

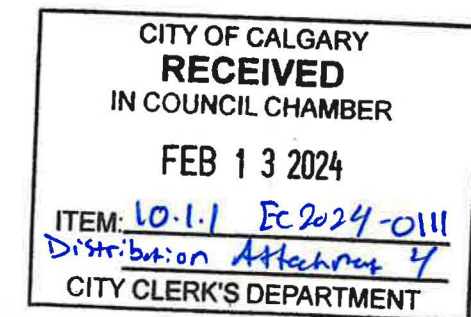


Quick Facts on Service Planning and Budgeting

EC2024-0111
2024 February 13

ISC: Confidential

Quick Facts on Service Planning and Budgeting





The planning and budgeting process requires Council and Administration to work together

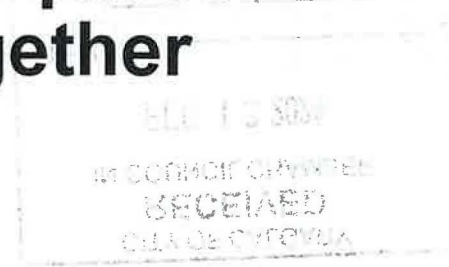
Planning

Council:

- Determines priorities
- Sets tax rate & user fees
- Approves Service Plans & Budgets
- Debrief on prior process

Administration prepares & presents:

- Economic forecasts
- Revenue & expense projections
- Service Plans & Budgets / Adjustments
- Corporate Strategy
- Continuous improvement of process



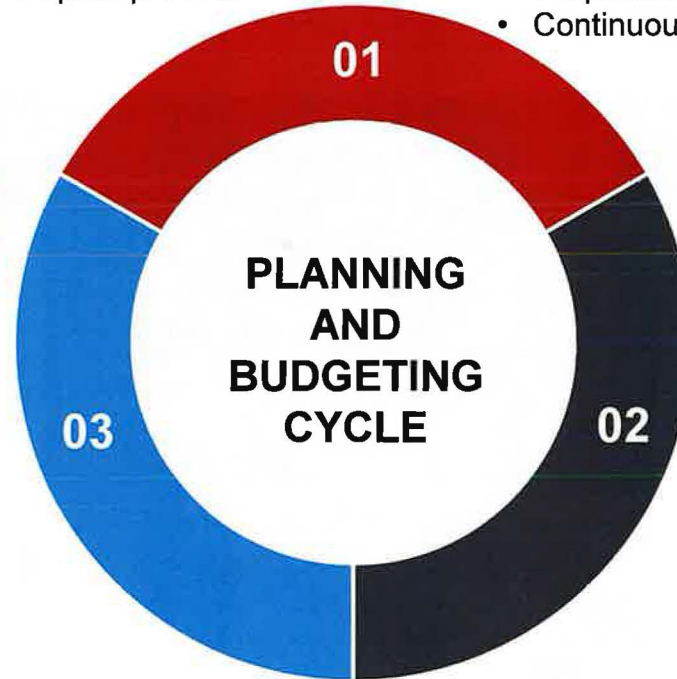
Review

Council:

- Evaluates policy outcomes
- Considers municipal context
- Directs changes as required

Administration prepares & presents:

- Performance reports
- Annual reports
- Principal corporate risk reports



Delivery

Council:

- Approves tax bylaw
- Monitors progress, highlights issues and opportunities

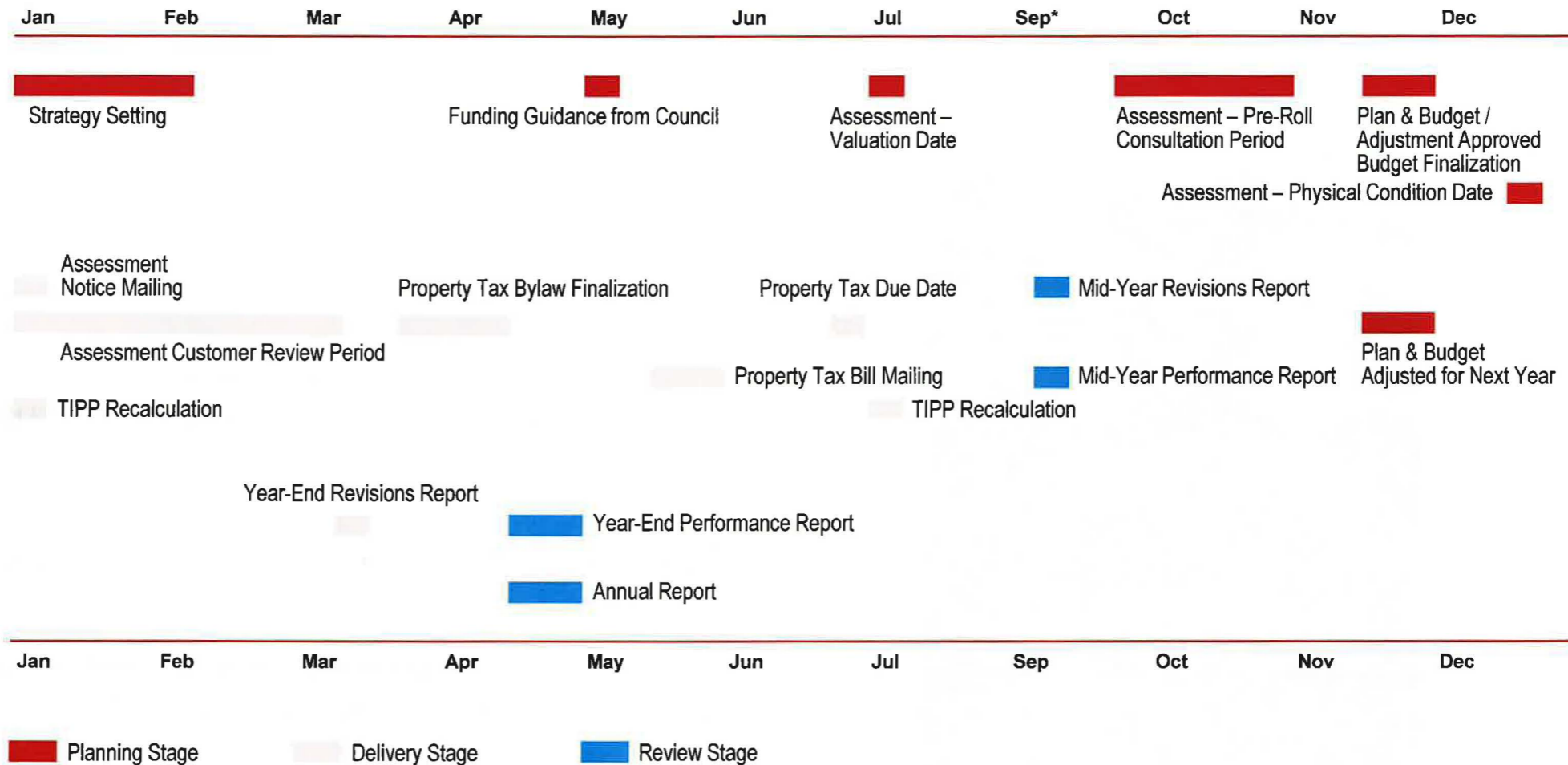
Administration prepares & presents:

- Implementation of approved plans with approved resources
- Monitor and benchmark performance
- Report to public and to Council



The Typical Plan and Budget Process

Last
Current
Next



Notes:

There are no August Council decisions because of the regular Council recess. Water utility and Waste and Recycling Service rates timing is to be confirmed



Better Governance Through an Improved Planning and Budgeting Process

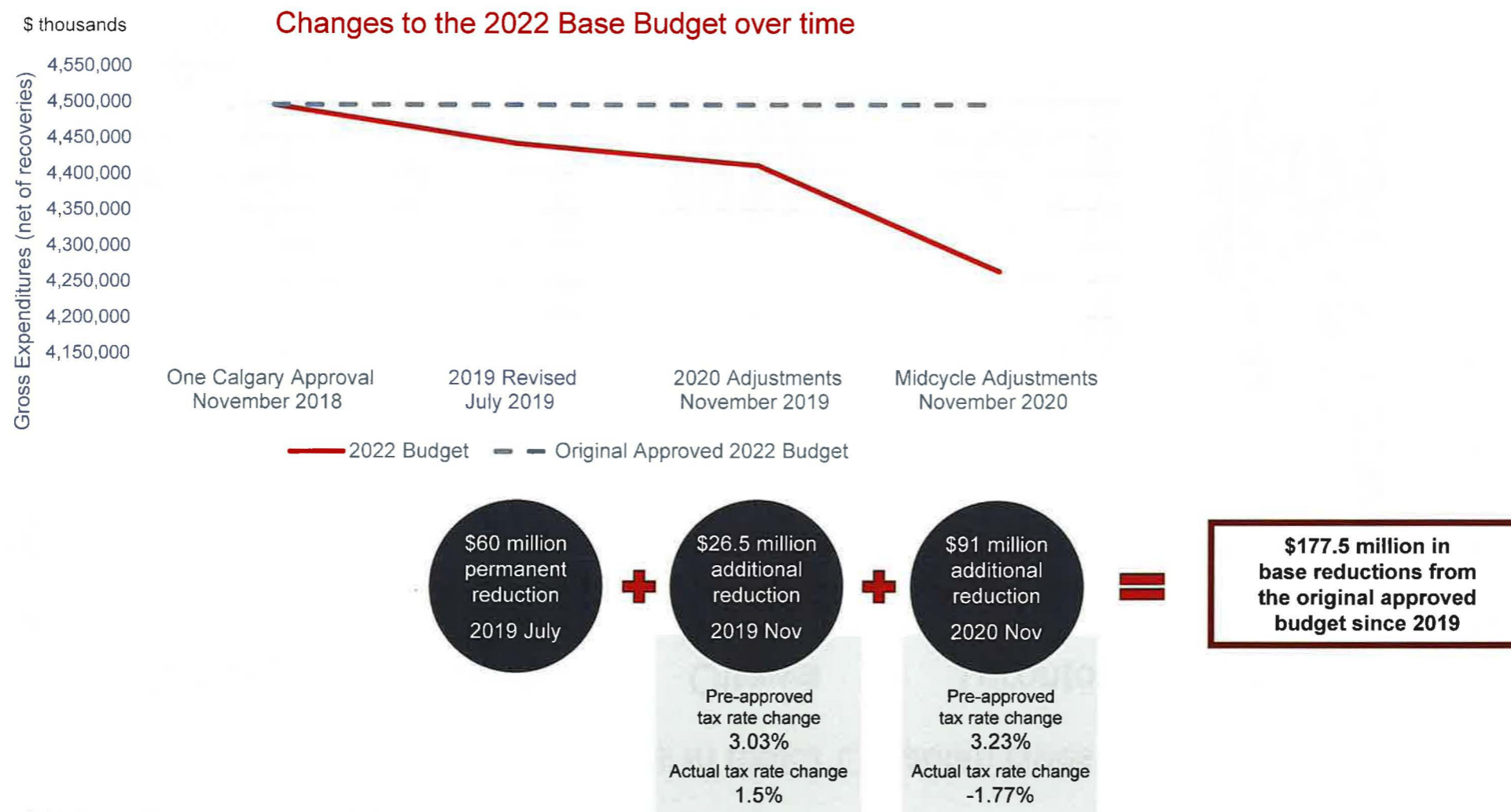
- One plan and budget
- Composed plan and budget document, closer to what you would find from provincial and federal governments
- More visibility and input for Council on prospective changes and pressing needs
- Better understanding between Council and Administration and improved clarity for interested parties and Calgarians
- Improved decision-making processes





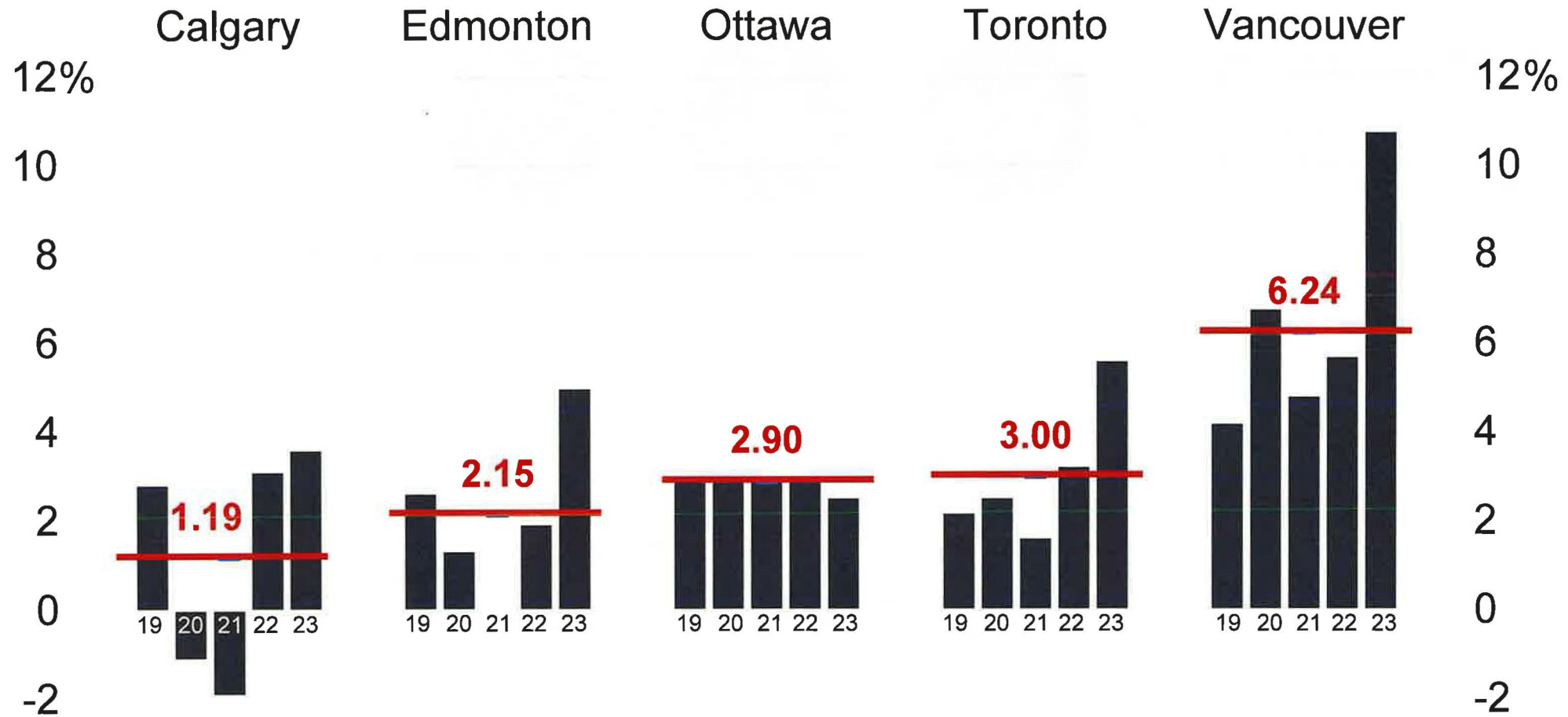
Last Cycle – A Time of Constraint

The tax rate has changed building on a series for prudent adjustments to The City’s operating budget



Calgary has had low tax increases relative to other major Canadian cities

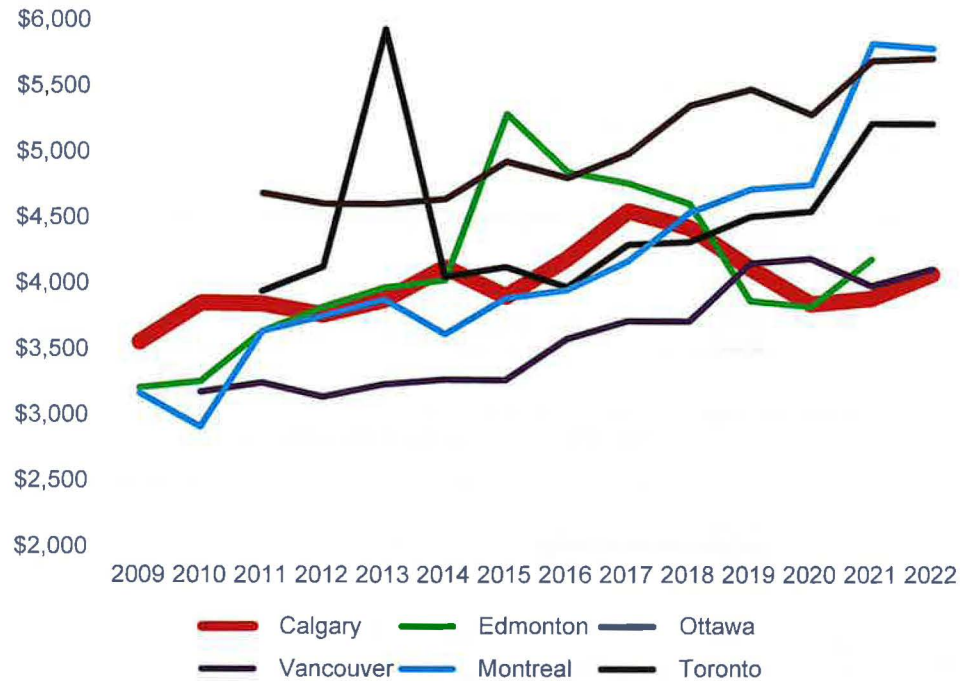
Average property tax increases in major Canadian cities from 2019-2023



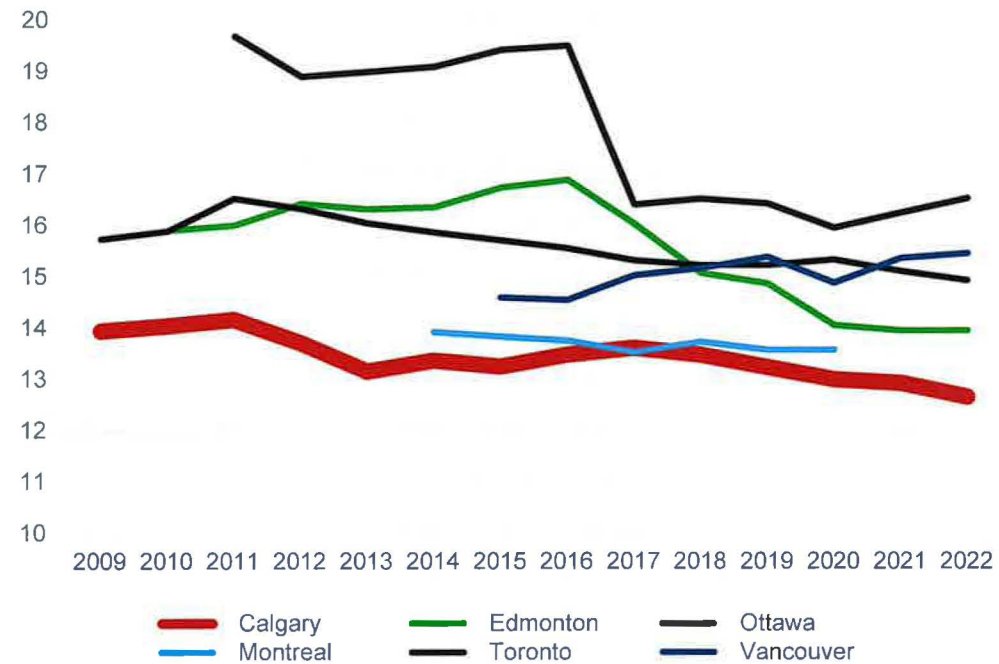
Spending Control for Financial Capacity

Budgetary Mechanisms include putting The City's spending and size in the context of service delivery requirements

Total Expenditures per Capita*



Full Time Equivalents (FTEs) per Capita (1,000 people)**



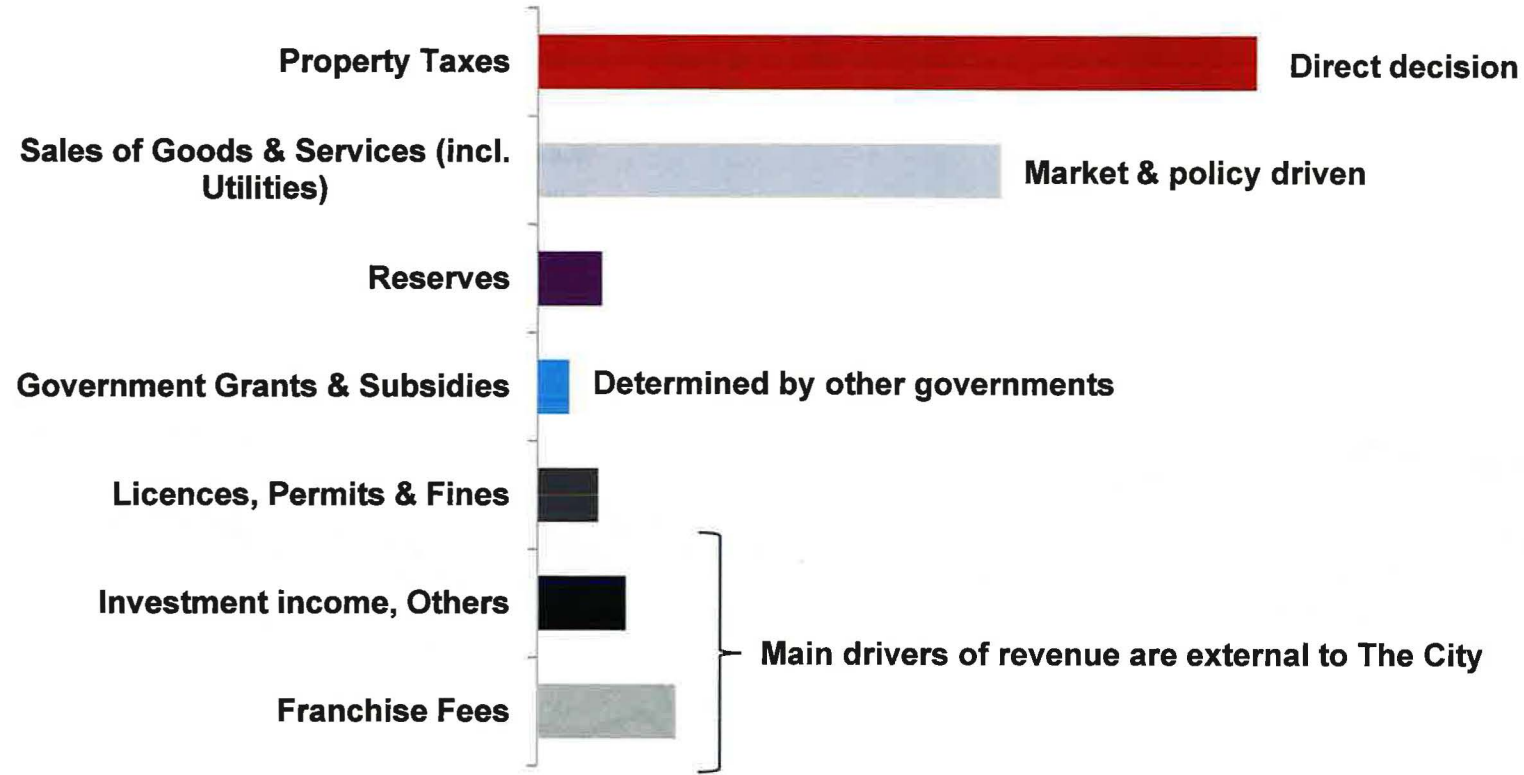
Information sourced from each city's annual report. No adjustments have been made to account for differences in services, service levels or reporting.

*Vancouver expenditure data includes an estimated share of City of Vancouver costs related to Translink and Metro Vancouver. Edmonton expenditure data excludes EPCOR.

**Vancouver FTEs represent City of Vancouver source from budget documents and include estimates for Translink but do not include Metro Vancouver. Edmonton FTEs exclude EPCOR.



Revenue Sources



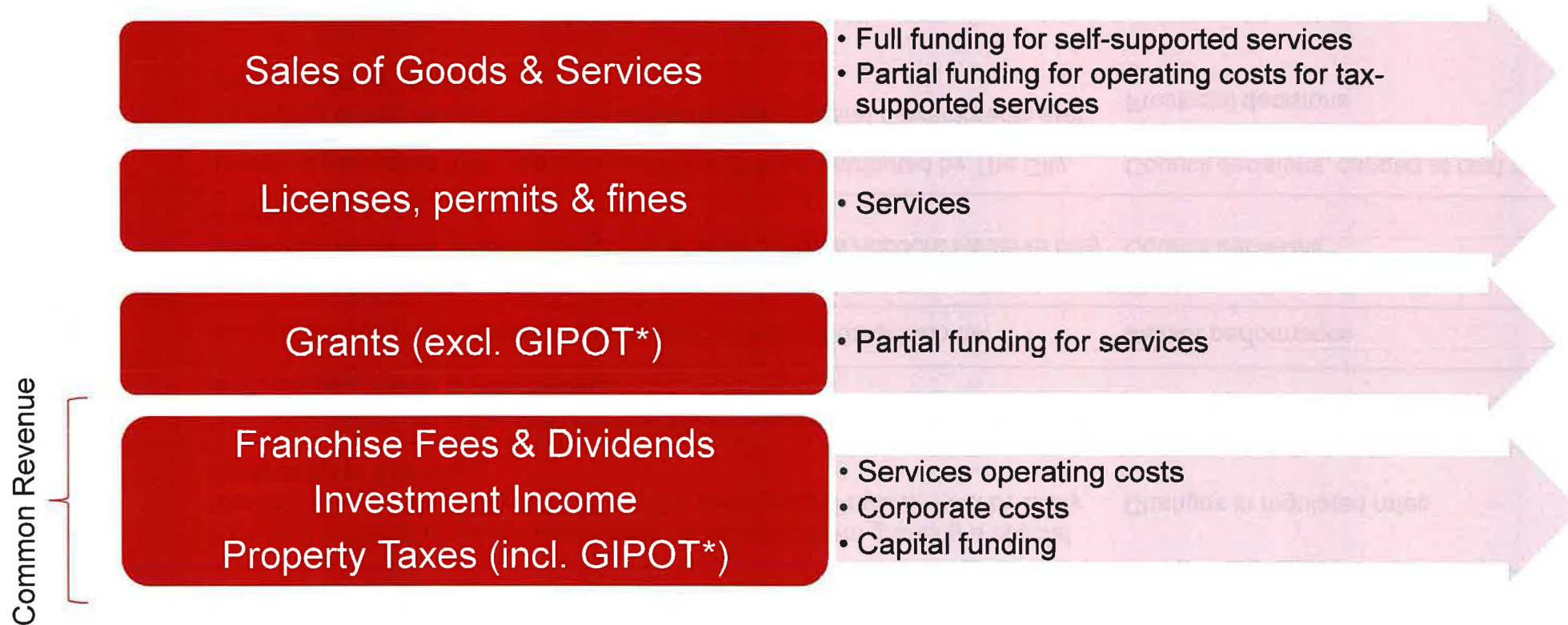


Major Sources of Operating Funding

Funding Source	Description	Growth
Property Tax (Residential)	Tax levied based on the assessed market value of all taxable residential properties.	New growth in the assessment base, Council decisions
Property Tax (Non-Residential)	Tax levied based on the assessed market value of all taxable non-residential properties.	New growth in the assessment base, Council decisions
Sales of Goods & Services	Revenue generated from sales of various goods and services.	Changes in fees, changes in demand, market performance
Franchise Fees	Fee paid in lieu of property taxes based on an agreement granting a special franchise (e.g., use of City right of way for underground pipes). Paid by utility companies to The City.	Changes in regulated rates
Dividends	Financial returns from ENMAX, Calgary Parking Authority and return on equity from Utilities (Water & Wastewater)	Market performance, rate changes
Investment & Other Income	Income earned on investments and various sources of other income.	Market performance
Contributions from Reserves	Contributions from reserves to finance operating expenditures. One-time expenditures will be funded through the Budget Savings Account Reserve only if required.	Council decisions
Licenses, Permits and Fines	Revenue generated from licenses, permits and fines distributed by The City.	Council decisions, capped at cost recovery
Grants & Subsidies	Operating grants received from the Provincial and Federal Governments and various subsidy income.	Provincial decisions



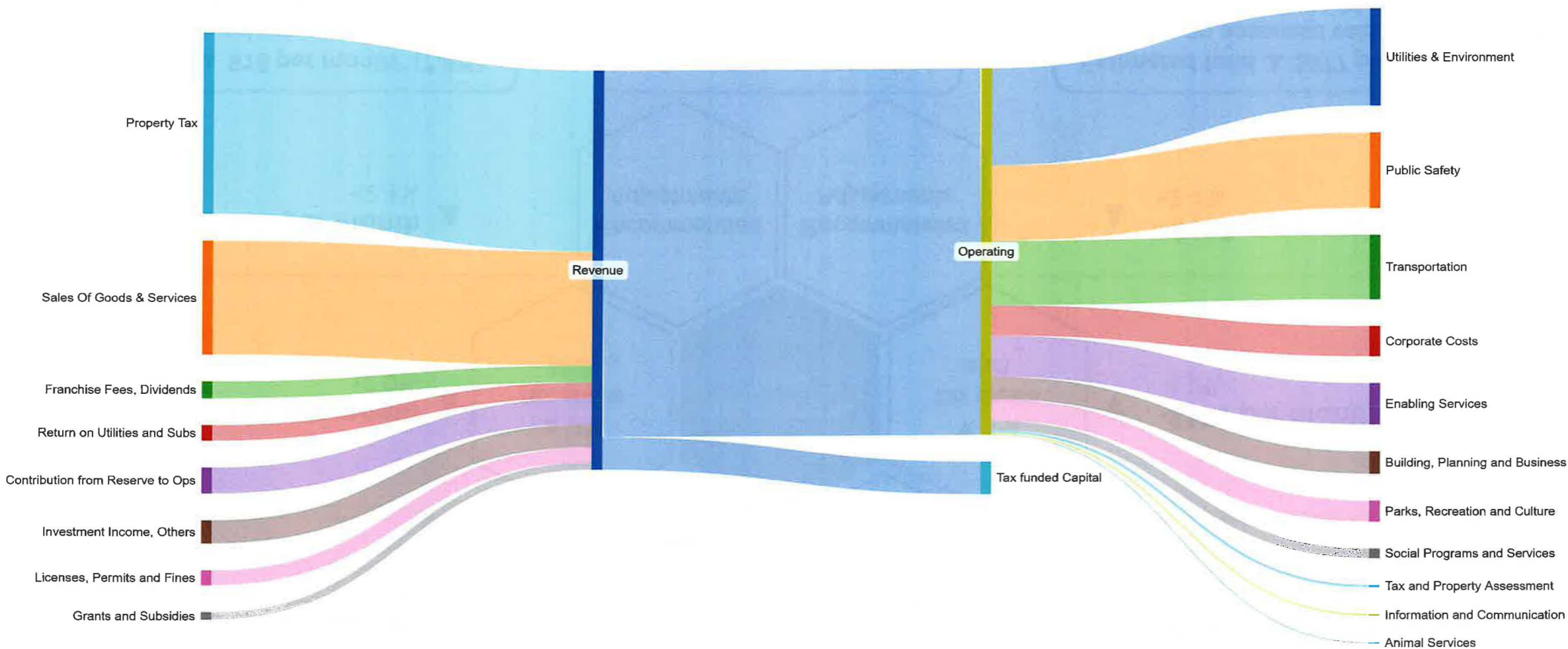
Distribution of Operating Revenues



*Grants in place of taxes – the equivalent of property taxes on government properties



Police, Fire, Transit take the biggest share of property tax revenues





Cumulative Impact of Last Year's Property Tax Decisions

Residential impact

Non-residential impact

+\$7 per month ▲
+3.4%

+\$264 per month ▲
+3.4%

Previously approved
3.4% increase

Previously approved
3.4% increase

+\$4 per month ▲
+2.0%

-\$173 per month ▼
-2.2%

▲ 1%
tax share
shift

Assessment
base

▼ 1%
tax share
shift

+\$5 per month ▲
+2.4%

+\$185 per month ▲
+2.4%

Recommended
Adjustments

Recommended
Adjustments

Estimated total ▲ \$16 per month* (7.8%)
based on an assessed value increasing from
\$555K to \$610K

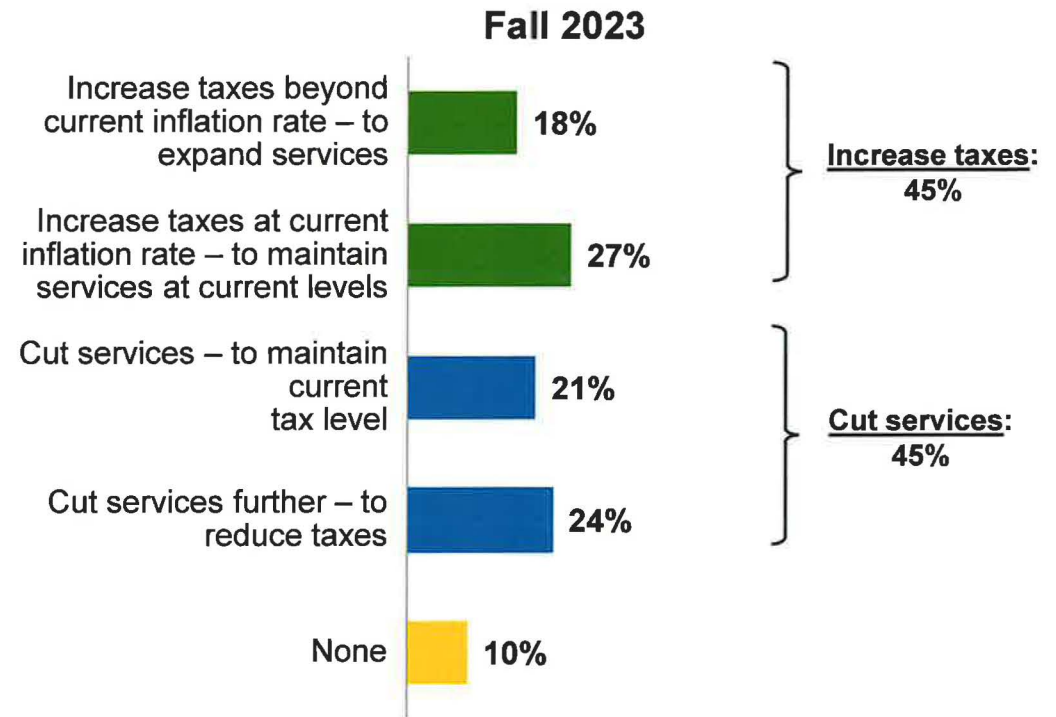
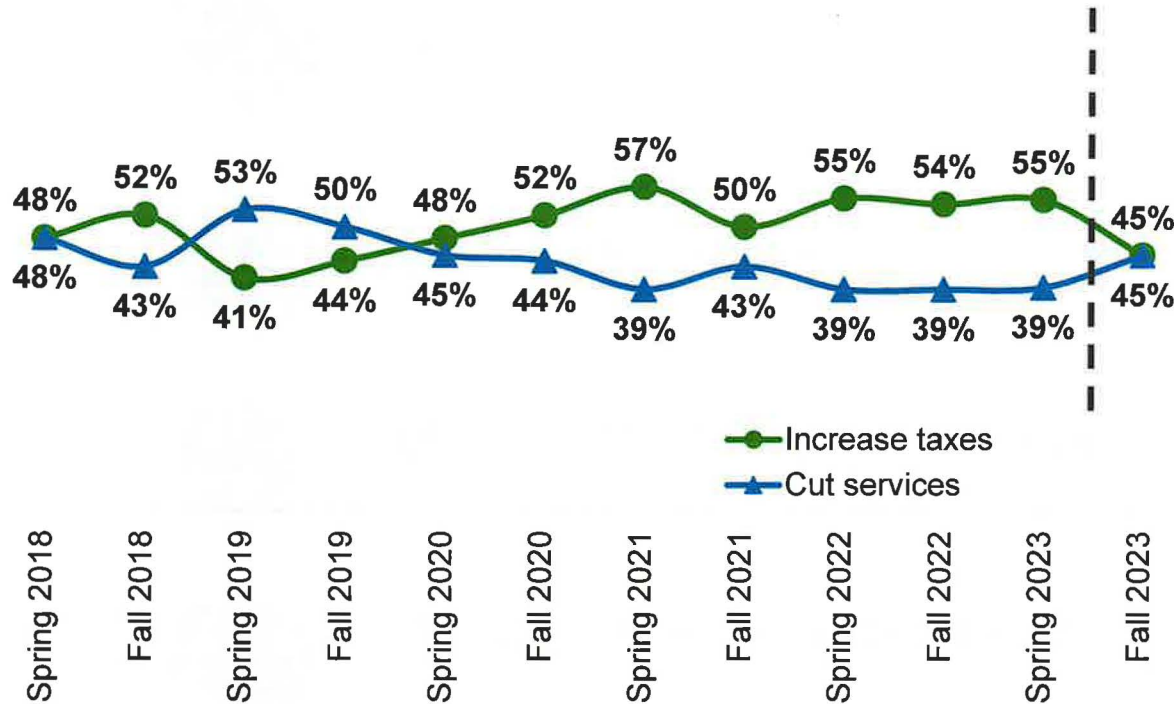
**Average impact to all
existing properties**
5.7%

Estimated total ▲ \$277 per month* (3.5%)
based on an assessed value increasing from
\$5.1M to \$5.2M



Calgarians hold diverse views on how best to manage the challenges posed by increased costs of living

Balancing taxes and service delivery



“I receive good value from The City for my municipal property tax dollars”

Calgary 42% Municipal norm 40%



Tactics we can explore to find savings



Potential cost savings from corporate borrowing strategy



Maximize investment income



Review of capital projects



Use of reserves



Service reductions