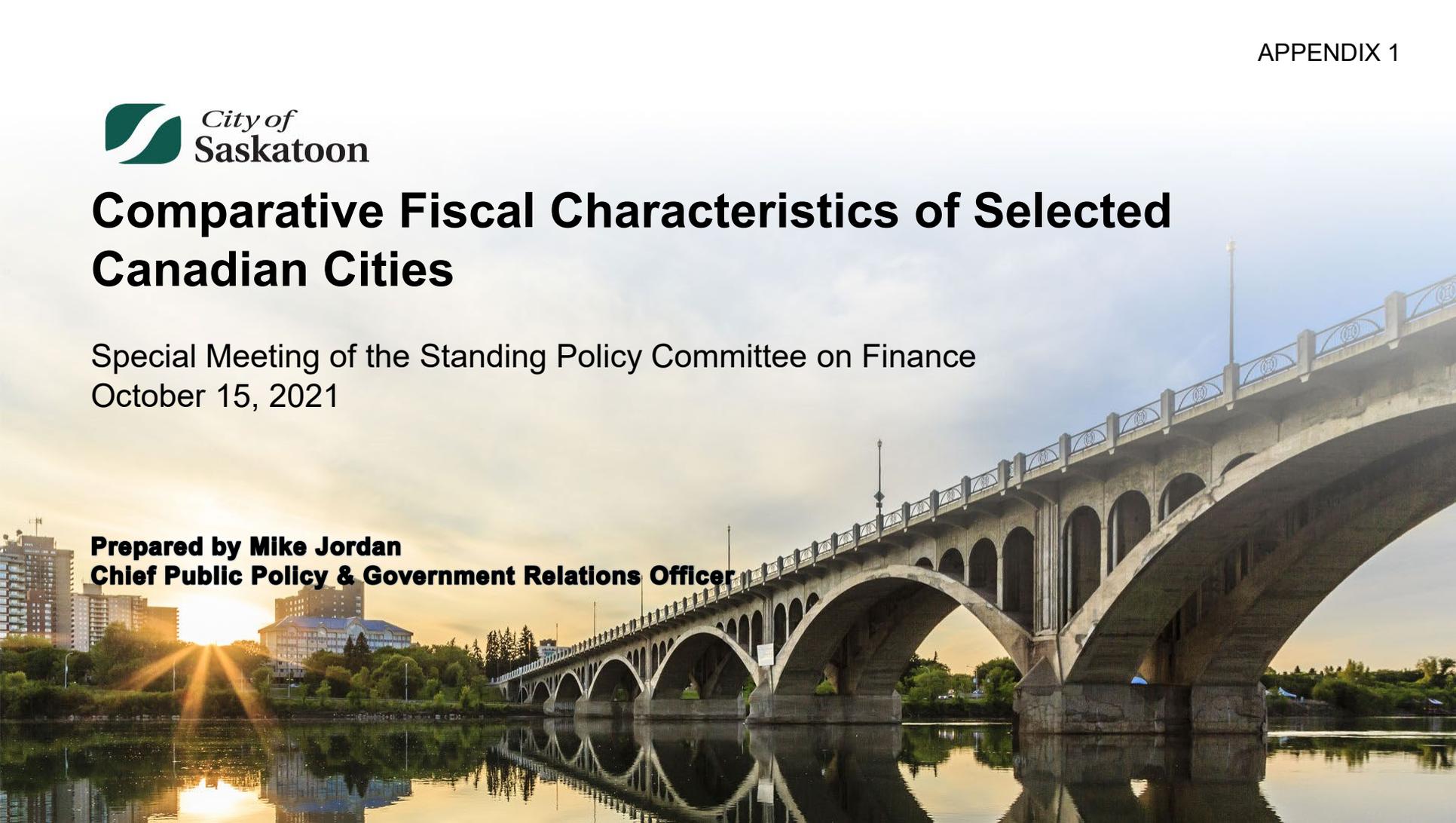




Comparative Fiscal Characteristics of Selected Canadian Cities

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Prepared by Mike Jordan
Chief Public Policy & Government Relations Officer



Assumptions & Methodology

1. The analysis in this document focuses on the consolidated revenues and expenditures of five western Canadian Cities: Edmonton, Calgary, Saskatoon, Regina, and Winnipeg. Much of the analysis is expressed in per capita terms to standardize the data as much as possible so that a more optimal comparative analysis can be undertaken. The analysis does not make any judgement on the revenue and expenditure mix, but it does explain possible unique circumstances where the data may produce a discrepancy.

2. As noted, the data in this document are presented on a consolidated basis as this provides a true picture of the size of the entire government entity. Why? According to Statistics Canada:

Consolidation is a method of presenting one overarching statistic for a set of units. It involves eliminating all transactions and debtor-creditor relationships among the units being consolidated. In other words, the transaction of one unit is paired with the same transaction as recorded for the second unit and both transactions are eliminated.

Statistics Canada recommends this approach because, “data can be compared across provinces and territories (and municipalities) because consolidation takes into account differences in administrative structure and government service delivery by removing the effects of internal public sector transactions within each jurisdiction”. As a result, we take the data in the audited financial statements to be a true reflection of these structural differences.

3. Unfortunately, there is no standardized method of financial reporting that requires municipalities to report revenues and expenditures in exactly the same ways. Although consolidation addresses these nuances to some point, and there are generally accepted accounting rules, the author does make inferences about how best to categorize revenues and expenditures that may be different from the way they are reported by the source. In such cases, the adjustments are noted in the text.

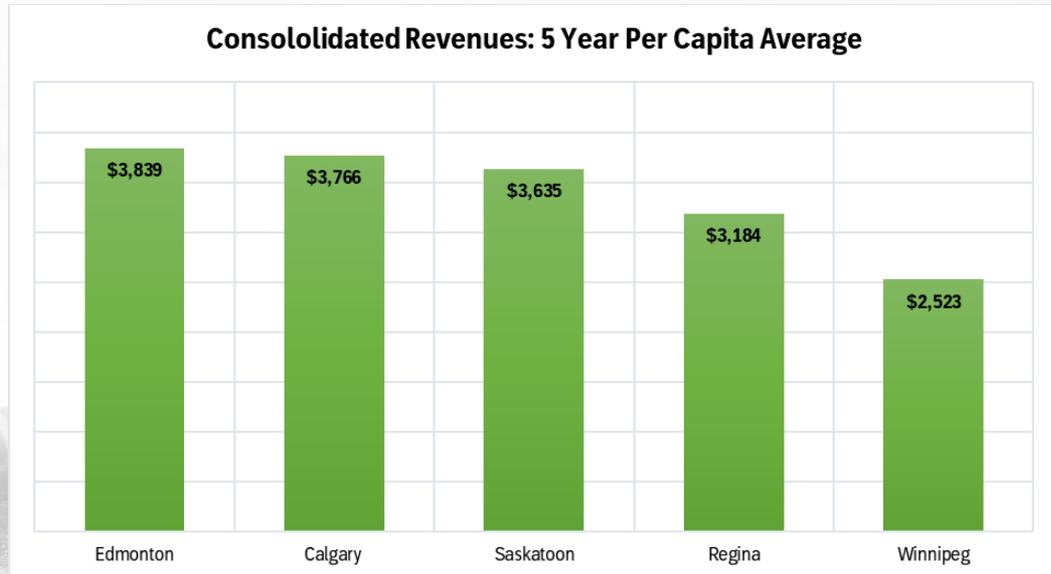
4. The data for this analysis are obtained from the City’s 2020 audited financial statements and its supporting documents. In some cases, reference to budget documents is necessary to obtain more explicit information. A list of sources is at the end of this document.

5. Because the data is adjusted on a per capita bases, actual population data is obtained from Statistics Canada Table 17-10-0142-01 . We use Census Subdivision (CSD) estimates, which corresponds to the boundaries of the incorporated municipality of all Cities.

Consolidated Revenue Analysis

Consolidated Revenues: This slide shows five-year per capita consolidated revenues for each City. The table displays the per capita revenue each and sums all sources as reported in the consolidated financial statements. The chart below shows the five-year average for the consolidated revenues in each City. Similar approaches will follow for each revenue source in subsequent slides. Winnipeg and Regina are lower relative to the other three Cities due to lower capital contributions and sales of goods and services (i.e., user fees).

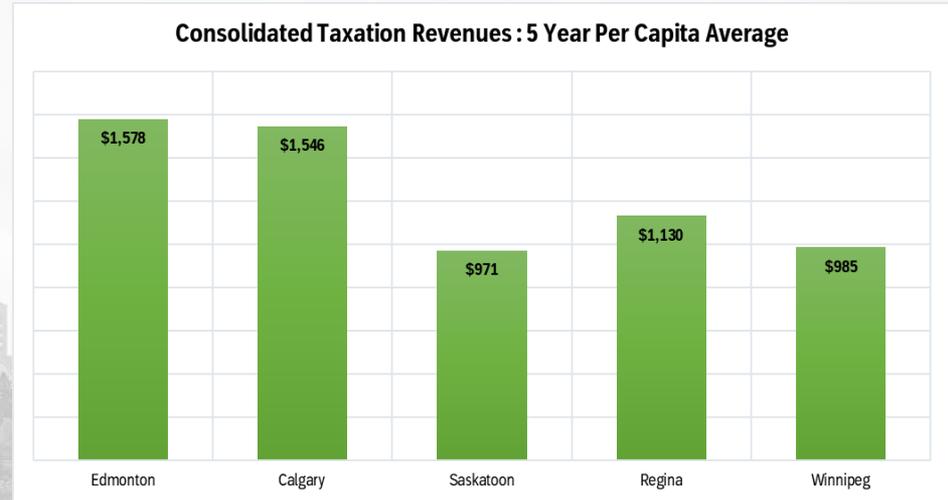
Table 1: Consolidated Revenues Per Capita					
Year	Edmonton	Calgary	Saskatoon	Regina	Winnipeg
2016	\$3,942	\$3,864	\$3,476	\$3,342	\$2,389
2017	\$3,778	\$3,753	\$3,640	\$3,247	\$2,476
2018	\$3,986	\$3,748	\$3,952	\$3,169	\$2,542
2019	\$3,777	\$3,942	\$3,457	\$3,240	\$2,805
2020	\$3,713	\$3,523	\$3,651	\$2,922	\$2,401



Consolidated Taxation Revenues: This slide shows five-year per capita consolidated taxation revenues for each City. It includes net municipal property taxes and other general taxes (such as frontage levies in Winnipeg) including property-based grants-in-lieu of taxes. The table displays the per capita taxation revenue reported in each City as noted in the consolidated financial statements. The chart below shows the five-year average of these values for each City. Saskatoon and Winnipeg rely the least on taxation to fund consolidated expenditures.

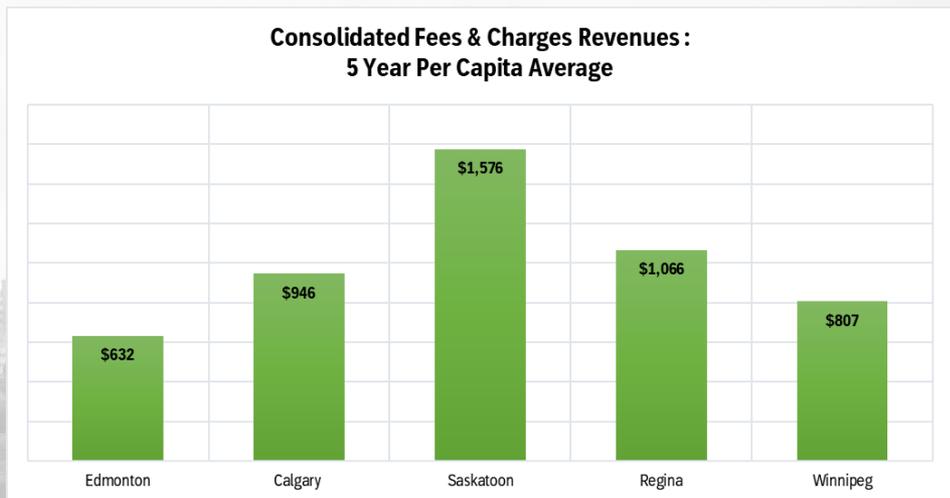
Table 2: Consolidated Taxation Revenues

Year	Edmonton	Calgary	Saskatoon	Regina	Winnipeg
2016	\$1,487	\$1,515	\$907	\$1,076	\$952
2017	\$1,533	\$1,514	\$947	\$1,106	\$962
2018	\$1,590	\$1,578	\$961	\$1,120	\$991
2019	\$1,632	\$1,562	\$1,004	\$1,156	\$1,002
2020	\$1,649	\$1,559	\$1,035	\$1,194	\$1,017



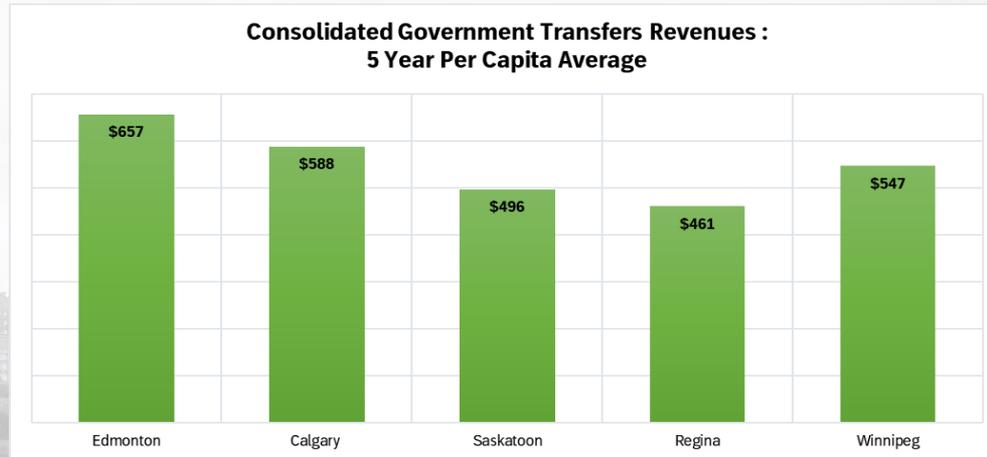
Consolidated User Fees/Charges Revenues: This slide shows five-year per capita consolidated user fee and charges revenues for each City. It includes all utility charges for water, electricity, solid waste, fees for recreational services and public transit etc. The major difference is the treatment of electrical utility revenues. Saskatoon's results are much higher due to the governance structure of its electrical utility. In Edmonton and Calgary electrical revenues are excluded due to the governance structures of EPCOR and Enmax (respectively). Regina and Winnipeg do not have electrical utilities. For Edmonton water and wastewater charges are excluded because they are within EPCOR's jurisdiction.

Table 3: Consolidated Fees & Charges Per Capita					
Year	Edmonton	Calgary	Saskatoon	Regina	Winnipeg
2016	\$771	\$948	\$1,529	\$976	\$785
2017	\$709	\$987	\$1,576	\$1,060	\$809
2018	\$632	\$975	\$1,645	\$1,176	\$857
2019	\$608	\$989	\$1,647	\$1,163	\$856
2020	\$441	\$831	\$1,484	\$955	\$726



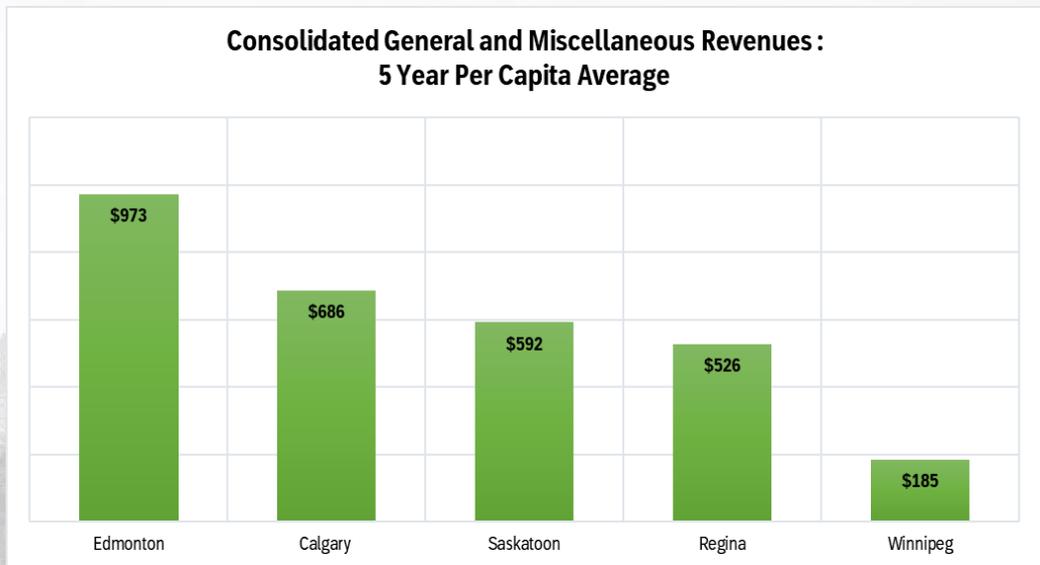
Consolidated Government Transfer Revenues: This slide shows five-year per capita consolidated government transfer revenues for each City. It includes all federal and provincial capital and operating transfers. It also includes the Federal Safe Restart Funding in 2020 to mitigate the revenue impacts from COVID-19. While most Cities are in range, the small discrepancy is generally due to the accounting of capital transfers, which coincide with the construction of capital projects.

Table 4: Consolidated Government Transfers Per Capita						
Year	Edmonton	Calgary	Saskatoon	Regina	Winnipeg	
2016	\$460	\$635	\$451	\$530	\$460	
2017	\$530	\$695	\$522	\$592	\$474	
2018	\$811	\$555	\$599	\$379	\$498	
2019	\$677	\$601	\$325	\$371	\$753	
2020	\$805	\$455	\$585	\$435	\$550	



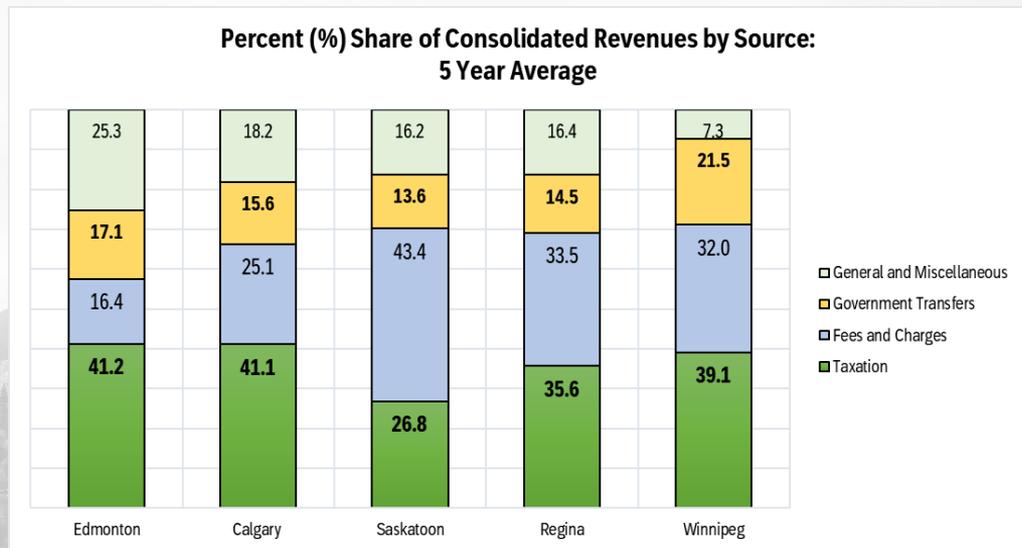
Consolidated General and Miscellaneous Revenues: This slide shows five-year per capita consolidated general and miscellaneous revenues. This includes several smaller revenue sources including investment income, fines and penalties, franchise fees, permits, and contributed assets. While most cities are relatively close, the primary differences are related to the treatment of capital assets, especially in Winnipeg's case.

Table 5: General and Misc. Revenues Per Capita					
Year	Edmonton	Calgary	Saskatoon	Regina	Winnipeg
2016	\$1,225	\$766	\$590	\$760	\$193
2017	\$1,006	\$557	\$595	\$490	\$231
2018	\$953	\$640	\$747	\$494	\$197
2019	\$860	\$789	\$481	\$549	\$194
2020	\$819	\$679	\$548	\$338	\$108



Consolidated Revenue Mix: This slide shows the five-year average of the percent share of consolidated revenues for each City for the five revenue sources reviewed earlier. Saskatoon relies the least on taxation revenues but relies the most on fees and charges, due to the inclusion of the electrical utility charges. Winnipeg has the highest average government transfer revenue mix due largely to capital projects supports.

Table 6: Percent Share of Consolidated Revenues By Source					
Category	Edmonton	Calgary	Saskatoon	Regina	Winnipeg
Taxation	41.2	41.1	26.8	35.6	39.1
Fees and Charges	16.4	25.1	43.4	33.5	32.0
Government Transfers	17.1	15.6	13.6	14.5	21.5
General and Miscellaneous	25.3	18.2	16.2	16.4	7.3
Total	100	100	100	100	100

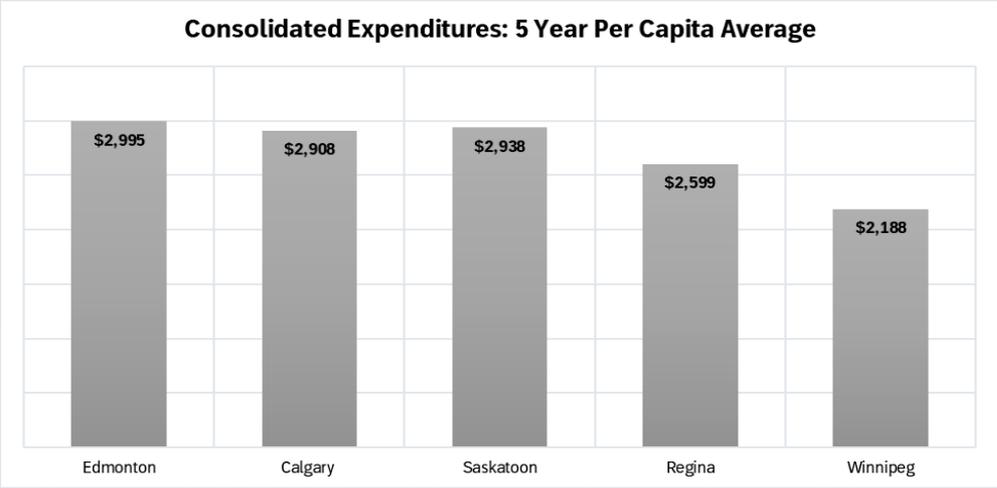


Consolidated Expenditure Analysis

Consolidated Expenditures: This slide shows the consolidated expenditures per capita for each City in a similar format to those of the previous slides. Per capita expenditures are lower than revenues because consolidated revenues include tangible capital assets. Nonetheless, all Cities except for Winnipeg have a similar per capita expenditure profile. Winnipeg is lower due to lower amortization expenditures.

Table 7: Consolidated Expenditures Per Capita

Year	Edmonton	Calgary	Saskatoon	Regina	Winnipeg
2016	\$2,941	\$2,871	\$2,748	\$2,498	\$2,166
2017	\$3,010	\$2,959	\$2,915	\$2,538	\$2,138
2018	\$3,025	\$2,955	\$2,989	\$2,577	\$2,150
2019	\$3,113	\$2,926	\$2,979	\$2,808	\$2,233
2020	\$2,888	\$2,826	\$3,057	\$2,575	\$2,253



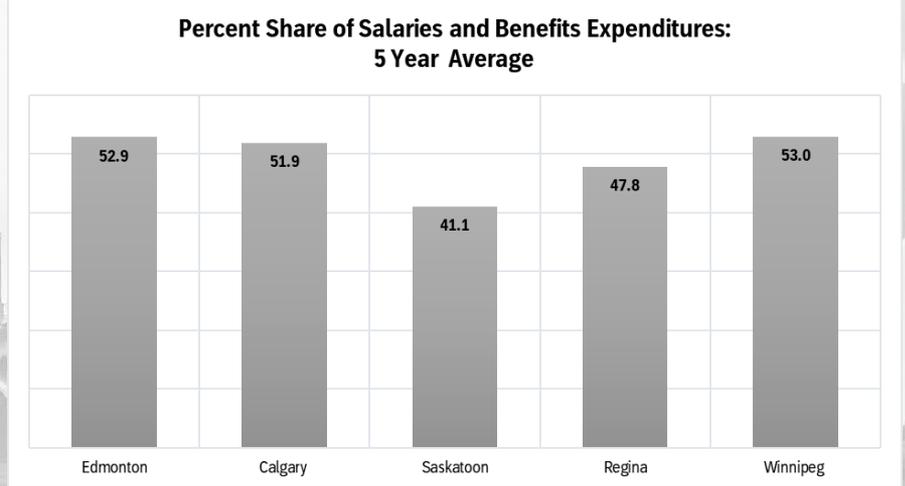
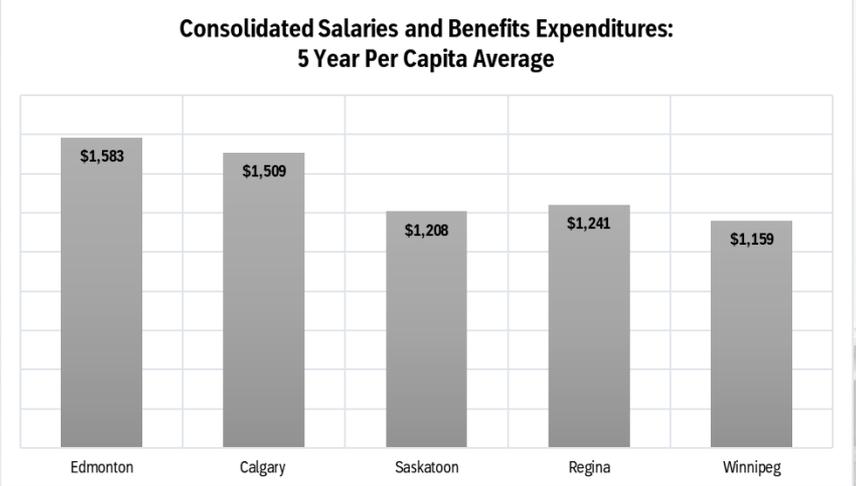
Consolidated Expenditures by Object, Salaries and Benefits: Cities report expenditures in two ways: (1) by object and (2) by function. Expenditures by object include broad categories such as salaries and benefits, materials and supplies, and amortization. Expenditures by function are grouped largely by service areas, such as transportation and public safety. This slide shows salary and benefit expenditures by each City in two ways: (1) per capita and (2) percent share of total expenditures. Saskatoon has the lowest share of salary and benefit expenditures among all Cities.

Table 8: Consolidated Salaries and Benefits Expenditures Per Capita

Year	Edmonton	Calgary	Saskatoon	Regina	Winnipeg
2016	\$1,595	\$1,545	\$1,093	\$1,251	\$1,153
2017	\$1,606	\$1,559	\$1,245	\$1,235	\$1,141
2018	\$1,612	\$1,505	\$1,232	\$1,191	\$1,143
2019	\$1,597	\$1,488	\$1,176	\$1,271	\$1,178
2020	\$1,507	\$1,448	\$1,294	\$1,257	\$1,181

Table 8.1: Percent Share of Salaries and Benefits Expenditures

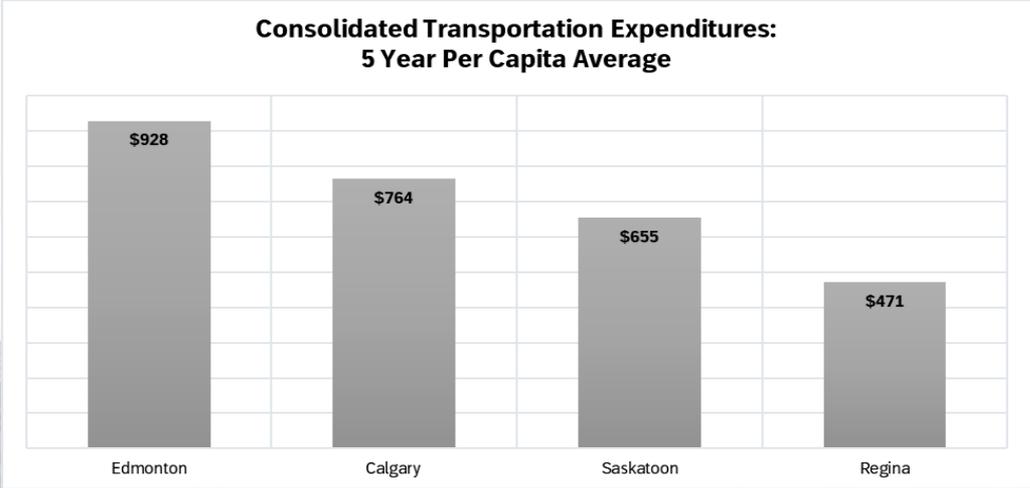
Year	Edmonton	Calgary	Saskatoon	Regina	Winnipeg
2016	54.2	53.8	39.8	50.1	53.2
2017	53.3	52.7	42.7	48.7	53.4
2018	53.3	50.9	41.2	46.2	53.2
2019	51.3	50.9	39.5	45.3	52.7
2020	52.2	51.2	42.3	48.8	52.4



Consolidated Expenditures by Function – Transportation: This slide shows the consolidated expenditures per capita for the transportation function. Transportation includes roads, bridges, and public transit among other related functions. Because Winnipeg reports its functional expenditures in a much different format than the other Cities they have been excluded from this analysis. The discrepancies are largely due to capital expenditures on transportation projects.

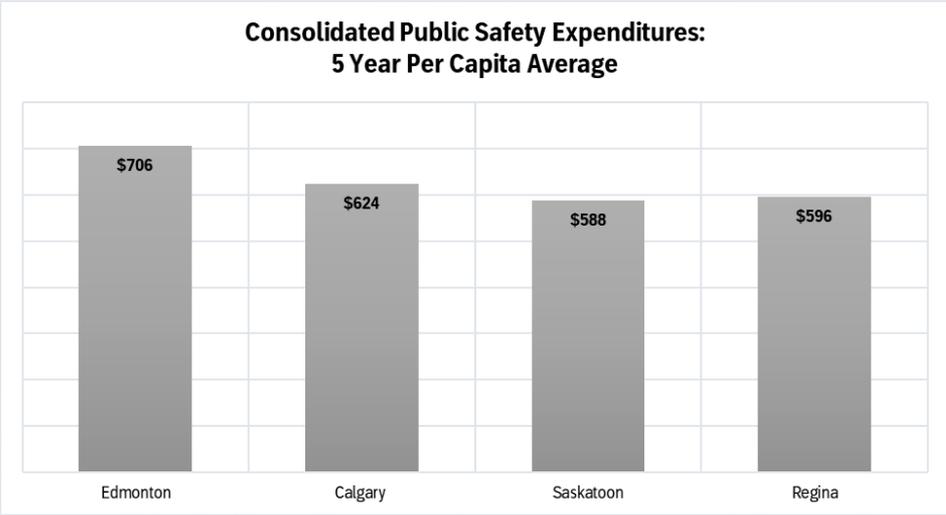
Table 9: Consolidated Transportation Expenditures Per Capita

Year	Edmonton	Calgary	Saskatoon	Regina	Winnipeg
2016	\$873	\$747	\$557	\$426	N/A
2017	\$915	\$787	\$608	\$451	N/A
2018	\$944	\$758	\$669	\$500	N/A
2019	\$995	\$783	\$711	\$531	N/A
2020	\$913	\$746	\$729	\$448	N/A



Consolidated Expenditures by Function - Public Safety: This slide shows the consolidated expenditures per capita for the public safety function, which combines police and fire expenditures. Again, because Winnipeg reports its functional expenditures in a much different format than the other Cities they have been excluded from this analysis. Consolidated spending on public safety is largely similar in the sample Cities.

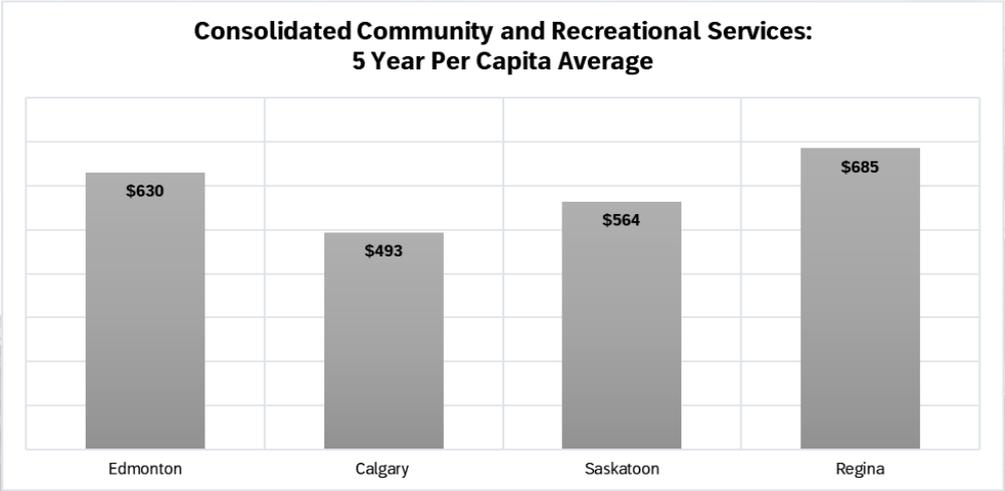
Table 10: Consolidated Public Safety Expenditures Per Capita					
Year	Edmonton	Calgary	Saskatoon	Regina	Winnipeg
2016	\$684	\$631	\$576	\$566	N/A
2017	\$686	\$646	\$570	\$571	N/A
2018	\$701	\$635	\$575	\$592	N/A
2019	\$717	\$610	\$585	\$628	N/A
2020	\$741	\$598	\$635	\$624	N/A



Consolidated Expenditures by Function - Community and Recreational Services: This slide shows the consolidated expenditures per capita for community and recreational services. This functional category includes several sub-functions including social programming, housing, libraries, recreation facilities spending, etc. Again, because Winnipeg reports its functional expenditures in a much different format than the other Cities they have been excluded from this analysis. Consolidated per capita expenditures for this function show some variation, but nothing of significance. The variation can be explained by how some Cities classify this function.

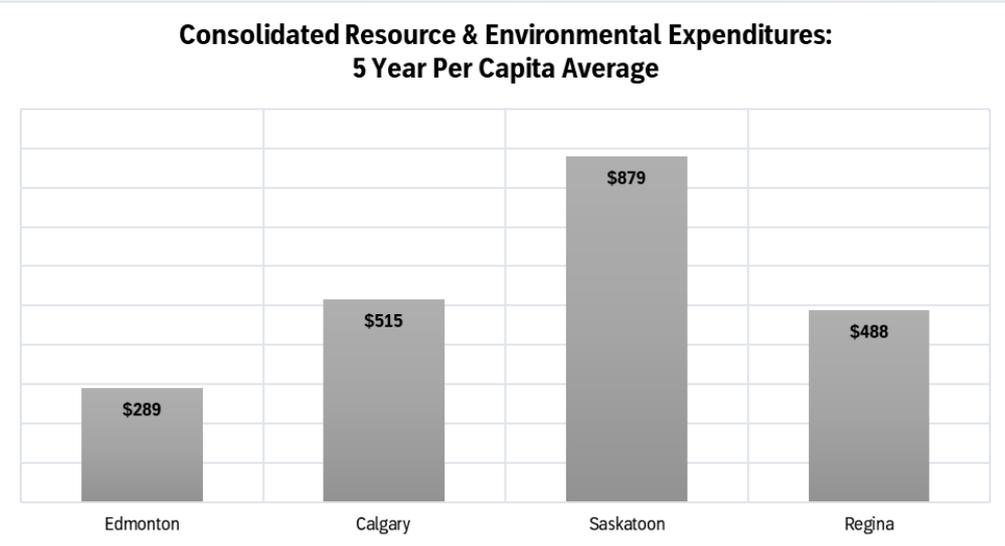
Table 11: Consolidated Community & Recreation Expenditures Per Capita

Year	Edmonton	Calgary	Saskatoon	Regina	Winnipeg
2016	\$592	\$502	\$558	\$645	N/A
2017	\$622	\$530	\$639	\$737	N/A
2018	\$683	\$507	\$578	\$699	N/A
2019	\$685	\$485	\$533	\$733	N/A
2020	\$565	\$443	\$511	\$612	N/A



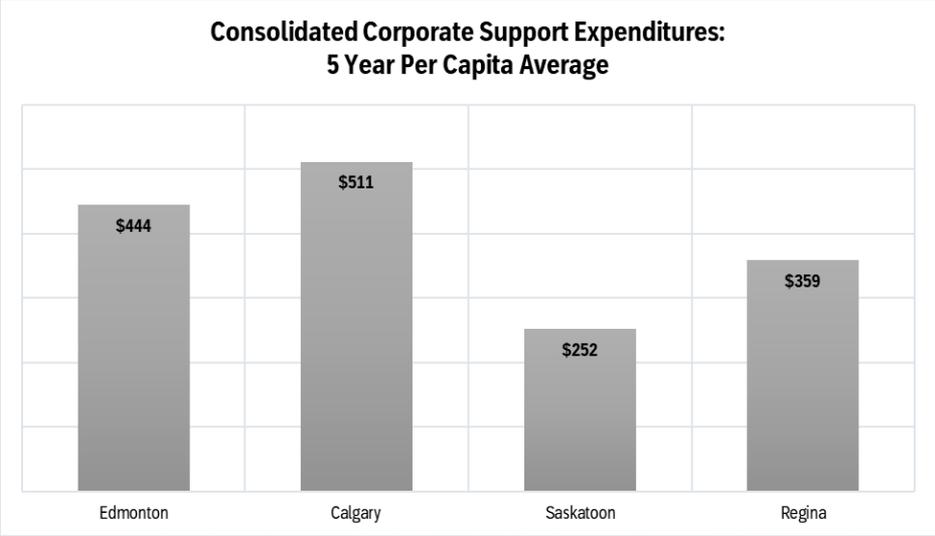
Consolidated Expenditures by Function - Resource & Environment: This slide shows the consolidated expenditures per capita for what the author calls resource and environmental expenditures. This functional category includes water, wastewater, solid waste, drainage, electricity, and other related expenditures. This functional category produces a large variation in per capita expenditures because of the way some utilities are structured in the Cities. Edmonton reports unusually low numbers because it excludes electricity, water and wastewater spending attributed to EPCOR. Saskatoon shows unusually high numbers here due to the inclusion of electrical utility expenditures. In this case, the governance structure of City utilities have a significant impact on the financial reporting requirements for Cities.

Table 12: Consolidated Resource & Environmental Expenditures Per Capita						
Year	Edmonton	Calgary	Saskatoon	Regina	Winnipeg	
2016	\$387	\$514	\$781	\$471	N/A	
2017	\$347	\$504	\$903	\$464	N/A	
2018	\$231	\$511	\$894	\$428	N/A	
2019	\$260	\$528	\$901	\$561	N/A	
2020	\$223	\$517	\$916	\$514	N/A	



Consolidated Expenditures by Function – Corporate Support: This slide shows the consolidated expenditures per capita for what the author calls corporate support expenditures. This functional category includes all remaining functions including governance, information technology, and several corporate functions that cannot easily be grouped into their own functions. Like previous slides in this section, Winnipeg is excluded because of how it reports functional categories. Here, Saskatoon’s average per capita expenditures are the lowest among the Cities. Caution should be used here as this is a “catch-all” category and discretion is left to the Cities on what is included in this category.

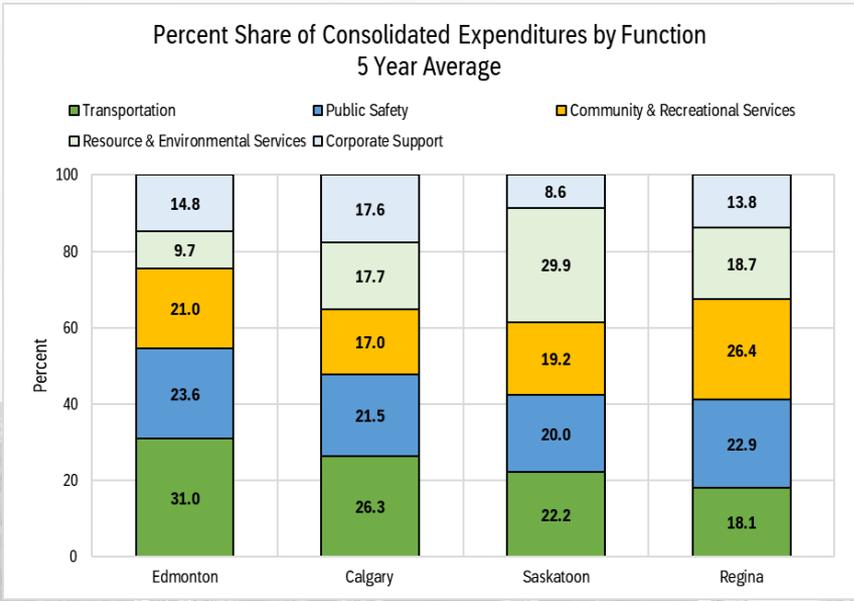
Table 13: Consolidated Corporate Support Expenditures Per Capita					
Year	Edmonton	Calgary	Saskatoon	Regina	Winnipeg
2016	\$406	\$477	\$277	\$389	N/A
2017	\$440	\$492	\$195	\$315	N/A
2018	\$465	\$545	\$274	\$358	N/A
2019	\$456	\$520	\$248	\$356	N/A
2020	\$455	\$522	\$266	\$377	N/A



Consolidated Expenditures by Function – Percent Share: This slide shows the percent share of the five-year average consolidated expenditures by function for the four Cities. Public safety expenditures show the least variation while resource & environmental services have the largest variation.

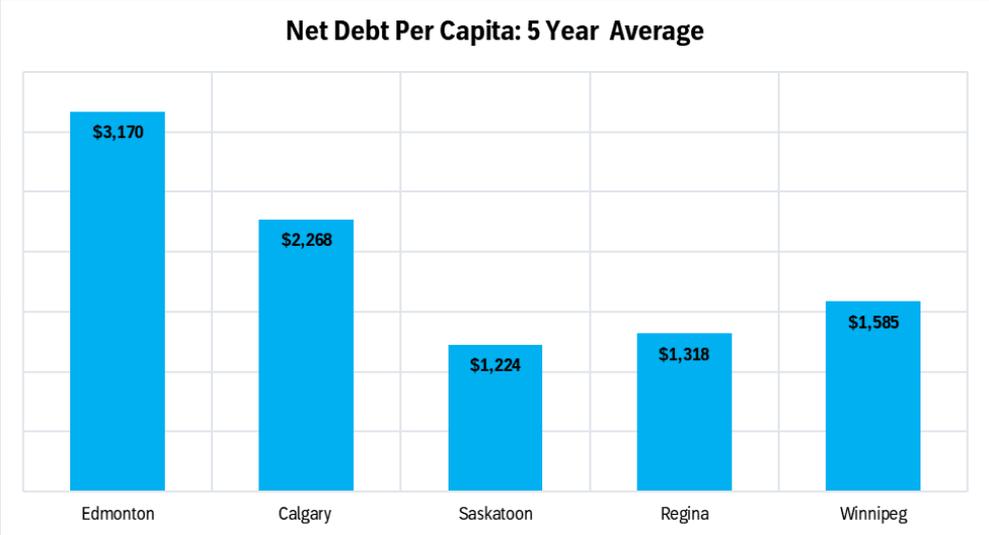
Table 14: Percent Share of Consolidated Expenditures By Function; 5 Year Average

Category	Edmonton	Calgary	Saskatoon	Regina	Winnipeg
Transportation	31.0	26.3	22.2	18.1	N/A
Public Safety	23.6	21.5	20.0	22.9	N/A
Community & Recreational Services	21.0	17.0	19.2	26.4	N/A
Resource & Environmental Services	9.7	17.7	29.9	18.7	N/A
Corporate Support	14.8	17.6	8.6	13.8	N/A



Net Debt Per Capita: This slide shows the five-year average of net debt per capita for all five Cities. Net debt refers to the difference between the City's total liabilities and financial assets. It represents the City's future revenue requirements to pay for past transactions and events. Saskatoon and Regina have the relatively low average per capita net debt.

Table 15: Net Debt Per Capita					
Year	Edmonton	Calgary	Saskatoon	Regina	Winnipeg
2016	\$3,462	\$2,515	\$1,231	\$1,315	\$1,443
2017	\$2,965	\$2,374	\$1,313	\$1,402	\$1,408
2018	\$3,042	\$2,204	\$1,317	\$1,367	\$1,399
2019	\$3,126	\$2,156	\$1,186	\$1,280	\$1,799
2020	\$3,254	\$2,089	\$1,071	\$1,228	\$1,875



Data Sources

- City of Edmonton: https://www.edmonton.ca/sites/default/files/public-files/documents/2020_Financial_Annual_Report.pdf
- City of Calgary: <https://www.calgary.ca/cfod/finance/plans-budgets-and-financial-reports/plans-and-budget-2019-2022/financial-reports/Annual-reports.html>
- City of Saskatoon: https://www.saskatoon.ca/sites/default/files/documents/city-manager/city-managers-reports/cos_2020-final_financialreport-aug26.pdf
- City of Regina: <https://www.regina.ca/export/sites/Regina.ca/city-government/budget-finance/.galleries/pdfs/2020-Annual-Report.pdf>
- City of Winnipeg: <https://www.winnipeg.ca/finance/files/2020DetailedFinancialStatement.pdf>
- Statistics Canada (Government Finance Statistics)
<https://www23.statcan.gc.ca/imdb/p2SV.pl?Function=getSurvey&SDDS=5218>
- Statistics Canada (Population Estimates)
<https://www150.statcan.gc.ca/t1/tbl1/en/tv.action?pid=1710014201>



QUESTIONS?
email: mike.jordan@saskatoon.ca