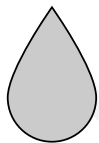
Increases in property tax collected from existing properties and water/waste rates are lower than population growth + inflation



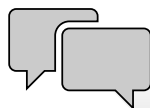
Average increase of 3.65% per year in total property tax collected from existing properties is recommended



An average of 1.35% per year increase in property tax revenue is expected from development and redevelopment



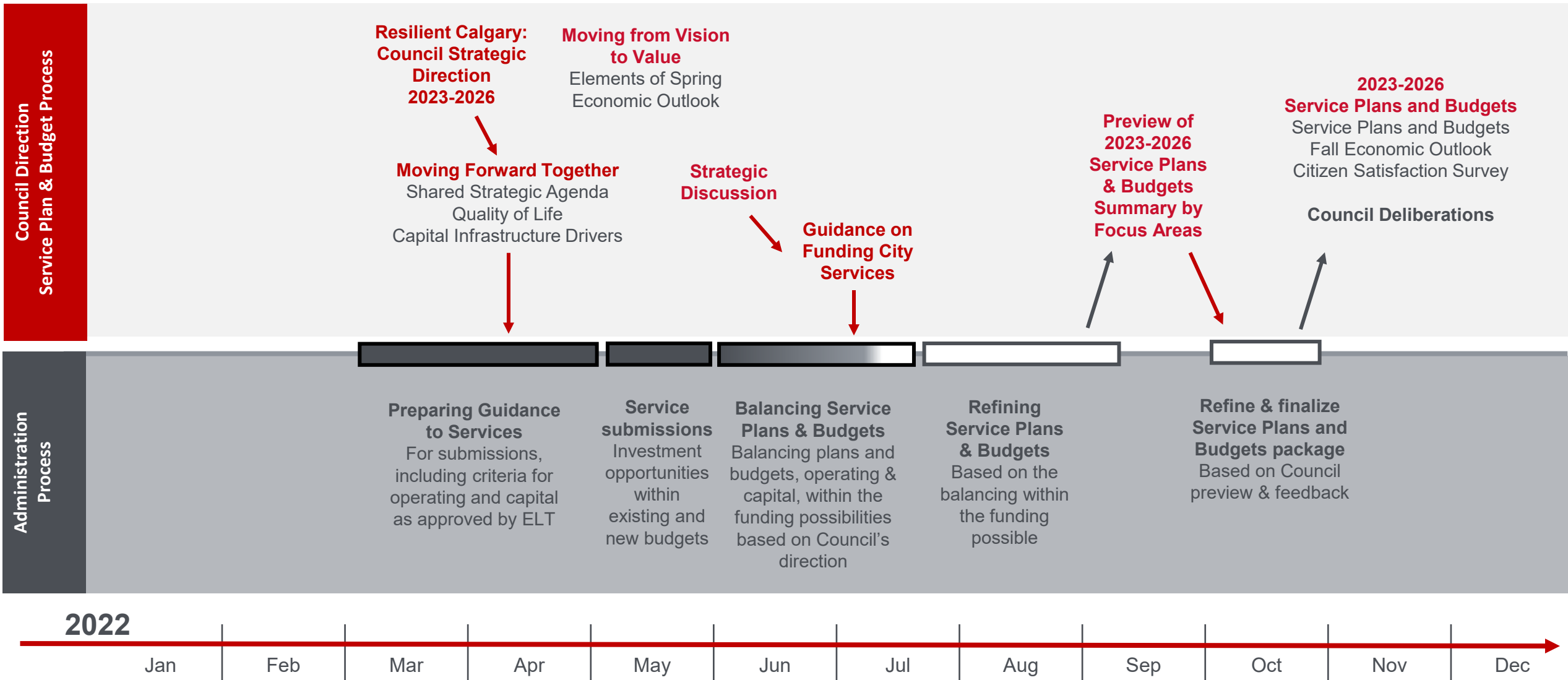
Average increases of 0 - 2.8% per year in rates for water, wastewater, stormwater, waste & recycling



Next steps include actioning Council's direction and gathering further citizen input



Journey to develop 2023-2026 Service Plans and Budgets





Forecast update: operating revenue and expenditures

Values in \$ millions

	2022 Estimate	2023 Projected	2024 Projected	2025 Projected	2026 Projected
Expenditures	\$4,192	\$4,364	\$4,526	\$4,697	\$4,863
1 % Change in projected expenditures		4.1%	3.7%	3.8%	3.5%
Non-Tax Revenues	(\$2,181)	(\$2,235)	(\$2,296)	(\$2,356)	(\$2,418)
2 % Change in projected non-tax revenues		2.5%	2.7%	2.6%	2.6%
Total Property Tax Revenues Required	(\$2,011)	(\$2,129)	(\$2,230)	(\$2,341)	(\$2,445)
% Change in projected total property tax revenues required		5.9%	4.7%	5.0%	4.4%
3 % Change property tax from development & redevelopment		1.5%	1.4%	1.3%	1.2%
4 % Change additional property tax required after development & redevelopment		4.4%	3.3%	3.7%	3.2%

Average annual increase of 3.65% per year from existing properties

Comparison: Municipal Price Index (MPI) & Population Growth	5.1%	4.0%	3.6%	3.7%	3.5%
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Illustration of 2023 Tax Rates

- Illustrates the impact of market value increases on the on the 2023 tax rates (i.e. tax per \$ of assessed value).
- This example uses an assumption of a 10% market value increase for residential properties and 5% for non-residential, plus assessment increases for development and redevelopment.
- Actual changes will not be known until the assessment roll has been finalized.

	2022	2023 Illustration Property Tax Distribution of 52/48	Property Tax Rate Change %
Residential Property Tax (52%)	\$1,060.7	\$1,124.8	-
Residential Assessment (In millions)	\$225,913.6	\$252,978.0	-
Residential Property Tax Rate	0.0046950	0.0044463	-5.3%
Non-Residential Property Tax (48%)	\$983.0	\$1,038.3	-
Non-Residential Assessment (In millions)	\$54,962.7	\$58,403.4	-
Non-Residential Property Tax Rate	0.0178843	0.0177779	-0.6%



Use tax rate reflecting Council-approved budget to forecast the January to June TIPP Recalculations

60%

Calgary's TIPP program is the most successful in Canada with 60% participation.



Instalment amounts are recalculated twice per year to reflect changes in tax levies.



Using the relevant tax rate reflecting the Council-approved budget to forecast the January – June instalments will mitigate variability in instalment amounts.



The adoption of a consistent approach to forecasting assists with taxpayer communication and understanding.



Communicate with customers the reduction from the customary notice period to 10 days, as per the mandated minimum



Waste & Recycling and Water Utilities Rates & Charges



Fiscal sustainability
 Capital investments
 Support growth
 Operating efficiencies & drivers
 Cost of service





Water Utilities

2023-2026 rates and customer impacts

Line of Service	Recommended 2023-2026 Rate Change
Water Treatment & Supply	0.0 % per year
Wastewater Collection & Treatment	2.5 % per year
Stormwater Management	0.0 % per year

Approximate Impact on Typical Residential Monthly Utility Bill (based on 19m³/month water consumption)

Line of Service	2022 Monthly Bill	2023 Incremental Change (Note 1)	2023 Monthly Bill
Water Treatment & Supply	\$41.09	\$0.00	\$41.09
Wastewater Collection & Treatment	\$55.14	\$1.38	\$56.52
Stormwater Management	\$15.63	\$0.00	\$15.63
Total	\$111.86	\$1.38	\$113.24

Note 1: not all customer classes see the same rate impact



Waste & Recycling

2023-2026 rates and customer impacts

Residential charges for 2023-2026

Monthly residential charge	2022	2023	2024	2025	2026	Average annual increase
Black Cart Program Charge	\$6.85	+\$0.14	+\$0.14	+\$0.14	+\$0.14	2.0%
Blue Cart Program Charge	\$8.80	+\$0.18	+\$0.18	+\$0.18	+\$0.18	2.0%
Green Cart Program Charge	\$8.65	+\$0.38	+\$0.38	+\$0.38	+\$0.38	4.1%
Total Cart Program increase		+\$0.70	+\$0.70	+\$0.70	+\$0.70	2.8%
Total monthly residential charges	\$24.30	\$25.00	\$25.70	\$26.40	\$27.10	

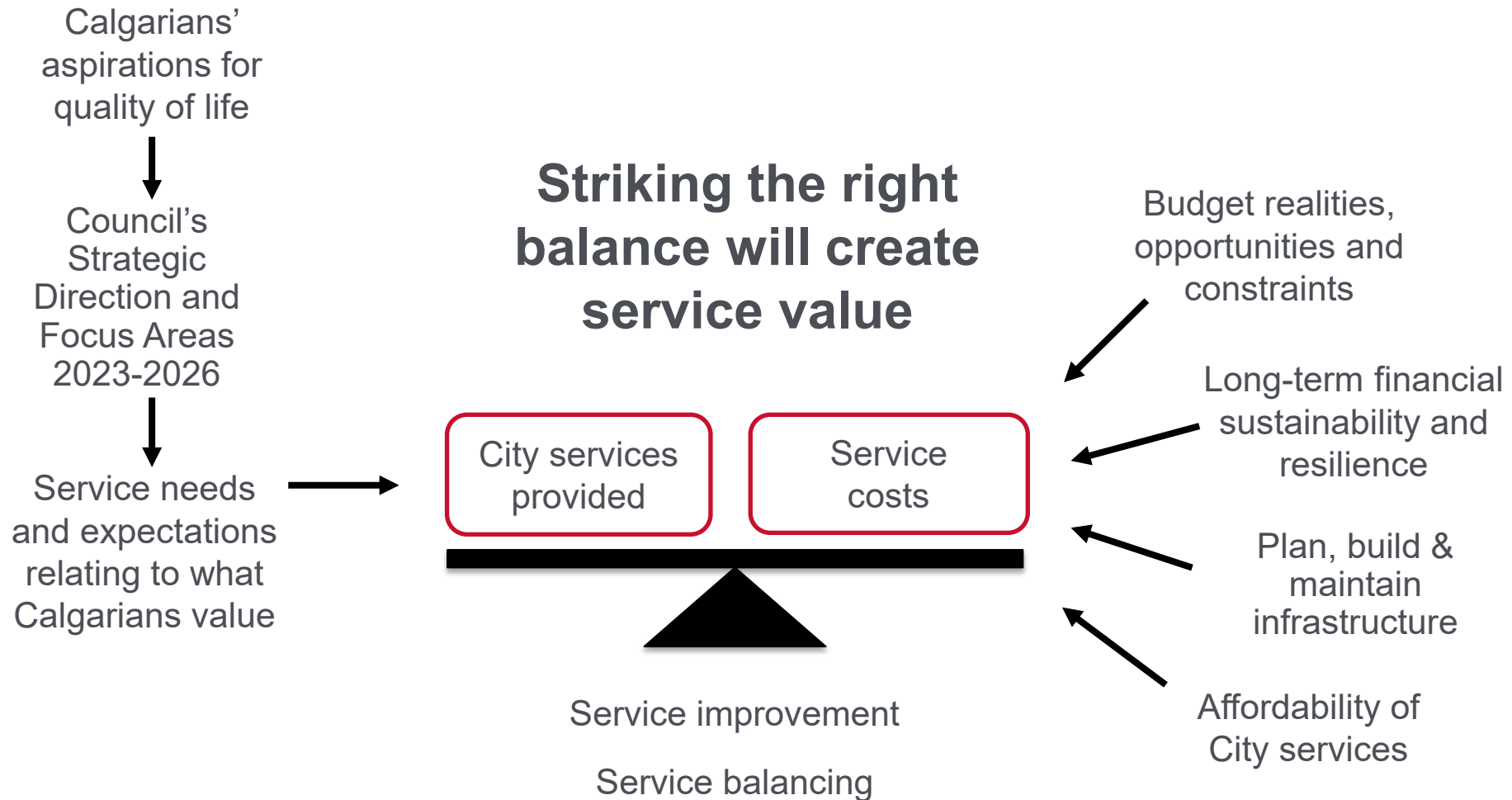
Green Cart Program charges include \$0.20 increase each year to fund the Calgary Composting Facility expansion.

Disposal rates and charges for 2023-2026

Disposal rates at Waste Management Facilities	2022	2023	2024	2025	2026	Average annual increase
Basic Sanitary Rate per tonne	\$113	\$113	\$113	\$113	\$113	0.0%
Minimum Load charge (per load)	\$25	\$25	\$25	\$25	\$25	0.0%



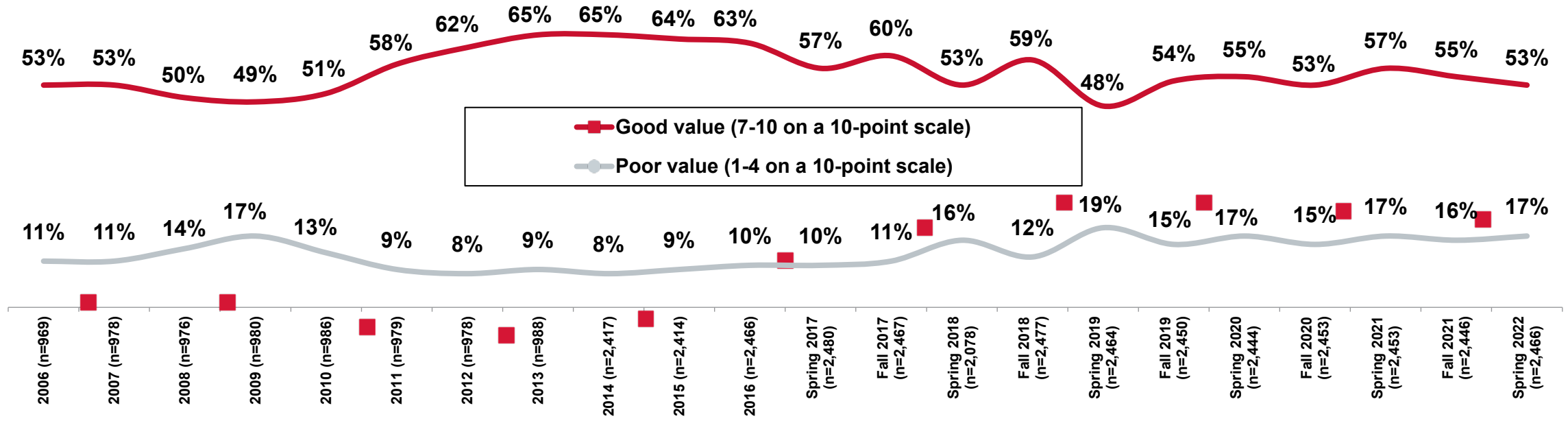
Service value: balance between service delivery & service costs





Over one-half of Calgarians believe they receive ‘good’ value for their tax dollars

Please rate the value you feel you receive from your municipal property tax dollars



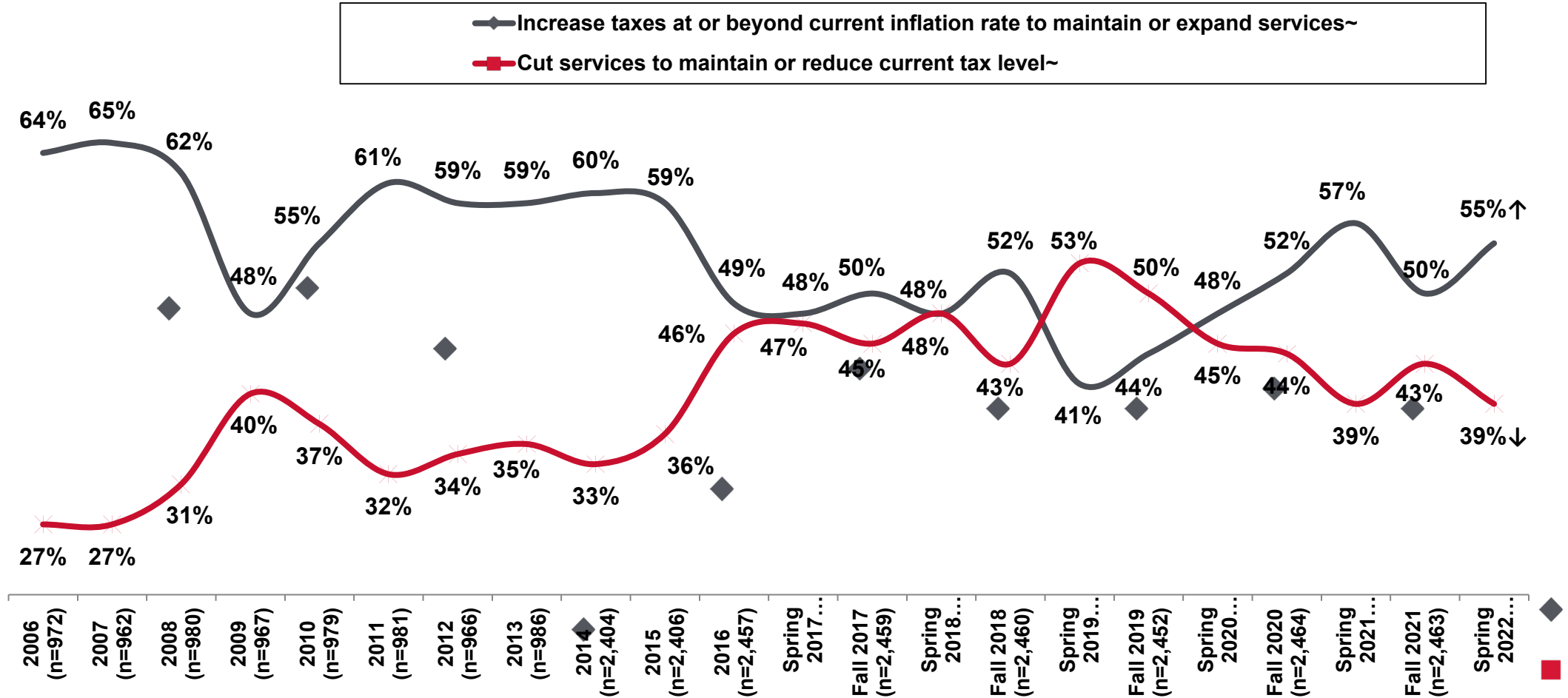
Your property tax dollars are divided between The City and the Province. In Calgary, approximately two-thirds of your residential property tax payment goes to The City to fund municipal services. Considering the services provided by The City, please rate the value you feel you receive from your municipal property tax dollars using a scale of 1 to 10 where “1” represents “very poor value” and “10” represents “very good value.”

Base: Valid respondents

Neutral ratings of 5 or 6 not shown.



Over half of Calgarians would support tax increases in line with inflation to maintain or improve service levels



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 | ~Slight wording variation prior to Fall 2020

↑Statistically higher than Fall 2021
↓Statistically lower than Fall 2021

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