



REVISED AGENDA

REGULAR MEETING OF COUNCIL

April 23, 2018, 9:30 AM
IN THE COUNCIL CHAMBER

1. CALL TO ORDER
2. OPENING REMARKS
3. QUESTION PERIOD
4. CONFIRMATION OF AGENDA
5. CONFIRMATION OF MINUTES
 - 5.1 Minutes of the Combined Meeting of Council, 2018 April 05
6. PRESENTATION(S) AND RECOGNITION(S)
 - 6.1 United Way 2017 Employee Campaign Cheque Presentation
 - 6.2 National Poetry Month Recognition by Council
 - 6.3 The 2018 Olympians and Paralympians Recognition
Time specific request: 1:15 p.m., 2018 April 23
7. CONSENT AGENDA
 - 7.1 Updated Terms of Reference for The City of Calgary/City of Chestermere Intermunicipal Committee, IGA2018-0209
 - 7.2 Silvera for Seniors Budget Review, PFC2018-0196
 - 7.3 2017 Year End Accountability Report, PFC2018-0101
 - 7.4 Recognitions by Council Policy, PFC2018-0112
 - 7.5 The City's Strategic Plan Principles, PFC2018-0445
 - 7.6 Abbeydale-Applewood Park Train Whistle Cessation, CPS2018-0364

8. POSTPONED REPORTS

(including related/supplemental reports)

8.1 *Calgary Planning Commission - Resignation and Appointment, PFC2018-0241*
This is Item #12.2.7 in the Closed Meeting Agenda and is to be held confidential subject to Sections 17 and 19 of *FOIP*.

8.2 Olympic Bid Proposed Public Engagement Approach, PFC2018-0366

8.3 Vote of the Electors (Plebiscite), PFC2018-0373

9. ITEMS FROM OFFICERS, ADMINISTRATION AND COMMITTEES

9.1 OFFICER OF COUNCIL REPORTS
(None)

9.2 ADMINISTRATION REPORTS

9.2.1 Indigenous Flags to be Displayed in Council Chamber, C2018-0130

9.2.2 *Updated Olympic Bid Proposed Public Engagement Approach Status Update, C2018-0505*

9.2.3 *Establishment of an Olympic and Paralympic Winter Games Council Committee, C2018-0533*
Attachment 2 held confidential subject to Section 17 and 19 of *FOIP*.

9.2.4 Federation of Canadian Municipalities Conference – Council Delegates (Verbal), C2018-0521

9.3 COMMITTEE REPORTS

9.3.1 Proposed Amendments to the Council Policy on Governance and Appointments of Boards, Commissions and Committees (CP2016-03), PFC2018-0444

9.3.2 Livery Industry Improvements – Update on Bylaw 42M2016, Bylaw 20M2018, CPS2018-0378

10. ITEMS DIRECTLY TO COUNCIL

10.1 NOTICE(S) OF MOTION

10.1.1 Tax Status of Bingo Facilities, C2018-0506
Councillor Ray Jones

10.1.2 CCIS Purchase of Road Right of Way, C2018-0509
Councillor Gian-Carlo Carra

- 10.1.3 Improving Safety for Thousands of Calgary Households, C2018-0512
Councillor Gian-Carlo Carra
- 10.1.4 Re: Multilingual Communications & Engagement Policy, C2018-0504
Councillor George Chahal
- 10.1.5 Silvera for Seniors Property Tax Cancellation, C2018-0495
Councillor Ward Sutherland
- 10.1.6 Tax Cancellation for Calgary Housing Company (CHC) Properties, C2018-0510
Councillor Druh Farrell

10.2 BYLAW TABULATIONS
(None)

10.3 MISCELLANEOUS BUSINESS
(None)

11. URGENT BUSINESS

- 11.1 *The City of Calgary 2017 Annual Report, AC2018-0473*
- 11.2 *2017 External Auditor's Year-End Report, AC2018-0270*
- 11.3 *The City of Calgary 2017 Infrastructure Status Report, UCS2018-0116*

12. CONFIDENTIAL ITEMS

12.1 CONSENT AGENDA

- 12.1.1 Silvera for Seniors Ministerial Order Review, PFC2018-0197
Report and Attachments held confidential pursuant to Sections 23, 24, and 25 of *FOIP* with exception of Attachment 3, which is a Public Document.

12.2 ITEMS FROM OFFICERS, ADMINISTRATION AND COMMITTEES

- 12.2.1 *Calgary Assessment Review Board Resignations and Appointments, C2018-0488*
Held confidential subject to Sections 17 and 19 of *FOIP*.
- 12.2.2 2017 Calgary Awards Selection, C2018-0188
Held confidential subject to Section 17 of *FOIP*.
- 12.2.3 Calgary General Hospital Legacy Fund Review Committee - Appointment, C2018-0483
Held confidential subject to Sections 17 and 19 of *FOIP*.
- 12.2.4 Calgary Transit Access Eligibility Appeal Board - Resignation and Appointment, C2018-0474
Held confidential subject to Sections 17 and 19 of *FOIP*.

- 12.2.5 *Labour Relations Update (Verbal), C2018-0408*
Held confidential subject to Sections 23 and 25 of *FOIP*.
- 12.2.6 *Calgary Municipal Land Corporation (CMLC) Councillor Appointments (Verbal) - C2018-0535*
Held confidential subject to Sections 17 and 19 of *FOIP*.
- 12.2.7 *Calgary Planning Commission - Resignation and Appointment, PFC2018-0241*
Held confidential subject to Sections 17 and 19 of *FOIP*

12.3 URGENT BUSINESS

- 12.3.1 Proposed Approval of Expropriation (Alyth-Bonnybrook) – (Ward 09) File No. 1009 26 AV SE (DG), UCS2018-0468
Held confidential subject to Sections 23, 24 and 25 of *FOIP*
- 12.3.2 Proposed Approval of Expropriation (Alyth-Bonnybrook) – Ward 09 File No. 1027 26 AV SE (DG), UCS2018-0469
Held confidential subject to Sections 23,24 and 25 of *FOIP*
- 12.3.3 *Omni Area Structure Plan Intermunicipal Appeal Update, IGA2018-0482*
Held confidential subject to Sections 21, 23 and 24 of *FOIP*.
- 12.3.4 *Proposed Lease - Downtown West End - Ward 08 (701 11 St SW), C2018-0518*
Held confidential subject to Sections 23, 24 and 25 of *FOIP*.

13. ADMINISTRATIVE INQUIRIES

14. ADJOURNMENT



**MINUTES
COMBINED MEETING OF COUNCIL**

**April 5, 2018, 9:30 AM
IN THE COUNCIL CHAMBER**

PRESENT:

Mayor N. Nenshi
Councillor G-C. Carra
Councillor G. Chahal
Councillor S. Chu
Councillor D. Colley-Urquhart
Councillor J. Davison
Councillor P. Demong
Councillor J. Farkas
Councillor D. Farrell
Councillor J. Gondek
Councillor R. Jones
Councillor J. Magliocca
Councillor W. Sutherland
Councillor E. Woolley

ALSO PRESENT:

City Manager J. Fielding
Deputy City Manager B. Stevens
City Solicitor and General Counsel G. Cole
Chief Financial Officer E. Sawyer
General Manager S. Dalglish
General Manager K. Hanson
General Manager R. Stanley
General Manager D. Duckworth
General Manager M. Thompson
Acting City Clerk B. Hilford
Legislative Recorder M. A. Cario
Legislative Recorder J. Lord Charest
Legislative Assistant L. McDougall
Legislative Assistant T. Rowe

1. CALL TO ORDER

Mayor Nenshi called today's Meeting to order at 9:32 a.m.

2. OPENING REMARKS

Mayor Nenshi provided opening remarks and called for a moment of quiet contemplation at today's Meeting.

3. QUESTION PERIOD

1. Councillor Farkas

Topic: Collection of Residential Waste Compliance

2. Councillor Chu

Topic: Olympic Bid Plebiscite

3. Councillor Colley-Urquhart

Topic: Olympic Bid Process Timing

Introduction

Councillor Demong introduced a group of Grade 3 students from Prince of Wales School in Ward 14, along with their teacher.

4. CONFIRMATION OF AGENDA

Moved by Councillor Colley-Urquhart

Seconded by Councillor Carra

That the Agenda for today's meeting be amended by adding an item of Urgent Business entitled "Cannabis Legalization – Proposed Bylaws, Bylaws 22M2018, 23M2018 and 24M2018, CPS2018-0367" and further that this be added as Item 11.1.1 to the Agenda to be dealt with following Item 8.2.1, Report PUD2018-0056.

MOTION CARRIED

A letter from Donna McBride, Director of Operations, Momentum, Re: Notice of Motion on Social Procurement, dated 2018 March 28, with respect to Item 8.2.1, Report C2018-0396, was distributed.

Moved by Councillor Sutherland

Seconded by Councillor Gondek

That the Agenda for today's meeting, as amended, be further amended by adding an item of Confidential Urgent Business entitled "Labour Relations (Verbal), VR2018-0019".

MOTION CARRIED

Moved by Councillor Farkas

Seconded by Councillor Chu

That the Agenda for today's meeting, as amended, be further amended by adding an item of Urgent Business entitled "Reconsideration of Council's Decision with Respect to Report UCS2018-0150, Waste & Recycling Services Financial Plan 2019-2022".

ROLL CALL VOTE

For: (5): Mayor Nenshi, Councillor Chu, Councillor Farkas, Councillor Jones, and Councillor Magliocca

Against: (9): Councillor Carra, Councillor Chahal, Councillor Colley-Urquhart, Councillor Davison, Councillor Demong, Councillor Farrell, Councillor Gondek, Councillor Sutherland, and Councillor Woolley

MOTION DEFEATED

A letter from Desmond Stevens-Guille, dated 2018 April 03, with respect to Item 11.1.1, Report CPS2018-0367, was distributed.

Moved by Councillor Demong
Seconded by Councillor Chahal

That the Agenda for today's meeting, as amended, be further amended by adding an item of Confidential Urgent Business entitled "Personnel Matter (Verbal), VR2018-0017".

MOTION CARRIED

Moved by Councillor Demong
Seconded by Councillor Chahal

That the Agenda for today's meeting, as amended, be further amended by adding an item of Urgent Business entitled "Revision to the 2018 May 07 Public Hearing Meeting of Council Start Time (Verbal), VR2018-0018".

MOTION CARRIED

Moved by Councillor Davison
Seconded by Councillor Chahal

That the Agenda for the 2018 April 05 Combined Meeting of Council, be confirmed, as amended.

MOTION CARRIED

5. CONFIRMATION OF MINUTES

Moved by Councillor Colley-Urquhart
Seconded by Councillor Jones

Amendment:

That the Minutes of the Combined Meeting of Council, 2018 March 19-20 be amended on page 63 of 65 as follows:

- in the second paragraph, fourth line, by adding the words "bid exploration" following the words "to fund the Olympic";
- in number 3, third line, by adding the words "substantially in the form described in the report," following the words "governance structure of BidCo";
- in number 3, fourth line, by adding the words "and General Counsel" following the words "City Solicitor";

- in number 4, first line, by deleting the words "\$1 million from the" following the word "Release" and substituting with the following words "an additional \$1 million (of the \$2 million) of";
- in number 4, first line, by deleting the words "that was" following the words "Fiscal Stability Reserve" and substituting with the words "funds that Council"; and
- in number 4, second line, by adding the words "(C2017-1181)" following the date "2017 November 20".

MOTION CARRIED

That the Minutes of the following meetings be confirmed, **as amended**:

- 5.1 Minutes of the Regular Public Hearing Meeting of Council, 2018 March 12-13
- 5.2 Minutes of the Combined Meeting of Council, 2018 March 19-20
- 5.3 Minutes of the Strategic Meeting of Council, 2018 March 21

Against: Councillor Colley-Urquhart

MOTION CARRIED

6. PRESENTATION(S) AND RECOGNITION(S)

None

7. CONSENT AGENDA

Moved by Councillor Gondek

Seconded by Councillor Chu

That the Committee Recommendations contained in the following Reports be adopted in an omnibus motion:

- 7.1 Selling Prices for Road Rights of Way In Greenfield Areas File N. 2018 Sector Rates (JM), UCS2018-0264
- 7.2 Reserve Bids for Properties in the 2018 Tax Sale File No. 2018 Tax Sale (JM), UCS2018-0265
- 7.3 Municipal Naming, Sponsorship and Naming Rights Policy Update, PFC2018-0159

MOTION CARRIED

8. PLANNING MATTERS FOR PUBLIC HEARING

8.1 CALGARY PLANNING COMMISSION REPORTS

None

8.2 OTHER REPORTS AND POSTPONEMENTS FOR PUBLIC HEARING

8.2.1 Enabling Cannabis Retail Stores and Facilities – Land Use Bylaw, Bylaws 25P2018 and 26P2018, PUD2018-0056

Distributions with respect to Report PUD2018-0056:

- A PowerPoint presentation, submitted by Administration, entitled "PUD2018-0056 Land Use Bylaw Amendments: Enabling Cannabis Retail Stores and Facilities", dated 2018 April 05
- A document submitted by Administration, entitled "Standing Policy Committee on Planning and Urban Developments Amendments";
- A document submitted by Administration, entitled "Amended Attachment 5 incorporating the Recommendations from the SPC on PUD Cannabis Store Guidelines";
- A PowerPoint presentation submitted by Dr. Friesen et. al., entitled "City of Calgary Combined Meeting of Council", dated 2018 April 05; and
- A document submitted by Larry Heather, entitled "Response to Cannabis Consumption Bylaw", dated 2018 April 05.

A document submitted by Dr. Friesen, entitled "PUD2018-0056 Enabling Cannabis Retail Stores and Facilities – Land Use Bylaws", dated 2018 April 05, was received for the Corporate Record.

The public hearing was called and the following persons addressed Council with respect to Bylaws 25P2018 and 26P2018:

1. Dr. Brent Friesen
2. Dr. Richelle Schindler
3. Michelle Fry
4. Dr. Jason Cabaj
5. Bart Karswell
6. Larry Heather

Council recessed at 12:02 p.m. and reconvened at 1:21 p.m. with Deputy Mayor Carra in the Chair.

Mayor Nenshi assumed the Chair at 1:22 p.m. and Councillor Carra returned to his regular seat in Council.

7. Kristoffer Moen
8. Greg Humphries
9. Danielle French
10. Ryan Kaye
11. Sabrina Di Ciritio

Moved by Councillor Woolley

Seconded by Councillor Magliocca

That with respect to Report PUD2018-0056, the following be adopted, **after amendment:**

That Council:

1. Give three readings to Proposed Bylaw 25P2018 (Attachment 1);
2. Give first reading to Proposed Bylaw 26P2018 (Attachment 2);
3. Withhold second and third reading of Proposed Bylaw 26P2018, until the date of legalization is known; and
4. Adopt, by resolution, the proposed Cannabis Store Guidelines, as amended **and as distributed at today's meeting**, as follows:
 - to delete references to post-secondary learning;
 - to delete references to Liquor Stores.
 - to allow the development authority to consider the approval of time limited development permits when relaxing the separation distance to MSR and SR parcels.
5. That Attachment 5 of Report PUD2018-0056 be amended on page 2 of 2, final paragraph in the title, by deleting the words "Payday Loan, Pawn Shop" following the words "Location near a" and in the paragraph prior to the words "or Child Care Service".

MOTION CARRIED

That Bylaw 25P2018 be introduced and read a first time.

MOTION CARRIED

Moved by Councillor Colley Urquhart
Seconded by Councillor Jones

That Bylaw 25P2018 be amended as follows:

- on Page 4 of 9, Section 160.3, subsection (f), second line, by deleting the amount "300.0" following the words "located within" and substituting with the amount "400.0"
- on Page 5 of 9, Section 160.3, subsection (h), first line, by deleting the amount "100" following the words "located within" and substituting with the amount "300"
- on Page 5 of 9, under Section 160.3, add a new subsection (j) with the following and renumber accordingly:

"(j) in all **commercial, industrial** and **mixed use districts**, not including the C-R2, C-R3 and CR20-C20/R20 Districts, must not be located with 300.0 metres of a **parcel** that contains any of the following **uses**, when measured from the closest point of a **Cannabis Store** to the closest point of a **parcel** that contains any of them:

 - (i) Post-secondary Learning Institution;
 - (ii) Childcare facilities
- on Page 5 of 9, under Section 160.3, add a new subsection (k) with the following and renumber accordingly:

"(k) in all Districts, not including the C-R2, C-R3 and CR20-C20/R20 Districts, must not be located within 100.0 metres of a **Liquor Store**, when measured from the closest point of a **Cannabis Store** to the closest point of a **Liquor Store**"

ROLL CALL VOTE

For: (3): Mayor Nenshi, Councillor Colley-Urquhart, and Councillor Jones

Against: (11): Councillor Carra, Councillor Chahal, Councillor Chu, Councillor Davison, Councillor Demong, Councillor Farkas, Councillor Farrell, Councillor Gondek, Councillor Magliocca, Councillor Sutherland, and Councillor Woolley

MOTION DEFEATED

Moved by Councillor Carra

Seconded by Councillor Gondek

That Bylaw 25P2018 be amended as follows:

- on Page 5 of 9, add a new Section 160.3, subsection (j) with the following and renumber accordingly:
"(j) in all commercial, industrial and mixed use districts, not including the C-R2, C-R3 and CR20-C20/R20 Districts, must not be located with 300.0 metres of a parcel that contains payday loan and pawnshop uses, when measured from the closest point of a Cannabis Store to the closest point of a parcel that contains payday loans or pawnshops"

ROLL CALL VOTE

For: (5): Mayor Nenshi, Councillor Carra, Councillor Colley-Urquhart, Councillor Farrell, and Councillor Gondek

Against: (9): Councillor Chahal, Councillor Chu, Councillor Davison, Councillor Demong, Councillor Farkas, Councillor Jones, Councillor Magliocca, Councillor Sutherland, and Councillor Woolley

MOTION DEFEATED

Moved by Councillor Magliocca

Seconded by Councillor Chu

That Bylaw 25P2018 be amended as follows:

- on Page 5 of 9, under Section 160.3(i), add a new subsection (iv) with the following:
"(iv) any place of worship"

ROLL CALL VOTE

For: (4): Councillor Chu, Councillor Jones, Councillor Magliocca, and Councillor Sutherland

Against: (10): Mayor Nenshi, Councillor Carra, Councillor Chahal, Councillor Colley-Urquhart, Councillor Davison, Councillor Demong, Councillor Farkas, Councillor Farrell, Councillor Gondek, and Councillor Woolley

MOTION DEFEATED

Moved by Councillor Chu
Seconded by Councillor Colley-Urquhart

That Bylaw 25P2018 be amended as follows:

- on Page 5 of 9, under Section 160.3, add a new subsection (m) with the following:
"(m) Maximum operating hours from 10:00 am to 12:00 am"

ROLL CALL VOTE

For: (5): Mayor Nenshi, Councillor Chu, Councillor Colley-Urquhart, Councillor Farrell, and Councillor Jones

Against: (9): Councillor Carra, Councillor Chahal, Councillor Davison, Councillor Demong, Councillor Farkas, Councillor Gondek, Councillor Magliocca, Councillor Sutherland, and Councillor Woolley

MOTION DEFEATED

Moved by Councillor Woolley
Seconded by Councillor Magliocca

That Bylaw 25P2018 be read a second time.

MOTION CARRIED

That authorization now be given to read Bylaw 25P2018 a third time.

MOTION CARRIED UNANIMOUSLY

That Bylaw 25P2018 be read a third time.

MOTION CARRIED

That Bylaw 26P2018 be introduced and read a first time.

MOTION CARRIED

Moved by Councillor Carra
Seconded by Councillor Davison

That with respect to Report PUD2018-0056, the following Motion Arising be adopted:

That Council direct administration to consider amendments to the bylaw and/or district and/or use rules for cannabis stores to consider the pros and cons of separation distances from pay day lending operations and/or pawn shops and/or places of worship and report back to Council through the SPC on Planning and Urban Development, no later than 2018 June.

MOTION CARRIED

Moved by Councillor Farkas
Seconded by Councillor Demong

That Council's decision with respect to Recommendation 5 to Report PUD2018-0056 be reconsidered and further, that the following be adopted:

The Development Authority should encourage early ongoing communication between a Cannabis Store business applicant and operators and the surrounding neighbours. A Good Neighbour Agreement is encouraged to build relationships responsive to the needs of the community and the business operator. A Good Neighbour Agreement should result in an increase understanding by:

1. Supplying basic information about the nature of the business and its operation;
2. Identifying a process for regular communication with the business's neighbours; and
3. Providing a method of resolving compatibility issues.

ROLL CALL VOTE

For: (3): Councillor Colley-Urquhart, Councillor Demong, and Councillor Farkas

Against: (11): Mayor Nenshi, Councillor Carra, Councillor Chahal, Councillor Chu, Councillor Davison, Councillor Farrell, Councillor Gondek, Councillor Jones, Councillor Magliocca, Councillor Sutherland, and Councillor Woolley

MOTION DEFEATED

Moved by Councillor Farkas
Seconded by Councillor Carra

That with respect to Report PUD2018-0056, the following Motion Arising be adopted:

That Council encourages the Development Authority to encourage early ongoing communication between a Cannabis Store business applicant and operators and the surrounding neighbours by:

1. Supplying basic information about the nature of the business and its operation; and
2. Identifying a process for regular communication with the business's neighbours.

ROLL CALL VOTE

For: (6): Mayor Nenshi, Councillor Carra, Councillor Colley-Urquhart, Councillor Demong, Councillor Farkas, and Councillor Farrell

Against: (8): Councillor Chahal, Councillor Chu, Councillor Davison, Councillor Gondek, Councillor Jones, Councillor Magliocca, Councillor Sutherland, and Councillor Woolley

MOTION DEFEATED

Council recessed at 3:16 p.m. and reconvened at 3:49 p.m. with Mayor Nenshi in the Chair.

Moved by Councillor Chahal
Seconded by Councillor Farrell

That with respect to Report PUD2018-0056, the following Motion Arising be adopted:

That Council request that the Mayor write to the Provincial Cannabis Secretariat to review signage and screening of retail cannabis stores to promote exterior visibility, viewing and safety.

MOTION CARRIED

Council, by general consent, brought forward Item 11.2.1, Report C2018-0351, to be dealt with at this time.

9. PLANNING MATTERS NOT REQUIRING PUBLIC HEARING

9.1 CALGARY PLANNING COMMISSION REPORTS

None

9.2 OTHER REPORTS AND POSTPONEMENTS NOT REQUIRING PUBLIC HEARING

None

9.3 BYLAW TABULATIONS

None

10. POSTPONED REPORTS

None

11. ITEMS FROM OFFICERS, ADMINISTRATION AND COMMITTEES

11.1 OFFICER OF COUNCIL REPORTS

11.1.1 Cannabis Legalization – Proposed Bylaws, Bylaws 22M2018, 23M2018 and 24M2018, CPS2018-0367

A PowerPoint presentation entitled "Cannabis Legalization Proposed Bylaw Amendment", dated 2018 April 05, with respect to Report CPS2018-0367, was distributed.

Moved by Councillor Woolley
Seconded by Councillor Chahal

Amendment:

That Attachment 5 to Report CPS2018-0367, Page 2 of 3, be amended by deleting paragraphs 1, 2 and 3 in its entirety.

ROLL CALL VOTE

For: (5): Councillor Carra, Councillor Chahal, Councillor Colley-Urquhart, Councillor Farrell, and Councillor Jones

Against: (9): Mayor Nenshi, Councillor Chu, Councillor Davison, Councillor Demong, Councillor Farkas, Councillor Gondek, Councillor Magliocca, Councillor Sutherland, and Councillor Woolley

MOTION DEFEATED

Moved by Councillor Colley-Urquhart
Seconded by Councillor Carra

That with respect to Report CPS2018-0367, the following be adopted:

That Council:

1. Give first reading to proposed Bylaw 22M2018, to amend the Business Licence Bylaw 32M98 (Attachment 1);
2. Amend the proposed Bylaw 22M2018 (Attachment 1), as follows:
 - a. Attachment 1, Page 3 of 4, second row, third column of the second graph, Sections 23.1, Consultation or Approval, by adding the words "Health (Alberta Health Services)" to the list of departments;
 - b. Attachment 1, Page 3 of 4, third row, third column of the second graph, Sections 23.2, Consultation or Approval, by adding the words "Health (Alberta Health Services)" to the list of departments;
 - c. Attachment 1, page 1 of 4, Section 23.1 (1), Cannabis Facility, by adding the word "processing," following the word "producing,"; and
 - d. Attachment 1, page 2 of 4, Section 23.2 (2), Cannabis Store, by adding the word "processing," following the word "producing".
3. Give second and third reading to the proposed Bylaw 22M2018 (Attachment 1), as amended;
7. Give three readings to the proposed Smoking and Vaping Bylaw 23M2018 (Attachment 3);
8. Direct Administration to consult with key stakeholders and report back to Council, through the SPC on Community and Protective Services, no later than 2019 June on the implications and impacts of said bylaws with specific regard to minimizing unintended consequences and/ or inequity amongst vulnerable populations; and
9. Request that the Mayor write a letter to the Provincial and the Federal Governments outlining The City of Calgary requirements for an appropriate revenue sharing formula, to cover the municipal costs of implementing the legalization of cannabis. And further that all members of Council be copied so that they may advocate the same to their Ward counterparts at both the federal and provincial levels of government.

MOTION CARRIED

Moved by Councillor Colley-Urquhart
Seconded by Councillor Carra

That with respect to Report CPS2018-0367, the following be adopted:

That Council :

4. Give first reading to the proposed Cannabis Consumption Bylaw 24M2018 (Attachment 2);

5. Amend the Proposed Cannabis Consumption Bylaw 24M2018, (Attachment 2) as follows:

a. Attachment 2, Page 1 of 4, Section 2.(1)(g)(i), Definitions and Interpretation, by adding the word “or heating” prior to the word “cannabis”;

b. Attachment 2, Page 1 of 4, Section 2.(1)(g)(ii), Definitions and Interpretation, by adding the word “or heated” prior to the word “cannabis”; and

c. Attachment 2, Page 2 of 4, by deleting Section 4, Events, in its entirety, and directing Administration to conduct further consultation with the Province to return to Council, through the SPC on Community and Protective Services, no later than 2018 May.

6. Give second and third reading to the proposed Cannabis Consumption Bylaw 24M2018 (Attachment 2), as amended;

ROLL CALL VOTE

For: (10): Mayor Nenshi, Councillor Carra, Councillor Chu, Councillor Colley-Urquhart, Councillor Davison, Councillor Demong, Councillor Farkas, Councillor Farrell, Councillor Gondek, and Councillor Jones

Against: (4): Councillor Chahal, Councillor Magliocca, Councillor Sutherland, and Councillor Woolley

MOTION CARRIED

That Bylaw 22M2018 be introduced and read a first time.

MOTION CARRIED

Moved by Councillor Gondek
Seconded by Councillor Carra

That Bylaw 22M2018 be amended, as follows:

- Page 3 of 4, second row, third column of the second graph, Sections 23.1, Consultation or Approval, by adding the words “Health (Alberta Health Services)” to the list of departments;
- Page 3 of 4, third row, third column of the second graph, Sections 23.2, Consultation or Approval, by adding the words “Health (Alberta Health Services)” to the list of departments;

- Page 1 of 4, Section 23.1 (1), Cannabis Facility, by adding the word “processing,” following the word “producing,”;
- Page 2 of 4, Section 23.2 (2), Cannabis Store, by adding the word “processing,” following the word “producing,”

MOTION CARRIED

That Bylaw 22M2018 be read a second time, **as amended**.

MOTION CARRIED

That authorization now be given to read Bylaw 22M2018 a third time, **as amended**.

MOTION CARRIED UNANIMOUSLY

That Bylaw 22M2018 be read a third time, **as amended**.

MOTION CARRIED

That Bylaw 24M2018 be introduced and read a first time.

ROLL CALL VOTE

For: (10): Mayor Nenshi, Councillor Carra, Councillor Chu, Councillor Colley-Urquhart, Councillor Davison, Councillor Demong, Councillor Farkas, Councillor Farrell, Councillor Gondek, and Councillor Jones

Against: (4): Councillor Chahal, Councillor Magliocca, Councillor Sutherland, and Councillor Woolley

MOTION CARRIED

Moved by Councillor Carra

Seconded by Councillor Gondek

That Bylaw 24M2018 be amended, as follows:

- Page 2 of 6, Section 2.1)(g)(i), Definitions and Interpretation, by adding the words “or heating” prior to the word “cannabis”;
- Page 2 of 6, Section 2.1)(g)(ii), Definitions and Interpretation, by adding the words “or heated” prior to the word “cannabis”; and
- Page 3 of 6, by deleting Section 4, Events, in its entirety, and directing Administration to conduct further consultation with the Province to return to Council, through the SPC on Community and Protective Services, no later than 2018 May.

MOTION CARRIED

That Bylaw 24M2018 be read a second time, **as amended**.

VOTE WAS AS FOLLOWS

For: (10): Mayor Nenshi, Councillor Carra, Councillor Chu, Councillor Colley-Urquhart, Councillor Davison, Councillor Demong, Councillor Farkas, Councillor Farrell, Councillor Gondek, and Councillor Jones

Against: (4): Councillor Chahal, Councillor Magliocca, Councillor Sutherland, and Councillor Woolley

MOTION CARRIED

That authorization now be given to read Bylaw 24M2018 a third time, **as amended.**

MOTION CARRIED UNANIMOUSLY

That Bylaw 24M2018 be read a third time, **as amended.**

VOTE WAS AS FOLLOWS

For: (10): Mayor Nenshi, Councillor Carra, Councillor Chu, Councillor Colley-Urquhart, Councillor Davison, Councillor Demong, Councillor Farkas, Councillor Farrell, Councillor Gondek, and Councillor Jones

Against: (4): Councillor Chahal, Councillor Magliocca, Councillor Sutherland, and Councillor Woolley

MOTION CARRIED

That Bylaw 23M2018 be introduced and read a first time.

MOTION CARRIED

That Bylaw 23M2018 be read a second time.

MOTION CARRIED

That authorization now be given to read Bylaw 23M2018 a third time.

MOTION CARRIED UNANIMOUSLY

That Bylaw 23M2018 be read a third time.

MOTION CARRIED

Council recessed at 6:05 p.m. and reconvened at 7:24 p.m. with Mayor Nenshi in the Chair.

Moved by Councillor Carra

Seconded by Councillor Colley-Urquhart

That with respect to Report CPS2018-0367, the following Motion Arising be adopted:

That Council direct Administration to engage citizens and key stakeholders (including Alberta Health Services (AHS) to further strengthen Smoking and Vaping Bylaw 23M2018, with consideration given to prohibiting:

- Waterpipe smoking in workplaces, public premises and specified outdoor places;
- Smoking in multi-unit public housing administered by the City of Calgary;
- Smoking and vaping in hotel and motel rooms, in outdoor public parks and at outdoor public events;

And report back to Council, through the Standing Policy Committee on Community and Protective Services with recommendations and bylaw amendments no later than Q2 2019.

ROLL CALL VOTE

For: (8): Mayor Nenshi, Councillor Carra, Councillor Chu, Councillor Colley-Urquhart, Councillor Davison, Councillor Demong, Councillor Farrell, and Councillor Gondek

Against: (6): Councillor Chahal, Councillor Farkas, Councillor Jones, Councillor Magliocca, Councillor Sutherland, and Councillor Woolley

MOTION CARRIED

Mayor Nenshi left the Chair at 7:37 p.m. and Councillor Carra assumed the Chair.

Moved by Mayor Nenshi

Seconded by Councillor Farkas

That with respect to Report CPS2018-0367, the following Motion Arising be adopted:

That Council direct administration to explore amendments permitting smoking and vaping in specific designated cannabis areas, returning directly to council no later than 2018 June.

ROLL CALL VOTE

For: (13): Mayor Nenshi, Councillor Carra, Councillor Chahal, Councillor Chu, Councillor Davison, Councillor Demong, Councillor Farkas, Councillor Farrell, Councillor Gondek, Councillor Jones, Councillor Magliocca, Councillor Sutherland, and Councillor Woolley

Against: (1): Councillor Colley-Urquhart

MOTION CARRIED

Mayor Nenshi resumed the Chair at 7:58 p.m. and Councillor Carra returned to his regular seat in Council.

Moved by Councillor Chahal

Seconded by Councillor Gondek

Subject to Section 65(1) of Procedure Bylaw 35M2017, today's Agenda, as amended, be further amended by adding the following items of Confidential Urgent Business:

14.3.3 Third Party Contribution (Verbal), VR2018-0020

14.3.4 Legal Briefing (Verbal), VR2018-0021

14.3.5 Personnel Matter #2 (Verbal), VR2018-0022

MOTION CARRIED

11.2 ADMINISTRATION REPORTS

11.2.1 2018 Property Tax Related Bylaws, Bylaws 17M2018, 18M2018 and 19M2018, C2018-0351

Moved by Councillor Sutherland

Seconded by Councillor Woolley

That with respect to Report C2018-0351, the following be adopted:

That Council:

1. Give three readings to the proposed Property Tax Bylaw 17M2018 (Attachment 3) for a combined property tax rate increase of 0.2% for residential (0.9% for municipal purposes and -0.8% for provincial purposes) and 1.0% for non-residential properties (0.9% for municipal purposes before the 2018 transfer of business tax revenues and 1.3% for provincial purposes);

ROLL CALL VOTE

For: (10): Mayor Nenshi, Councillor Carra, Councillor Chahal, Councillor Davison, Councillor Demong, Councillor Farrell, Councillor Gondek, Councillor Jones, Councillor Sutherland, and Councillor Woolley

Against: (3): Councillor Chu, Councillor Farkas, and Councillor Magliocca

MOTION CARRIED

Moved by Councillor Sutherland

Seconded by Councillor Woolley

That with respect to Report C2018-0351, the following be adopted:

That Council:

2. Give three readings to the proposed Machinery and Equipment Property Tax Exemption Bylaw 18M2018 (Attachment 4); and
3. Give three readings to the proposed Rivers District Community Revitalization Levy Rate Bylaw 19M2018 (Attachment 5).

MOTION CARRIED

That Bylaw 19M2018 be introduced and read a first time.

MOTION CARRIED

That Bylaw 19M2018 be read a second time.

MOTION CARRIED

That authorization now be given to read Bylaw 19M2018 a third time.

MOTION CARRIED UNANIMOUSLY

That Bylaw 19M2018 be read a third time.

MOTION CARRIED

That Bylaw 18M2018 be introduced and read a first time.

MOTION CARRIED

That Bylaw 18M2018 be read a second time.

MOTION CARRIED

That authorization now be given to read Bylaw 18M2018 a third time.

MOTION CARRIED UNANIMOUSLY

That Bylaw 18M2018 be read a third time.

MOTION CARRIED

That Bylaw 17M2018 be introduced and read a first time.

ROLL CALL VOTE

For: (10): Mayor Nenshi, Councillor Carra, Councillor Chahal, Councillor Davison, Councillor Demong, Councillor Farrell, Councillor Gondek, Councillor Jones, Councillor Sutherland, and Councillor Woolley

Against: (3): Councillor Chu, Councillor Farkas, and Councillor Magliocca

MOTION CARRIED

Moved by Councillor Carra

Seconded by Councillor Farrell

1) That Bylaw 17M2018 be amended as follows, for a net increase of 0.9% residential:

- on page 1 of 4, in the first “AND WHEREAS”, by deleting the amount “\$1,838,605,000” and substituting with the amount “\$1,847,582,293”.
- on page 1 of 4, in the fifth “AND WHEREAS”, by deleting the amount “\$2,629,533,816” and substituting with the amount “\$2,638,511,109”.
- on page 3 of 4, Section 4, Residential Row, Tax Amount Colum, by deleting the amount “\$837,888,061” and substituting with the amount “\$846,865,280”.
- on page 3 of 4, Section 4, Residential Row, Tax Rate Colum, by deleting the number “0.0039014” and substituting with the number “0.0039432”.
- on page 3 of 4, Section 4, Farm Land Row, Tax Amount Colum, by deleting the number “31,578” and substituting with the number “31,652”.
- on page 3 of 4, Section 4, Farm Land Row, Tax Rate Colum, by deleting the number “0.0177552” and substituting with the number “0.0177970”.
- on page 3 of 4, Section 4, Sub-Total Municipal Portion Row, Tax Amount Colum, by deleting the amount “\$1,838,605,000” and substituting with the amount “\$1,847,582,293”.
- on page 3 of 4, Section 4, TOTAL TAX AMOUNT Row, Tax Amount Colum, by deleting the amount “\$2,629,533,816” and substituting with the amount “\$2,638,511,109”.

2) And further that Council rebate residential fees for 2018 in the amount of 0.7% for a net increase of 0.2 %; and

3) Direct Administration to return to Council through PFC no later than Q3 2018 for discussion at budget deliberations on options including permanent reduction in taxes for 2019 and onward.

ROLL CALL VOTE

For: (5): Mayor Nenshi, Councillor Carra, Councillor Colley-Urquhart, Councillor Farrell, and Councillor Jones

Against: (9): Councillor Chahal, Councillor Chu, Councillor Davison, Councillor Demong, Councillor Farkas, Councillor Gondek, Councillor Magliocca, Councillor Sutherland, and Councillor Woolley

MOTION DEFEATED

That Bylaw 17M2018 be read a second time.

ROLL CALL VOTE

For: (11): Mayor Nenshi, Councillor Chahal, Councillor Chu, Councillor Colley-Urquhart, Councillor Davison, Councillor Demong, Councillor Gondek, Councillor Jones, Councillor Magliocca, Councillor Sutherland, and Councillor Woolley

Against: (3): Councillor Carra, Councillor Farkas, and Councillor Farrell

MOTION CARRIED

That authorization now be given to read Bylaw 17M2018 a third time.

MOTION CARRIED UNANIMOUSLY

That Bylaw 17M2018 be read a third time.

VOTE WAS AS FOLLOWS

For: (11): Mayor Nenshi, Councillor Chahal, Councillor Chu, Councillor Colley-Urquhart, Councillor Davison, Councillor Demong, Councillor Gondek, Councillor Jones, Councillor Magliocca, Councillor Sutherland, and Councillor Woolley

Against: (3): Councillor Carra, Councillor Farkas, and Councillor Farrell

MOTION CARRIED

11.3 COMMITTEE REPORTS

None

12. ITEMS DIRECTLY TO COUNCIL

12.1 NOTICE(S) OF MOTION

12.1.1 Social Procurement Exploration, C2018-0396

Mayor Nenshi thanked Administration for all their hard work and efforts with respect to items discussed at today's Meeting and welcomed Isabelle Swinn in the public gallery.

Moved by Councillor Carra

Seconded by Councillor Colley-Urquhart

That with respect to Notice of Motion C2018-0396, the following be adopted:

NOW THEREFORE BE IT RESOLVED that Council direct Administration to provide a scoping report on social procurement no later than Q4 2018 which may include:

1. An inventory of best or evolving practices in other jurisdictions, risk analysis, industry perspective, review of relevant policies and practices at The City of Calgary, review of current legislation and Trade agreements and potential benefits to the community. (N.B. External consultant expertise will need to be engaged for this activity. Supply Management has a maximum budget of \$25,000 available for the report.)
2. Recommendations to Council on how to best approach implementation of social procurement at The City of Calgary which will include direction on the implementation of a social procurement strategy and possible extension of the Sustainable Ethical Environmental Procurement Policy (SEEP).

MOTION CARRIED

12.1.2 Ensuring Efficiency, Transparency and the Appropriate Use of Closed Meetings for Council Business, C2018-0405

Councillor Davison raised a Question of Privilege with respect to comments made by a Member of Council.

Mayor Nenshi ruled Councillor Davison's Question of Privilege in order.

Moved by Councillor Woolley

Seconded by Councillor Sutherland

That subject to Section 26(3)(c) of Procedure Bylaw 35M2017, Councillor Farkas be removed from the meeting until an apology is made.

RECORDED VOTE

For: (5): Councillor Carra, Councillor Davison, Councillor Farrell, Councillor Sutherland, and Councillor Woolley

Against: (9): Mayor Nenshi, Councillor Chahal, Councillor Chu, Councillor Colley-Urquhart, Councillor Demong, Councillor Farkas, Councillor Gondek, Councillor Jones, and Councillor Magliocca

MOTION DEFEATED

Moved by Councillor Demong

Seconded by Councillor Gondek

That with respect to Notice of Motion C2018-0405, the following be adopted:

NOW THEREFORE BE IT RESOLVED that Administration be directed to bring forward a report to Council, through the Priorities and Finance Committee, no later than Q4 2018, which report shall include the following information:

1. The categories of matters that have been discussed in closed meetings of Council over the past year and the time spent in closed meetings of Council during that period; and
2. Information about governance practices and committee structures and strategies used by other Canadian municipalities in order to allow Administration to bring forward recommendations and strategies that:
 - help increase transparency in decision-making processes;
 - assist with ensuring Council meeting efficiency and effectiveness; and
 - assist in decreasing the amount of time Council spends in closed meetings while still ensuring that personal privacy is protected and that Council is given the opportunity to discuss matters in closed meetings appropriate for discussion in that forum.

MOTION CARRIED

12.1.3 Recognition of the Dashmesh Cultural Centre, C2018-0411

A letter, Re: Dashmesh Culture Centre Recognition, by Ranbir S. Parmar, was distributed with respect to Report C2018-0411.

Moved by Councillor Chahal

Seconded by Councillor Jones

That with respect to Notice of Motion C2018-0411, the following be adopted:

NOW THEREFORE BE IT RESOLVED That Council recognizes the positive contributions of the Dashmesh Culture Centre to our city and the neighborhood of Martindale;

AND BE IT FURTHER RESOLVED that Council hereby gives a secondary name to a portion of Martindale Blvd. from Martindale Gate NE to Falconridge Blvd NE to be also known as Gurdwara Sahib Blvd.;

AND BE IT FURTHER RESOLVED that Council directs Administration to manufacture dual named road signs for installation along that route.

MOTION CARRIED

Subject to Section 6(1) of Procedure Bylaw 35M2017, Section 79 was suspended, by general consent, to allow Council to complete the remainder of today's Agenda following the 9:30 p.m. fixed time to adjourn.

12.2 BYLAW TABULATIONS

None

12.3 MISCELLANEOUS BUSINESS

None

13. URGENT BUSINESS

- 13.1 Revision to the 2018 May 07 Public Hearing Meeting of Council Start Time (Verbal), VR2018-0018

Moved by Councillor Davison

Seconded by Councillor Carra

That with respect to Verbal Report VR2018-0018, the following be adopted:

That pursuant to Section 17(2) of Procedure Bylaw 35M2017, Council approve the revision of the 2018 May 07 Public Hearing Meeting of Council's start time from 9:30 a.m. to 1:00 p.m.

MOTION CARRIED

14. CONFIDENTIAL ITEMS

14.1 CONSENT AGENDA

None

14.2 ITEMS FROM OFFICERS, ADMINISTRATION AND COMMITTEES

None

14.3 URGENT BUSINESS

Moved by Councillor Woolley

Seconded by Councillor Demong

That, subject to Sections 16, 17, 19, 24 and 27 of the *Freedom of Information and Protection of Privacy Act*, Council now move into Closed Meeting in the Council Lounge, at 9:29 p.m., to discuss confidential matters with respect to the following items:

14.3.1 Labour Relations (Verbal), VR2018-0019

14.3.2 Personnel Matter (Verbal), VR2018-0017

14.3.3 Third Party Contribution (Verbal), VR2018-0020

14.3.4 Legal Briefing (Verbal), VR2018-0021

14.3.5 Personnel Matter #2 (Verbal), VR2018-0022

ROLL CALL VOTE

For: (12): Mayor Nenshi, Councillor Carra, Councillor Chahal, Councillor Chu, Councillor Colley-Urquhart, Councillor Davison, Councillor Demong, Councillor Farrell, Councillor Gondek, Councillor Jones, Councillor Magliocco, and Councillor Sutherland

Against: (2): Councillor Farkas, and Councillor Woolley

MOTION CARRIED

Council reconvened at 10:29 p.m., in open meeting, in the Council Chamber, with Mayor Nenshi in the Chair.

Moved by Councillor Colley-Urquhart

Seconded by Councillor Farrell

That Council rise and report.

MOTION CARRIED

14.3.1 Labour Relations (Verbal), VR2018-0019

Administration in attendance during the Closed Meeting discussions with respect to Report VR2018-0019:

Clerk: B. Hilford, J. Lord Charest. Advice: J. Fielding, E. Sawyer. Legal: G. Cole, R. Andersen.

Moved by Councillor Sutherland

Seconded by Councillor Gondek

That with respect to Report VR2018-0019, the following be adopted:

That Council:

1. Adopt the mandate as discussed in closed session; and
2. Direct that the Closed Meeting discussions with respect to Verbal Report VR2018-0019 remain confidential subject to Section 24 of the *Freedom of Information and Protection of Privacy Act*.

MOTION CARRIED

14.3.2 Personnel Matter (Verbal), VR2018-0017

Administration in attendance during the Closed Meeting discussions with respect to Report VR2018-0017:

Clerk: B. Hilford, J. Lord Charest. Advice: J. Fielding, E. Sawyer, Legal: G. Cole.

Moved by Councillor Carra

Seconded by Councillor Davison

That with respect to Report VR2018-0017, the following be adopted:

That Council direct that the Closed Meeting discussions with respect to Verbal Report VR2018-0017 remain confidential subject to Sections 17, 19 and 24 of the *Freedom of Information and Protection of Privacy Act*.

Against: Councillor Farkas

MOTION CARRIED

14.3.3 Third Party Contribution (Verbal), VR2018-0020

Administration in attendance during the Closed Meeting discussions with respect to Report VR2018-0020:

Clerk: B. Hilford, J. Lord Charest. Advice: J. Fielding, E. Sawyer, M. Thompson. Legal: G. Cole.

Moved by Councillor Woolley

Seconded by Councillor Magliocca

That with respect to Report VR2018-0020, the following be adopted:

That Council:

1. Adopt the recommendations discussed during the closed meeting session; and
2. Direct that the Closed Meeting discussions and recommendations with respect to Verbal Report VR2018-0020 remain confidential pursuant to Section 16 of the *Freedom of Information and Protection of Privacy Act*, in accordance with the recommendation discussed during the closed session.

MOTION CARRIED

14.3.4 Legal Briefing (Verbal), VR2018-0021

Administration in attendance during the Closed Meeting discussions with respect to Report VR2018-0021:

Clerk: B. Hilford. Legal: G. Cole.

Moved by Councillor Chahal

Seconded by Councillor Sutherland

That with respect to Report VR2018-0021, the following be adopted:

That Council direct that the Closed Meeting discussions with respect to Verbal Report VR2018-0021 remain confidential subject to Section 27 of the *Freedom of Information and Protection of Privacy Act*.

MOTION CARRIED

14.3.5 Personnel Matter #2 (Verbal), VR2018-0022

Administration in attendance during the Closed Meeting, with respect to Report VR2018-0022:

Clerk: B. Hilford. Legal: G. Cole.

Moved by Councillor Gondek

Seconded by Councillor Chahal

That with respect to Report VR2018-0022, the following be adopted:

That Council direct that the Closed Meeting discussions with respect to Verbal Report VR2018-0022 remain confidential subject to Sections 17, 19 and 24 of the *Freedom of Information and Protection of Privacy Act*.

MOTION CARRIED

15. ADMINISTRATIVE INQUIRIES

Administrative Inquiry submitted by Councillor Colley-Urquhart:

Administration and Mayor Nenshi be requested to provide to all Members of Council the following detailed information in relation to the potential 2026 Olympic Bid:

A log and detailed schedule outlining all in person meetings, teleconferences, phone calls, letter and email correspondence between specific City Administration staff, City Elected Officials and staff with their respective provincial and federal counterparts between November 1st 2017 - April 2nd 2018. And to also include all decisions and directions resulting thereof. This would also include interactions and exchanges in Pyeongchang.

16. ADJOURNMENT

Moved by Councillor Jones

Seconded by Councillor Farkas

That this Council adjourn at 10:34 p.m.

ROLL CALL VOTE

For: (14): Mayor Nenshi, Councillor Carra, Councillor Chahal, Councillor Chu, Councillor Colley-Urquhart, Councillor Davison, Councillor Demong, Councillor Farkas, Councillor Farrell, Councillor Gondek, Councillor Jones, Councillor Magliocca, Councillor Sutherland, and Councillor Woolley

MOTION CARRIED

MAYOR

CITY CLERK

UNCONFIRMED

Deputy City Manager's Office Report to
Intergovernmental Affairs Committee
2018 March 15

ISC: UNRESTRICTED
IGA2018-0209
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Updated Terms of Reference for The City of Calgary/City of Chestermere Intermunicipal Committee

EXECUTIVE SUMMARY

The City of Calgary maintains an Intermunicipal Committee (IMC) with The City of Chestermere. The City of Calgary/City of Chestermere IMC has requested both municipalities bring forward a revised Terms of Reference (TOR) to their respective Council's for consideration. The revised TOR is intended to streamline the previous TOR, acknowledge new contexts, and better support the functions of the IMC. The IMC has reviewed and jointly endorsed the new proposed Terms of Reference (Attachment 2).

ADMINISTRATION RECOMMENDATION:

That the Intergovernmental Affairs Committee recommends that Council:

Rescind Attachment 1, "Existing Terms of Reference, Intermunicipal Committee for The Town of Chestermere and The City of Calgary, 2012 October 15" and adopt Attachment 2, "Proposed Terms of Reference, Intermunicipal Committee for The City of Chestermere and The City of Calgary, 2018 March 15".

RECOMMENDATION OF THE INTERGOVERNMENTAL AFFAIRS COMMITTEE, DATED 2018 MARCH 16:

That Council approve the Recommendation contained in Report IGA2018-0209.

PREVIOUS COUNCIL DIRECTION / POLICY

At the 2012 October 15 Regular Meeting, Calgary City Council approved IGA2012-0669 which approved the formation of The City of Calgary/City of Chestermere Intermunicipal Committee and adopted The City of Calgary/City of Chestermere Intermunicipal Committee Terms of Reference. The Terms of Reference are jointly adopted and contain specific direction regarding the composition, objectives, roles and responsibilities for the Committee.

At the 2015 January 12 Combined Meeting, Calgary City Council approved IGA2014-0797, the Planning Referral and Dispute Resolution Agreement between the Chestermere and Calgary.

BACKGROUND

The purpose of The City of Calgary/City of Chestermere Intermunicipal Committee (IMC) is to support a working relationship between the two neighbouring municipalities by providing the opportunity for discussion, issue resolution, and greater intermunicipal cooperation at the elected official level and to enable staff to receive formal direction from the IMC.

At the 2018 January 26 meeting of the Chestermere/Calgary IMC, the Committee reviewed and revised the proposed amendments to the TOR as proposed in Attachment 2, and directed that the item be taken forward to both Councils for consideration and adoption.

**Deputy City Manager's Office Report to
Intergovernmental Affairs Committee
2018 March 15**

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Updated Terms of Reference for The City of Calgary/City of Chestermere Intermunicipal Committee

INVESTIGATION: ALTERNATIVES AND ANALYSIS

In accordance with the existing Terms of Reference (Attachment 1), the Intermunicipal Committee is required to review and update the Terms of Reference (TOR) as required. The proposed Terms of Reference (Attachment 2) includes updates to reflect The City of Chestermere's name change from being identified as a Town; it acknowledges that the Calgary Metropolitan Region Board is in effect due to amendments to Modernized Municipal Government Act, and affirms that our bilateral relationship continues through the work of the Intermunicipal Committee. The TOR also acknowledges the additional provisions for dispute resolution, enhanced communications and collaborative planning that were added to the Planning Referral Agreement between Chestermere and Calgary (IGA2014-0797), and it updates the Committee's operations to reflect more optimal practices.

By refining and updating the Terms of Reference, the Committee will be better supported to address any emerging issues. For example, The City of Chestermere often retains consultants for municipal work on a joint project regarding the Intermunicipal Interface, so a provision was added to support their attendance if appropriate.

Stakeholder Engagement, Research and Communication

The Committee jointly recommended changes to the Terms of Reference. No additional engagement was required on this matter.

Strategic Alignment

The IMC provides a forum for The City of Calgary to maintain a positive working relationship with the City of Chestermere while also playing an important role in the resolution of any intermunicipal disputes that may arise.

Social, Environmental, Economic (External)

Intermunicipal activities have implications that affect The City of Calgary's ability to manage future growth, particularly in terms of transportation, servicing and social well-being of a rapidly growing population.

Financial Capacity

There are no new costs associated with the recommendations contained in this report.

Risk Assessment

Should the proposed Terms of Reference not be approved, the IMC will not be supported to utilize the IMC meetings to the fullest extent of its needs.

**Deputy City Manager's Office Report to
Intergovernmental Affairs Committee
2018 March 15**

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**Updated Terms of Reference for The City of Calgary/City of Chestermere
Intermunicipal Committee**

<p>REASON(S) FOR RECOMMENDATION(S): A revised Terms of Reference for The City of Calgary/City of Chestermere Intermunicipal Committee will better reflect the role, and mandate of the IMC.</p>
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ATTACHMENT(S)

1. Attachment 1 – Existing Terms of Reference, Intermunicipal Committee for The Town of Chestermere and The City of Calgary, 2012 October 15.
2. Attachment 2 – Proposed Terms of Reference, Intermunicipal Committee for The City of Chestermere and The City of Calgary, 2018 March 15.

The City of Calgary and the Town of Chestermere Intermunicipal Committee Terms of Reference

2012

1.0 Background

The City of Calgary and The Town of Chestermere share a 4.8 kilometre municipal border. This shared municipal border was produced as a result of recent annexations between Calgary and Rocky View County (2007) and Chestermere and Rocky View County (2009).

In 2010 staff from The City of Calgary and The Town of Chestermere drafted “The Planning Referral Agreement between Chestermere and Calgary” to evaluate the volume of planning related circulations and to share information on our respective planning and development activities based on a prescribed circulation area.

Due to the initiation of recent planning processes near our shared municipal border it became evident a more formal communication structure was required to ensure respective intermunicipal interests were addressed. The formation of an Intermunicipal Committee was identified and supported by both municipalities as an appropriate tool to facilitate that communication.

2.0 Purpose

The purpose of the Intermunicipal Committee (IMC) will be to provide the opportunity for discussion, issue resolution, and greater intermunicipal cooperation at the elected official level and to enable staff to receive formal direction from the IMC. The ongoing exchange of information will be beneficial in strengthening our intermunicipal relationship.

3.0 Objectives

The objectives of the IMC are to:

- a. Establish working relationships to assist in implementing mutual objectives;
- b. Maintain positive intermunicipal relations while seeking to resolve intermunicipal disputes that may arise;
- c. Improve the knowledge of each other’s interests; and
- d. Provide direction on lands and matters of mutual interest.

4.0 Scope

The IMC may address any item that is of an intermunicipal nature.

5.0 Constraints

The IMC will have no official legislative status or formal decision making authority; however, can give direction to respective staff and provide recommendations to each Council.

The City of Calgary and the Town of Chestermere Intermunicipal Committee Terms of Reference

2012

6.0 Membership

6.1 Representation

Two (2) elected officials from each municipality will be appointed by each Council at their respective organizational meetings for membership on the IMC. Only elected officials from The City of Calgary and The Town of Chestermere are considered members. If the appointed member cannot attend, an alternate may be designated.

6.2 Administration

Each municipality will provide staff to support the work of the IMC; however, staff are not considered to be members. Staff will provide advisory support to the IMC including provision of background information, resources and advice to IMC members.

6.3 Guests

On an issue specific basis, the IMC may request discussions to include elected officials and staff from other municipalities, jurisdictions or organizations. Any other elected official of either respective Council may also choose to attend meetings.

6.4 Appointment of Co-Chairs

Two co-chairs, one from each municipality, will be appointed by the IMC at the first IMC meeting after each municipality holds their respective organizational meetings.

7.0 Committee Meeting Protocol

7.1 Scheduling

Meetings will be scheduled twice a year. Either municipality may request an additional meeting to discuss pressing matters if required.

7.2 Chairing

Each meeting shall be chaired by the hosting municipality's co-chair or designate.

7.3 Locations

Meeting locations will typically alternate between The City and Town offices; however, meetings may be held at alternate locations deemed appropriate by the members.

The City of Calgary and the Town of Chestermere Intermunicipal Committee Terms of Reference

2012

7.4 Member Roles and Responsibilities

IMC members should:

- a. Attend for the full duration of the meeting;
- b. Work with other members to attempt to reach consensus on issues before the IMC;
- c. Represent the interests of their respective municipality;
- d. Report to and from Councils regarding IMC business;
- e. Direct staff regarding IMC work, actions and requirements; and
- f. Adhere to these Terms of Reference.

7.5 Administration

- a. An agenda meeting package will be issued seven (7) business days prior to an IMC meeting by staff from the host municipality.
- b. The agenda meeting package will include an agenda and meeting notes from the previous meeting. Typically an IMC Report will be required for all new agenda items. This report will provide a brief summary for members on the upcoming new agenda item.

7.6 Costs

All costs associated with an IMC meeting shall be borne by the host municipality.

8.0 Governance

8.1 Quorum

A quorum is necessary in order to hold a meeting and requires one elected official from each municipality to be in attendance.

8.2 Decision-Making

Since the operation of the IMC will be based on negotiation and consensus building, the IMC will employ an informal decision making structure. The IMC will make decisions, provide recommendations for Councils and give direction to staff. Motions will be proposed and voted on by IMC members. Where consensus cannot be reached, all recommendations to Councils must include the dissenting position. Meeting notes may be requested.

The City of Calgary and the Town of Chestermere **2012** Intermunicipal Committee Terms of Reference

8.3 Issue Resolution

One of the IMC's primary objectives will be to resolve intermunicipal conflicts and concerns. Maintaining a positive and collaborative relationship will be vital to the IMC's success. When consensus cannot be reached, both Municipal Councils may consider referring the matter to a non-binding mediation process to seek a mutually beneficial solution.

9.0 Documentation

9.1 Record of Meetings

- a. Staff from the host municipality will be responsible for drafting meeting notes, distribution of notes and agendas, and general meeting administration and coordination.
- b. Draft meeting notes will be distributed to IMC members for comment within sixteen (16) business days of an IMC meeting and shall be marked as "draft".
- c. Any suggested changes to the draft notes will be provided by IMC members or staff at any time in advance of the IMC meeting confirming the meeting notes.
- d. IMC members will be required to confirm the meeting notes at the next meeting. Confirmed meeting notes may specify where agreement on content was not reached.

9.2 Record Retention

- a. Both municipalities will coordinate and retain IMC records including meeting agendas, notes and IMC reports according to each municipality's policies on record retention.
- b. Staff will maintain a record of all IMC related communications.
- c. Staff will maintain a record of recommendations to Councils, decisions and minutes regarding IMC business.
- d. The record of the IMC's communications may be made available to the public by FOIP request.
- e. Studies, surveys, projects and other information as directed by IMC members or considered by either members or staff as of interest to the IMC will be collected and distributed by staff to IMC members in a timely manner and should be maintained as part of the IMC record for future reference.

10.0 Maintenance and Review of Terms of Reference

The Terms of Reference will be reviewed and updated as required. The Councils of each municipality may approve the Terms of Reference and any revisions.

The City of Calgary and The City of Chestermere Intermunicipal Committee Terms of Reference

2018

1.0 Background

The City of Calgary and The City of Chestermere share a 4.8 kilometre municipal boundary. This shared municipal boundary was produced as a result of annexations between Calgary and Rocky View County (2007), and Chestermere and Rocky View County (2009).

In 2010, staff from The City of Calgary and The City of Chestermere drafted “The Planning Referral Agreement between Chestermere and Calgary” to evaluate the volume of planning related circulations and to share information on our respective planning and development activities based on a prescribed circulation area. In 2014, joint staff updated the Agreement to include provisions for dispute resolution protocol, enhanced communications and collaborative planning.

Due to the initiation of planning processes near our shared boundary it became evident a more formal communication structure was required to ensure respective intermunicipal interests were addressed. The formation of an Intermunicipal Committee was identified and supported by both municipalities as an appropriate tool to facilitate that communication. The Committee has played a key role in the input on planning processes.

Although the Calgary Metropolitan Region Board is in effect January 1, 2018 to address items of regional interest, The City of Calgary and The City of Chestermere both recognize the importance of bilateral agreements and ongoing cooperative efforts between our two urban municipalities.

2.0 Purpose

The purpose of the Intermunicipal Committee (IMC) will be to provide the opportunity for discussion, issue resolution, and greater intermunicipal cooperation at the elected official level and to enable staff to receive formal direction from the IMC. The ongoing exchange of information will be beneficial in strengthening our intermunicipal relationship.

3.0 Objectives

The objectives of the IMC are to:

- a. Establish working relationships to assist in implementing mutual objectives;
- b. Maintain positive intermunicipal relations while seeking to resolve intermunicipal disputes that may arise;
- c. Improve the knowledge of each other’s interests; and
- d. Provide direction on lands and matters of mutual interest.

4.0 Scope

The IMC may address any item that is of an intermunicipal nature.

The City of Calgary and The City of Chestermere Intermunicipal Committee Terms of Reference

2018

5.0 Constraints

The IMC will have no official legislative status or formal decision making authority; however, can give direction to respective staff and provide recommendations to each Council.

6.0 Membership

6.1 Representation

Two (2) elected officials from each municipality will be appointed by each Council at their respective organizational meetings for membership on the IMC. Only elected officials from The City of Calgary and The City of Chestermere are considered members. If the appointed member cannot attend, an alternate may be designated.

6.2 Administration

Each municipality will provide staff to support the work of the IMC; however, staff are not considered to be members. Staff will provide advisory support to the IMC including provision of background information, resources and advice to IMC members.

6.3 Guests

On an issue specific basis, the IMC may request discussions to include elected officials and staff from other municipalities, jurisdictions, organizations or consultants if appropriate. Any other elected official of either respective Council may also choose to attend meetings.

6.4 Appointment of Co-Chairs

Two co-chairs, one from each municipality, will be appointed by the IMC at the first IMC meeting after each municipality holds their respective organizational meetings.

7.0 Committee Meeting Protocol

7.1 Scheduling

Meetings will be scheduled a minimum of twice a year. Either municipality may request an additional meeting to discuss pressing matters if required.

7.2 Chairing

Each meeting shall be chaired by the visiting municipality's co-chair or designate.

7.3 Locations

Meeting locations will typically alternate between The City of Calgary and The City of Chestermere offices; however, meetings may be held at alternate locations deemed appropriate by the members.

The City of Calgary and The City of Chestermere Intermunicipal Committee Terms of Reference

2018

7.4 Member Roles and Responsibilities

IMC members should:

- a. Attend for the full duration of the meeting;
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- c. Represent the interests of their respective municipality;
- d. Report to and from Councils regarding IMC business;
- e. Direct staff regarding IMC work, actions and requirements; and
- f. Adhere to these Terms of Reference.

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All costs associated with an IMC meeting shall be borne by the host municipality.

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A quorum is necessary in order to hold a meeting and requires one elected official from each municipality to be in attendance.

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8.3 Issue Resolution

One of the IMC's primary objectives will be to resolve intermunicipal conflicts and concerns. Maintaining a positive and collaborative relationship will be vital to the IMC's success. When consensus cannot be reached, both Municipal Councils may consider referring the matter to a non-binding mediation process to seek a mutually beneficial solution.

The City of Calgary and The City of Chestermere Intermunicipal Committee Terms of Reference

2018

9.0 Documentation

9.1 Record of Meetings

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9.2 Record Retention

Both municipalities will coordinate and retain IMC records including meeting agendas, notes and IMC reports according to each municipality's policies on record retention.

10.0 Maintenance and Review of Terms of Reference

The Terms of Reference will be reviewed and updated as required. The Councils of each municipality may approve the Terms of Reference and any revisions.

**Community Services Report to
Priorities and Finance Committee
2018 March 22**

**ISC: UNRESTRICTED
PFC2018-0196
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Silvera for Seniors Budget Review

EXECUTIVE SUMMARY

Silvera for Seniors (Silvera) provides affordable housing to approximately 1,600 seniors in 25 communities. Its relationship with The City is defined under the *Alberta Housing Act* and Ministerial Order H:029/16. Under the Act and the Ministerial Order, Silvera is required to present its operating and capital budgets to The City for approval and has the authority to requisition The City for the operating deficit in the lodge program. Instead, The City has been provided an annual grant of \$1.365M since 2009 to meet this requirement. To date, Silvera has been asked to present its 2018 budget to the Priorities and Finance Committee on two occasions in 2017 September and December.

In 2017 December, Silvera presented a high-level overview of its 2018 budget and made a request for additional operating and capital funding for 2018. After receiving this presentation Council approved a recommendation from the Priorities and Finance Committee requesting Silvera to return with a full board approved 2018 budget.

This report attaches Silvera's full 2018 budget and requests Council approval of that budget. Administration has conducted a comprehensive analysis of the 2018 budget; it shows flat-lined revenues and increasing costs due to new provincial regulations, increasing food costs and additional administrative expenses. Administration has analyzed these expenses in detail and, as a result, Administration is recommending that an additional one-time grant of \$1.85M be provided to Silvera in 2018 from the Fiscal Stability Reserve to cover these costs. This is in addition to the \$1.365M provided to Silvera as an annual grant for a total City financial contribution of \$3.215M for 2018.

Moving forward, Silvera will transition to reporting through the Civic Partners framework, with revised and modernized governance arrangements and will come forward with a request for four-year funding through the 2019-2022 One Calgary budget deliberations.

**Community Services Report to
Priorities and Finance Committee
2018 March 22**

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Silvera for Seniors Budget Review

ADMINISTRATION RECOMMENDATION:

That the Priorities and Finance Committee recommend that Council:

1. Review Silvera for Seniors' 2018 capital and lodge operating budgets for consistency with The City's operating and budgeting principles.
2. Approve the Silvera for Seniors budget as presented, or with adjustments that Council sees as appropriate based on The City's 2018 operating budget.
3. Approve an additional one-time grant of \$1.85M for Silvera for Seniors for 2018, to be funded from the Fiscal Stability Reserve. This is in addition to the \$1.365M provided to Silvera as an annual grant for a total City financial contribution of \$3.215M for 2018.
4. Recommend that The City continue working with and advocating to the Government of Alberta to improve asset management for seniors' lodges including an end of life cycle plan and replacement strategy.

**RECOMMENDATION OF THE PRIORITIES AND FINANCE COMMITTEE, DATED 2018
MARCH 12:**

That Council:

1. Review Silvera for Seniors' 2018 capital and lodge operating budgets for consistency with The City's operating and budgeting principles;
2. Approve the Silvera for Seniors budget as presented, or with adjustments that Council sees as appropriate based on The City's 2018 operating budget;
3. **Upon The City and Silvera for Seniors agreeing upon content for a new Ministerial Order and the Minister of Seniors and Housing publicly releasing a signed Ministerial Order incorporating that content, approve an additional one-time grant of \$1.85M for Silvera for Seniors for 2018 to be funded from the Fiscal Stability Reserve. This is in addition to the \$1.365M provided to Silvera as an annual grant, for a total City financial contribution of \$3.215M for 2018; and**
4. Recommend that The City continue working with and advocating to the Government of Alberta to improve asset management for seniors' lodges including an end of life cycle plan and replacement strategy.

PREVIOUS COUNCIL DIRECTION / POLICY

At the 2017 December 18 Regular Meeting of Council, the following recommendations from the 2017 December 5 meeting of the Priorities and Finance Committee were approved:

That Council:

1. Review Silvera for Seniors' 2018 capital and operating budgets, for consistency with The City's operating and budgeting principles;
2. Request Silvera to pursue efficiencies and budget reduction measures to match the funding provided by The City through Action Plan 2015-2018 and the transitional funding provided by the Province;
3. Direct Administration to request that Silvera report annually to the Standing Policy Committee on Community and Protective Services as part of the Civic Partner Annual Report commencing in Q2 2018;

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Silvera for Seniors Budget Review

4. Direct Administration to request that Silvera's business plan and budget for the 2019-2022 budget cycle be approved as part of the One Calgary budget and business process. This will include a review of the current lodge portfolio to confirm the transition of aging lodges to new properties and request the removal of lodges that are under contract with Alberta Health Services to provide health services; and
5. Request Silvera for Seniors to submit their 2018 final budget plan once their Board has approved it and return to the Priorities and Finance Committee.

At the 2017 September 11 Combined Meeting of Council, the following recommendations from the 2017 September 5 meeting of the Priorities and Finance Committee were approved:

That Council:

1. Accept this report and its attachments for information;
2. Direct Silvera to report back to Council through the Priorities and Finance Committee with its full 2018 budget for consideration of Council approval no later than 2017 December;
3. Direct Administration to work with Silvera and the Government of Alberta to prepare a transition plan to address the expected discontinuation of Provincial gap funding for Silvera, reporting back to Council through PFC by 2017 Q4; and
4. Approve the recommendations contained in Attachment 8 and keep Attachment 8, In Camera discussions and recommendations confidential under sections 23, 24 and 25 of the Freedom of Information and Protection of Privacy Act until such time as this matter is resolved.

On 2014 November 24, Council approved the 2015-2018 Action Plan as well as the associated operating and capital budgets. The 2015-2018 operating budget for funding Silvera for Seniors included an annual grant of \$1.365M.

BACKGROUND

Silvera for Seniors (Silvera), established in 1952 as the Metropolitan Calgary Foundation, is the largest seniors affordable housing provider in Calgary. It provides affordable housing to approximately 1,600 seniors in 25 communities. Senior's lodge housing was an established municipal responsibility beginning in 1958 and is consistently applied across the entire province of Alberta. Silvera operates two different types of seniors housing: 16 independent living communities and nine seniors' lodge communities. The City holds two Council-appointed positions on Silvera's Board of Directors; the current appointments are Councillor Ward Sutherland and Teresa Goldstein, Manager, Affordable Housing.

Silvera is the sole Housing Management Body under the *Alberta Housing Act* responsible for operating the seniors' lodge housing program in Calgary. The relationship between The City and Silvera is defined by the Government of Alberta under the *Alberta Housing Act* and Ministerial Order H:029/16 (Attachment 1). Under this governance model, Silvera's board is required to submit an annual capital and operating budget to The City for approval and has the authority to requisition The City for operating losses and reserves for specifically identified facilities that fall under the lodge program. It has not exercised this requisition authority since 1997. Instead, The City has contributed an annual mill-rate funded grant to support Silvera's operations and reserves related to the lodge program through the Calgary Housing business unit's annual

**Community Services Report to
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2018 March 22**

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Silvera for Seniors Budget Review

operating budget. Since 2009, the amount of this grant has been \$1.365M. From 2015 to 2017, the Government of Alberta provided additional annual funding to cover Silvera's operating losses that exceeded the amount of The City's grant. For 2018, the Government of Alberta has committed to provide an annual grant of \$1.365M but, as of 2019, will no longer be providing these additional funds (Attachment 2).

INVESTIGATION: ALTERNATIVES AND ANALYSIS

Until 2017, The City had not exercised its ability under the *Act* to require Silvera to submit its operating and capital budgets for approval. Instead, The City had provided a set grant amount, and supported Silvera's strategy to achieve financial sustainability through a mixed income portfolio that reduced the organization's reliance on external government funding. In 2017 September, in light of financial challenges, uncertain funding, and a request from Silvera to increase the number of lodges included under the Ministerial Order, Administration proposed that The City exercise its ability under the *Act* and initiate an annual review of Silvera's capital and operating budgets. An initial report was brought forward to the Priorities and Finance Committee (PFC) in 2017 September to provide an opportunity to review Silvera's historical financial performance; however, due to the timing of Silvera's fiscal year, the Board of Directors had not yet approved its 2018 operating and capital budgets. As a result, Council directed Silvera to report back to Council through PFC in 2017 December to submit these documents for consideration of Council and approval.

Silvera presented at the 2017 December 5 PFC meeting and provided an overview of their 2018 lodge funding requirements. PFC did not approve this request and recommended that Council "Request Silvera for Seniors to submit their 2018 final budget plan once their Board has approved it and return to the Priorities and Finance Committee." Council subsequently approved this recommendation at the 2017 December 18 regular meeting of Council. The purpose of this report is therefore to present Silvera's board approved budget in full (Attachment 3) and provide PFC with the opportunity to review it and determine whether it requires adjustments before Council approval.

Silvera's board approved lodge program budget (Attachment 3) shows total expenses of \$20.13M. Operating revenues (rent) for the year are budgeted to be flat from 2017 at \$12.33M. The difference between rent revenues and expenses is covered by:

- \$495K in other revenue (e.g. third party commercial rent).
- \$3.17M in Provincial grant funding which is specifically targeted towards low income seniors.
- \$1.365M in 'top up' Provincial grant funding.
- \$1.365M from The City's annual grant.

Overall expenses have increased, and when combined with a reserve contribution, there is a funding gap of \$1.85M. The major increases in expenses are as follows:

- A \$200K (4%) increase in operating expenses including food, utilities, and other operating costs. This is attributed to higher food costs, carbon levy tax and higher utility costs.

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2018 March 22**

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Silvera for Seniors Budget Review

- A \$1M (11%) increase in HR expenses. The increase is attributed mainly to:
 - New positions/filling vacant positions (\$470K)
 - Minimum wage increase (required as per provincial regulations)
 - Increased provision for statutory holiday pay (required as per provincial regulations which came into force on 2017 January 1)
 - Increased required operational training as per legislative requirements.
- A \$300K (10%) increase in administration expenses. This is primarily due to costs relating to the implementation of a new enterprise software system which is replacing the current aging and unsupported software system.
- \$360K left over in “cash available for capital purchases” after the operating budget expenses and reserves are covered. These capital equipment purchases are broken out within the budget; they are primarily:
 - IT equipment
 - Dining equipment
 - Maintenance equipment

As in prior years, Silvera plans to put \$400K into capital maintenance reserves in 2018. Silvera have looked across the Province for best practices in reserve allocation and have found Greater Edmonton Foundation provide on average \$1,000 in reserves per door. They seem to be actively using the reserves; as the budget shows that the current reserve balance for the lodges is \$3.2M, and they will draw down \$2.1M of this in 2018 for capital maintenance and renovations.

On the basis of the information provided by Silvera, and the nature of the expenses the organization is incurring, Administration recommends that The City provide an additional one-time grant of \$1.85M for 2018 to be funded from the Fiscal Stability Reserve. This is in addition to the \$1.365M provided to Silvera as an annual grant for a total City financial contribution of \$3.215M for 2018. Going forward, Silvera will present its 2019-2022 budget for Council approval and Administration will bring an annual operating adjustment for Silvera through the One Calgary budget deliberations in 2018 November.

To continue to improve how The City and Silvera work together, Administration is working with the Government of Alberta and Silvera to amend Ministerial Order H:029/16. Items of discussions to date have included the board appointment process, and process for City approval of Silvera’s business plan and budgets. Proposed amendments to the Ministerial Order are being brought forward under a separate report for approval.

Once the amendments to the Ministerial Order are approved, Administration will work with Silvera and the Government of Alberta to assess the organization’s long-term operating and capital funding needs in 2019 and beyond. Administration will work with Silvera to bring forward a business plan and budget that integrates a fiscally responsible and financially prudent approach as part of the One Calgary 2019-2022 budget deliberations in 2018 November.

As part of this work, Administration will support ongoing collaboration to ensure that business and capital plans consider ongoing operating and capital requirements for new lodges,

Silvera for Seniors Budget Review

decommissioning, repurposing and/or selling aging assets, and a shared commitment to reducing the reliance on taxpayer funding.

Administration's support for The City's partnership with Silvera is in the process of transitioning to align with the relationship management and accountability practices that are consistent with the Council approved Investing in Partnerships Policy and its Civic Partner Category. Starting in Q2 2018, Silvera will report as part of the Civic Partner Annual Report to the Standing Policy Committee on Community and Protective Services.

Stakeholder Engagement, Research and Communication

Administration has worked with Silvera to provide this update to Council. As described above, Administration is working closely with both Silvera and the Government of Alberta to implement a more sustainable governance and funding model for Silvera going forward.

Strategic Alignment

The City's partnership with Silvera is aligned with The City's Corporate Affordable Housing Strategy, which formalizes affordable housing as a Council Priority and provides a direction to "utilize all appropriate municipal tools to support affordable housing providers." It is also aligned with The City's Seniors Age-Friendly Strategy and Implementation Plan 2015-2018, specifically with Result 2 under the Housing Priority Area: "Older adults live in homes that they can afford."

Social, Environmental, Economic (External)

Silvera is an important non-profit organization that provides much needed homes to low- and moderate-income seniors in Calgary. Council's review and approval of Silvera's budget will enable continued partnership between Silvera and The City to deliver affordable housing for seniors in a variety of built forms and operating models that best serve their housing needs. The ongoing partnership between Silvera, The City, and the Province to implement a sustainable funding and governance model will ensure that Silvera is able to work toward greater financial sustainability while preserving homes and continuing to deliver services for citizens in need.

Financial Capacity

Current and Future Operating Budget:

The recommendation made in this report would impact The City's 2018 operating budget. It is proposed that the one-time funding requested by Silvera be funded from the Fiscal Stability Reserve. Administration has confirmed that the Fiscal Stability Reserve can cover this request. As described above, Administration will be working with Silvera to bring forward a business plan and budget that integrates a fiscally responsible and financially prudent approach as part of the One Calgary 2019-2022 budget deliberations 2018 November. As seen in Attachment 3, the Government of Alberta current provides \$3.17M in Lodge Assistance Program funding and one-time funding for 2018 of \$1.365M. It is expected that the level of funding request for this budget cycle will increase from the \$1.365M that has been provided since 2009 to approximately \$4.5M.

Silvera for Seniors Budget Review

Current and Future Capital Budget:

Silvera's board approved budget does not contain a request for capital funding from The City. The capital projects planned for 2018 are outlined in the budget and are covered from reserves and provincial capital funding requests. Going forward, Administration will request a full and comprehensive estimate of the deferred maintenance on the properties in the Ministerial Order, a statement on the accuracy of those estimates and a long-term plan to address the deferred maintenance before making any recommendations to provide additional capital funding. Administration is also recommending that the Province undertake a comprehensive asset management plan for seniors' lodges including an end of lifecycle plan and replacement strategy.

Risk Assessment

The City's relationship with Silvera is characterized by an historical element of financial risk due to the *Alberta Housing Act* and the requisition authority. Administration is mitigating this risk by working with Silvera to ensure the funding The City provides is appropriate and spent prudently in the public interest. Administration is confident that the amount requested by Silvera is in line with similar providers and consists mostly of costs that Silvera cannot control.

Looking further ahead, Silvera oversees a portfolio of aging lodge infrastructure that has significant lifecycle needs and ambitious capital development plans to grow its lodge facilities. This, coupled with inflation and increasing operating costs elsewhere, means there is a high likelihood of Silvera's financial requests increasing over at least the medium term. Administration is mitigating this risk through the changes being requested to the Ministerial Order which are intended to provide The City more oversight of board recruitment and the ability to approve Silvera's business plan and budget going forward. Future requirements include asset management planning of the lodge portfolio and a capital plan to replace the aging lodges as they approach the end of their lifecycle based on a financially sustainable business model.

REASON(S) FOR RECOMMENDATION(S):

The City of Calgary is legislatively responsible for operating deficits incurred in the seniors' lodge program managed by Silvera and listed on the Ministerial Order. This budget request fulfils The City's obligations under the legislation

ATTACHMENT(S)

1. Attachment 1 - Ministerial Order H:029/16
2. Attachment 2 - Letter from the Government of Alberta confirming Silvera funding for 2018
3. Attachment 3 - Silvera for Seniors 2018 Board Approved Operating and Capital Budget
4. Attachment 4 - Silvera for Seniors 2018 Lodge Program Budget – Supporting Information Provided by Silvera



ALBERTA
SENIORS AND HOUSING

*Office of the Minister
MLA, Edmonton-Riverview*

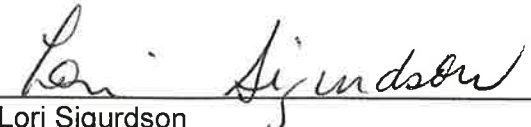
PFC2018-0196
ATTACHMENT 1

MINISTERIAL ORDER NO. H:029/16
DEPARTMENT OF SENIORS AND HOUSING
PROVINCE OF ALBERTA
SILVERA FOR SENIORS

I, Lori Sigurdson, Minister of Seniors and Housing, pursuant to Section 5 of the *Alberta Housing Act*, make the following order:

1. Ministerial Order No. H:018/96 as amended, establishing the **Silvera for Seniors** as a management body, is amended:
 - (a) by replacing the Appendix of Silvera for Seniors as amended, attached to Ministerial Order No.H:006/16, with the attached Appendix of Silvera for Seniors.
2. This Ministerial Order comes into effect on the date it is signed by the Minister.

Dated at Edmonton, Alberta, this 15th day of August, 2016.


Lori Sigurdson
Minister of Seniors and Housing

APPENDIX

SILVERA FOR SENIORS

1. **Silvera for Seniors** (hereafter referred to as the "management body") is hereby established as a management body.
2. The **City of Calgary** is the only member of the management body.
3. (1) The management body shall be governed by a board (hereafter referred to as the "board"), comprised of a maximum eleven (11) members appointed as follows, and in accordance with subsections (2) and (3):
 - (a) A maximum of two (2) members of the board shall be appointed by the City of Calgary from Senior Administration or from Council.
 - (b) Nine (9) members of the board shall be selected from the public at large by the selection committee of Silvera for Seniors and adopted to the board by the City of Calgary.
- (2) For the purposes of subsection (1), the City of Calgary and the board of the management body respectively have the sole discretion to determine:
 - (a) the boundaries of the areas from which members of the board may be appointed;
 - (b) the eligibility requirements, including:
 - (i) members shall be residents of the City of Calgary;
 - (ii) members shall be Canadian citizens;
 - (iii) members shall be the age of majority, mature and of some expertise in community matters;
 - (iv) board members, persons of their family or business associates shall not be employed or contracted by Silvera for Seniors; and
 - (v) members must satisfactorily comply with a criminal records check as outlined under the Protection of Persons in Care Act and found acceptable by Silvera for Seniors.
- (3) The board shall be appointed as follows:
 - (a) Members of the board referred to in subsection (1)(a) shall be appointed at the annual organizational meeting of the City of Calgary in accordance with this Order and at the times the board requests the City of Calgary.
 - (b) Members of the board referred to in subsection (1)(b), shall be appointed by the board of the management body and adopted at the annual organizational meeting of the City of Calgary in accordance with this Order and at the times the board requires.
 - (c) The term of office for each member of the board shall be as follows:
 - (i) board members shall be appointed for a term of three (3) years and may be re-appointed up to a maximum of nine (9) years; and
 - (ii) for continuity, no more than three (3) Board Members' terms may expire in each year.
 - (d) The chairperson, vice-chairperson, treasurer or any other officers of the board that the board determines necessary, shall be appointed from among the

board members in the manner and at the times the board determines appropriate.

- (e) The term of office for the chairperson, vice-chairperson, treasurer or any other officers of the board shall be for a one (1) year term.
 - (f) A board member shall only be elected Chairperson by the Board for three (3) consecutive years and shall vacate the Chair for at least one (1) year before further consideration as Chair for the board.
 - (g) Each member of the board is entitled to deal with all matters of the board arising from the policies and programs, and operation and administration, of the management body, except where otherwise provided under the Act and its Regulations.
- (4) The board is a continuing body.
- (5) The board shall provide the Deputy Minister with the name of its chairperson and vice-chairperson as soon as possible on selection, and shall notify the Deputy Minister of any change of chairperson and vice-chairperson.
4. The board shall:
- (a) designate the offices of the management body, and
 - (b) immediately notify the Deputy Minister of the location of its primary place of business in Alberta and any other offices, the management body's address for service, and any change in the location of such offices or address for service.
5. For the purposes of providing lodge accommodation, the management body may requisition the City of Calgary.
6. (1) The management body is responsible for the operation and administration of the housing accommodation listed in Schedule "A".
- (2) In addition to the housing accommodation operated under subsection (1), the management body may operate Rent Supplement housing accommodation as designations are allocated to the management body by the Minister under the Rent Supplement Regulation.
7. The board shall annually submit for approval to the City of Calgary operating and capital budgets, as may require revision from time to time, which shall include an estimate of the funding required to requisition the City.
8. For the purposes of the Act, the management body has and is subject to the powers, functions or duties as provided in the following Regulations:
- (a) Management Body Operation and Administration Regulation;
 - (b) Social Housing Accommodation Regulation;
 - (c) Housing Accommodation Tenancies Regulation;
 - (d) Rent Supplement Regulation; and
 - (e) Lodge Assistance Program Regulation.



ALBERTA
SENIORS

*Office of the Minister
MLA, Athabasca - Sturgeon - Redwater*

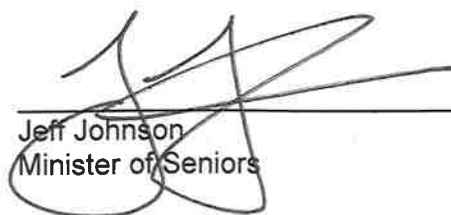
PFC2018-0196
ATTACHMENT 1

MINISTERIAL ORDER NO. H:006/15

I, Jeff Johnson, Minister of Seniors, pursuant to section 5 of the *Alberta Housing Act*, make the following order:

- 1) Ministerial Order No. H:018/96 as amended, establishing the **Metropolitan Calgary Foundation** as a management body, is amended:
 - a) by changing the name of Metropolitan Calgary Foundation to Silvera for Seniors.
 - b) by replacing the Appendix of Metropolitan Calgary Foundation as amended, attached to Ministerial Order No. H:020/2007, with the attached Appendix of Silvera for Seniors.
 - c) by replacing the Schedule "A" of Metropolitan Calgary Foundation, as amended, attached to Ministerial Order No H:001/12 with the attached Schedule "A" of Silvera for Seniors.
- 2) This Ministerial Order comes into effect on the date it is signed by the Minister.

Dated at Edmonton, Alberta, this 1 day of April, 2015.



Jeff Johnson
Minister of Seniors

424 Legislature Building 10800 - 97 Avenue, Edmonton, Alberta T5K 2B6 Canada

Printed on recycled paper

APPENDIX

SILVERA FOR SENIORS

1. **Silvera for Seniors** (hereafter referred to as the "management body") is hereby established as a management body.
2. The **City of Calgary** is the only member of the management body.
3. (1) The management body shall be governed by a board (hereafter referred to as the "board"), comprised of a maximum nine (9) members appointed as follows, and in accordance with subsections (2) and (3):
 - (a) A maximum of two (2) members of the board shall be appointed by the City of Calgary from Senior Administration or from Council.
 - (b) seven (7) members of the board shall be selected from the public at large by the selection committee of the Silvera for Seniors and adopted to the board by the City of Calgary.
- (2) For the purposes of subsection (1), the City of Calgary and the board of the management body respectively have the sole discretion to determine:
 - (a) the boundaries of the areas from which members of the board may be appointed;
 - (b) the eligibility requirements, including:
 - (i) members shall be residents of the City of Calgary;
 - (ii) members shall be Canadian citizens;
 - (iii) members shall be the age of majority, mature and of some expertise in community matters;
 - (iv) board members, persons of their family or business associates shall not be employed or contracted by Silvera for Seniors; and
 - (v) members must satisfactorily comply with a criminal records check as outlined under the Protection of Persons in Care Act and found acceptable by Silvera for Seniors.
- (3) The board shall be appointed as follows:
 - (a) Members of the board referred to in subsection (1)(a) shall be appointed at the annual organizational meeting of the City of Calgary in accordance with this Order and at the times the board requests the City of Calgary.
 - (b) Members of the board referred to in subsection (1)(b), shall be appointed by the board of the management body and adopted at the annual organizational meeting of the City of Calgary in accordance with this Order and at the times the board requires.
 - (c) The term of office for each member of the board shall be as follows:
 - (i) board members shall be appointed for a term of three (3) years and may be re-appointed up to a maximum of nine (9) years; and
 - (ii) for continuity, no more than three (3) Board Members' terms may expire in each year.

- (d) The chairperson, vice-chairperson, treasurer or any other officers of the board that the board determines necessary, shall be appointed from among the board members in the manner and at the times the board determines appropriate.
 - (e) The term of office for the chairperson, vice-chairperson, treasurer or any other officers of the board shall be for a one (1) year term.
 - (f) A board member shall only be elected Chairperson by the Board for three (3) consecutive years and shall vacate the Chair for at least one (1) year before further consideration as Chair for the board.
 - (g) Each member of the board is entitled to deal with all matters of the board arising from the policies and programs, and operation and administration, of the management body, except where otherwise provided under the Act and its Regulations.
- (4) The board is a continuing body.
- (5) The board shall provide the Deputy Minister with the name of its chairperson and vice-chairperson as soon as possible on selection, and shall notify the Deputy Minister of any change of chairperson and vice-chairperson.
4. The board shall:
- (a) designate the offices of the management body, and
 - (b) immediately notify the Deputy Minister of the location of its primary place of business in Alberta and any other offices, the management body's address for service, and any change in the location of such offices or address for service.
5. For the purposes of providing lodge accommodation, the management body may requisition the City of Calgary.
6. (1) The management body is responsible for the operation and administration of the housing accommodation listed in Schedule "A".
- (2) In addition to the housing accommodation operated under subsection (1), the management body may operate Rent Supplement housing accommodation as designations are allocated to the management body by the Minister under the Rent Supplement Regulation.
7. The board shall annually submit for approval to the City of Calgary operating and capital budgets, as may require revision from time to time, which shall include an estimate of the funding required to requisition the City.
8. For the purposes of the Act, the management body has and is subject to the powers, functions or duties as provided in the following Regulations:
- (a) Management Body Operation and Administration Regulation;
 - (b) Social Housing Accommodation Regulation;
 - (c) Housing Accommodation Tenancies Regulation;
 - (d) Rent Supplement Regulation; and
 - (e) Lodge Assistance Program Regulation.

April 24, 2015

Ms. Arlene Adamson
Chief Administrative Officer
Silvera for Seniors
804, 7015 McLeod Trail SW
Calgary, Alberta T2H 2K6

Dear Ms. Adamson:

We noticed a minor error on the first page of the Schedule A of the MO just sent to you regarding the name change.

Attached is the new copy along with a copy indicating where the error was noticed and corrected.

Thanks,



Sonya Burak-Bernard

Assistant to the Director
Housing Strategies and Program Support

Schedule "A"
SILVERA FOR SENIORS
Housing Accommodation

Housing Accommodation Type		Legal Description							No. of Units
Project Name	Project Number	Meridian	Plan	Block	Lot	Unit	LINC	Municipal Address	
COTTAGE UNITS									
JAMES SHOULDICE	221827566005		7810845	1			9560000014	4730 - 19 AVENUE NW	20
LODGE									
ASPEN LODGE	221827512200		273JK	C	1		9510000009	1171 BOW VALLEY LANE NE	267
BEAVER DAM LODGE 1200	221827510124		8652 GP	7			0013682471	2012 - 66 AVENUE SE	61
BOW VALLEY LODGE 1100	221827510123		8410639	2			0014635355	1020 BOW VALLEY DRIVE NE	61
CONFEDERATION PARK 1000	221827510010		7510987	1			0017002403	1320 - 21 AVENUE NW	57
JAMES SHOULDICE LODGE 1300	221827510125		7810845	1			0013682166	4730 - 19 AVENUE NW	61
SHAWNESSY LODGE	221827516063		8111812	15	35		0015157407	30 SHANNON PLACE SW	81
SPRUCE LODGE	221827512118		4897HE	A			0017042540	1055 BOW VALLEY DRIVE NE	133
VALLEY VIEW LODGE 1400	221827516006		7811669	1	1		0016604928	2736 - 19 AVENUE SE	59

Schedule "A"
SILVERA FOR SENIORS
Housing Accommodation

Housing Accommodation Type		Legal Description							No. of Units	
Project Name	Project Number	Meridian	Plan	Block	Lot	Unit	LINC	Municipal Address		
SENIORS SELF CONTAINED										
ALDER COURT	221827550304		2864 AF	13	24-25		0018087395	1633 - 20 AVENUE NW	CALGARY	6
AUSTIN H. NIXON MANOR	221827556133		8011461	18	2A		0016270209	10660 ELBOW DRIVE SW	CALGARY	46
BEAVER DAM PLACE	221827556048		8652 GP	7			9550000078	19 STREET & CRESTWOOD ROAD SE	CALGARY	32
BEAVER DAM SENIOR CITIZENS	221827556196		8652 GP	7			9550000079	2012 - 66 AVENUE SE	CALGARY	8
BOW VALLEY TOWNHOUSES (ATCO)	221827556180		8410639	2			9550000080	1060 BOW VALLEY DRIVE NE	CALGARY	16
BOXWOOD PLACE	221827556148		4479 P	13	9-10		0019451046	1818 - 28 AVENUE SW	CALGARY	6
CHESTNUT GROVE	221827556034		4031 N	B	13-14		0019631621	828 - 4 STREET NE	CALGARY	8
DREAM HAVEN	221827556194		4879 L		3		0016065287	1518 - 8 AVENUE NW	CALGARY	28
ELMWOOD COURT	221827556049		4610 AJ	21	9		0019438019	3606 TO 3613 - 63 STREET NW	CALGARY	6
FRIENDSHIP MANOR	221827556154		5705GD	IF	1		0016596240	1923 - 33 STREET SW	CALGARY	57
			5705GD	IF	1		0016596258			

Schedule "A"
SILVERA FOR SENIORS
Housing Accommodation

Housing Accommodation Type		Legal Description							No. of Units	
Project Name	Project Number	Meridian	Plan	Block	Lot	Unit	LINC	Municipal Address		
SENIORS SELF CONTAINED										
GILCHRIST GARDENS (ATCO)	221827556182		3696FR	IF	A		0018113076		20	
			3696FR	IF	A		0018113084			
			7510782	32	13		0013681218	3011 - 56 STREET NE		CALGARY
GILCHRIST MANOR	221827556035		7510782	32	13		9550000006	3003 - 56 STREET NE	CALGARY	49
			7810845	1			9550000081	2003 - 46 STREET NW	CALGARY	
JAMES SHOULDICE MANOR	221827556075		1367 O	3	4-89&E		0020424396	207 - 21 AVENUE NE	CALGARY	12
			1367 O	3	4-89&E		0020424396	209 - 21 AVENUE NE	CALGARY	
			1367 O	3	4-89&E		0020424396	211 - 21 AVENUE NE	CALGARY	
			1367O	3	50-51		0020424404			
MCCANN COURT	221827556027		4930 GV	1			0021826615	710 - 16 AVENUE NE	CALGARY	102
MOUNTVIEW 2	221827556000		4348 AN	30	19-27		0016024911	UNITS 1-10, 4500 - 47 STREET SW	CALGARY	24
			4348 AN	30	19-27		0016024911	UNITS 11-24, 4500 - 47 STREET SW	CALGARY	



Office of the Executive Director
Housing Operations
3rd Floor, 44 Capital Boulevard
10044 - 108 Street
Edmonton, Alberta T5J 5E6
www.seniors-housing.alberta.ca

March 14, 2018

Ms. Arlene Adamson, CAO
Silvera for Seniors
804-7015 Macleod Trail SW
Calgary, Alberta T2H 2K6

Dear Arlene:

RE: Silvera for Seniors Operational Deficit Funding

We want to advise you that operational deficit funding amounting to \$1.365 million in support of the lodge program has been approved by the Minister for 2018.

The operational deficit funding is in addition to the forecasted Lodge Assistance Program (LAP) funding of \$3.27 million for 2018. It is important to note that the operational deficit funding of \$1.365 Million has not been forecasted for 2019.

I understand that the Department, the City of Calgary, and Silvera for Seniors have had success in developing a collaborative plan to move forward and a resolution is forthcoming. The department is supportive of these collaborative discussions and looks forward to a positive outcome.

We hope this increased funding for 2018 will help with operating costs for the 780 seniors' lodge accommodations within your portfolio.

Sincerely,

A handwritten signature in blue ink, appearing to read "Dean Lussier".

Dean Lussier
Executive Director, Housing Operations
Seniors and Housing

cc: Brenda Matthews, Housing Advisor, Seniors and Housing
cc: Teresa Goldstein, Manager, Affordable Housing, the City of Calgary

Silvera For Seniors (SLV02) - Silvera Portfolio
BUDGET WORKSHEET
Summary -Lodge Program
For the Period from Jan 01 to Dec 31, 2018

LODGE PROGRAM

Account Name	ANNUAL ACTUAL 2015	ANNUAL ACTUAL 2016	FORECAST ANNUAL 2017	ANNUAL BUDGET 2018
Rent Revenue Total	11,106,128	11,386,682	11,562,104	11,658,314
Resident Services Total	394,864	391,308	393,022	500,331
Non Resident Services Total	219,578	208,305	218,433	170,218
Operating Revenue Total	11,720,570	11,986,295	12,173,559	12,328,863
Management & Administration Total	14,071	34,840	27,334	11,250
Charitable Donations Total	1,462	7,569	94,029	-
Investment Income Total	399,761	425,858	490,577	483,739
Other Revenue Total	415,293	468,267	611,940	494,989
ASHC - LAP Grant Total	3,206,199	3,212,404	3,175,340	3,170,682
Provincial - Other Grants	1,227,373	1,185,714	1,186,588	1,365,000
Municipal Grants	-	-	1,365,000	1,365,000
Other Grants	-	-	-	-
Requisition Revenue	1,365,000	1,365,000	-	1,854,706
Provincial and City Grants Total	2,592,373	2,550,714	2,551,588	4,584,706
Government Contributions Total	5,798,572	5,763,118	5,726,928	7,755,388
TOTAL REVENUE	17,934,435	18,217,680	18,512,426	20,579,240
Food Total	1,689,424	1,763,551	1,756,897	1,872,154
Operating Total	630,521	641,053	744,084	791,969
Operating Maintenance Total	1,059,367	1,215,072	1,278,994	1,231,725
Utilities Total	1,328,493	1,265,277	1,378,413	1,457,126
Operating Expense Total	4,707,805	4,884,953	5,158,388	5,352,974
Human Resources Total	9,005,553	9,370,335	9,585,105	10,658,216
Administration Total	2,042,724	2,494,003	3,020,744	3,324,971
Charitable Costs Total	113	250	11,870	-
Interest Expense Total	-	-	-	-
Amortization Expenses Total	690,193	662,760	780,469	795,281
Other Expenses Total	11,738,583	12,527,348	13,398,187	14,778,468
TOTAL EXPENSES Total	16,446,387	17,412,302	18,556,575	20,131,442
Operating Surplus (Deficit)	1,488,048	805,379	(44,149)	447,798
Net Amortization Total	290,432	236,902	289,891	311,535
Maintenance Reserve Total	(400,000)	(400,000)	(323,317)	(400,000)
Inter community Reserve adjustment			-	-
Mortgage			-	-
Cash available for capital purchases	1,378,480	642,281	(77,575)	359,333

% Change	
0.8%	Resident income increase
27.3%	Carbon recovery fee for April 1
-22.1%	commercial customer moved
1.3%	
<div>Analysis of increase in HR cost: - staff position changes and salary COLA for April 1. Hourly 3% increase throughout year</div>	
-0.1%	Decrease in benefits (175,000)
	impact of new + vacant positions 477,000
	Provision for Stat holiday 135,000
	Increase in relief hours provided 81,000
	Increase in training cost 175,000
	Total increase in HR cost 1,073,000

- 6.6% Rates per Complete Purchasing Services buying group.
- 6.4% Re-align +Activities, -Housekeeping, + Dining services
- 3.7% reduction in flooring & HVAC (paint 160 - 20%, refloor 125 - 15%)
- 5.7% Carbon tax, waste removal, water
- 11.2% See table
- 10.1% Increasing marketing (\$100K), insurance coverage (\$25K), one-time consulting (\$310K)

SILVERA PROGRAMS BUDGET

2018 Annual Budget									
Account Name	Aspen	Spruce	Beaverdam	Shawnessy	BowValley	Shouldice	Confederation	Valleyview	Lodges Total
Community Code	40050	40045	40025	40040	40020	40030	40015	40035	
# of rooms	267	133	58	81	61	61	57	59	777
% of wage cost	25%	13%	8%	9%	8%	8%	8%	8%	87%
Rent Revenue Total	4,085,148	2,122,621	1,001,046	1,237,000	905,437	864,780	772,383	669,900	11,658,314
Resident Services Total	174,976	90,849	29,624	54,293	39,608	37,553	34,796	38,632	500,331
Non Resident Services Total	41,108	17,891	14,110	7,607	12,154	9,320	58,511	9,517	170,218
Operating Revenue Total	4,301,232	2,231,361	1,044,780	1,298,900	957,199	911,653	865,690	718,049	12,328,863
Management & Administration Total	3,100	2,100	500	1,500	1,000	1,000	1,000	1,050	11,250
Charitable Donations Total	-	-	-	-	-	-	-	-	-
Investment Income Total	314,135	157,258	4,581	3,765	1,000	1,000	1,000	1,000	483,739
Other Revenue Total	317,235	159,358	5,081	5,265	2,000	2,000	2,000	2,050	494,989
ASHC - LAP Grant Total	1,089,539	542,729	236,679	330,534	248,921	248,921	232,598	240,760	3,170,682
Provincial and City Grants Total	1,575,440	784,769	342,230	477,942	359,932	359,932	336,330	348,131	4,584,706
Government Contributions Total	2,664,979	1,327,499	578,909	808,477	608,853	608,853	568,928	588,890	7,755,388
TOTAL REVENUE	7,283,446	3,718,218	1,628,770	2,112,642	1,568,052	1,522,506	1,436,618	1,308,989	20,579,240
									-
Food Total	643,326	320,459	139,749	195,166	146,978	146,978	137,340	142,158	1,872,154
Operating Total	255,975	141,036	63,036	83,682	61,236	64,486	60,832	61,686	791,969
Operating Maintenance Total	350,016	188,414	116,887	154,053	98,667	98,817	100,667	124,204	1,231,725
Utilities Total	443,191	221,697	126,263	134,656	124,997	120,916	145,646	139,760	1,457,126
Operating Expense Total	1,692,508	871,606	445,935	567,557	431,878	431,197	444,485	467,808	5,352,974
Human Resources Total	3,027,148	1,634,532	931,301	1,105,967	989,345	976,733	1,003,645	989,544	10,658,216
Administration Total	936,467	504,626	291,723	347,399	311,955	308,378	313,969	310,454	3,324,971
Charitable Costs Total	-	-	-	-	-	-	-	-	-
Interest Expense Total	-	-	-	-	-	-	-	-	-
Amortization Expenses Total	459,932	197,191	23,101	16,704	29,484	20,167	22,612	26,090	795,281
Other Expenses Total	4,423,547	2,336,350	1,246,125	1,470,070	1,330,783	1,305,279	1,340,226	1,326,088	14,778,468
TOTAL EXPENSES Total	6,116,055	3,207,956	1,692,060	2,037,627	1,762,661	1,736,476	1,784,711	1,793,896	20,131,442
Net Operating Surplus (Deficit)	1,167,390	510,263	(63,289)	75,014	(194,609)	(213,970)	(348,094)	(484,907)	447,798
Net Amortization Total	145,797	39,933	18,520	12,939	28,484	19,167	21,612	25,090	311,535
Maintenance Reserve Total	(267,000)	(133,000)	-	-	-	-	-	-	(400,000)
Inter community Reserve adjustment									
Mortgage									
Net Surplus (Deficit)	900,390	377,263	(63,289)	75,014	(194,609)	(213,970)	(348,094)	(484,907)	47,798



2018 Lodge Program Budget

March 22, 2018

Mandate:

Silvera for Seniors is a Housing Management Body designated by the Ministry of Seniors and Housing and is a registered charity. Overall, Silvera for Seniors provides affordable housing and services to 1600 low income seniors in 25 communities (facilities) and has been a trusted operator for 56 years. Specific relation to the City of Calgary, Silvera operates The Lodge Program under provincial Ministerial Order H:029/16. The Lodge Program addresses housing needs of low income seniors and is funded by the Province and the City of Calgary as required by the Alberta Housing Act.

The volunteer Board of Directors consists of nine members. The City holds two Council-appointed positions and the remaining seven directorships are filled through a skills driven and open public recruitment process by the Board's Governance and Nomination Committee. The City also has representation on Silvera's Finance and Risk Management Committee.

Through the Ministerial Order, the City has the authority to review and approve annual budgets and may be requisitioned for operational deficits (including Capital Maintenance and reserves) of the Lodge Program.

The Lodge Program consists of eight properties; six owned by the Province and two owned by Silvera for Seniors. Facilities are located on land owned by the Province or the City of Silvera for Seniors.

Additionally, Silvera for Seniors operates its own supportive living facility and an independent living facility. It also operates 16 provincially owned independent living apartments for which it is paid a management fee. These facilities do not receive municipal funding nor are they eligible. These facilities also create a surplus that we are required to return to the Provincial Government.

Silvera's Strategic Imperatives:

- 1) Create dynamic communities;
- 2) Support seniors to live fully and age successfully with Silvera;
- 3) Maintain financial discipline;
- 4) Build Silvera's high performance culture;
- 5) Steward our trusted reputation.

City of Calgary Relations:

The Ministerial Order provides Silvera with the right to requisition the City for Lodge Program operational and capital deficits. Through tacit agreement, Silvera has not requisitioned the City since 1997 (20 years), nor requested assistance for furniture, fixture and equipment reserves. Instead, Silvera has received a flat grant amount every year, and since 2009 (9 years) this grant has been \$1,365k.

Management began a funding dialog with the City in 2012 and initiated the discussion regarding the Ministerial Order legislated obligations and the funding model in 2014. In 2015, Silvera secured an additional operating grant from the Province matching municipal funding. Negotiated each year, Silvera expects to receive this grant for a fourth and final year in 2018.

The identified requisition funds are required to help Silvera continue to address the impact of higher costs due to legislative changes, raising cost of living and 20 – 40-year-old lodges facilities.

A medium-term planning horizon of 4 years is also being adopted and budget timing cycle incorporated into the Board workplan to coincide with the City's budget approval cycle.

Timeline of Events:

- *August 2, 2017* – Silvera provides funding requirement to Priority and Finance Committee (PFC)
- *September 5, 2017* – Silvera presentation to PFC, by invitation
- *November 8, 2017* – Silvera submits 2018 Budget Snapshot
- *December 5, 2017* – Silvera presentation of 2018 Budget, prior to Board approval
- *January 12, 2018* – Silvera Board approves 2018 Budget, without provincial and municipal funding commitment
- *March 22, 2018* – City PFC presentation scheduled

Response to December 5, 2017 Recommendations:

Silvera's mandate and initiatives are aligned with the Municipal Development Plan, specifically 2.3.1 housing objective to "Ensure a choice of housing forms, tenures and affordability to accommodate the needs of current and future Calgarians and create sustainable local communities."

The Lodge Program supports this through "access to adequate and affordable housing (as a) fundamental component of the quality of life in a city" and "ensures that housing choice exists for a range of needs and income levels." Providing safe, secure support and services to a vulnerable population alleviates other pressured services such as emergency response and policing.

Recommendation# 2 – Align to City Action Plan

The City's Action Plan 2015-2018 and its subsequent adjustments are in reaction to changes in the local economy and a shift in citizen's needs and priorities. In the same vein, Silvera is also reacting to the local economy and shifting citizen's needs. The City's own research indicates accelerated growth of the senior's demographic, therefore it reasonable to expect a proportionate growth in low income seniors. Management is leading the Lodge operation strategically by managing resources, ensuring operating efficiently, maximizing cost containment, operating efficiently and securing the Lodge Program's funding, and future planning for Capital growth as a priority.

Recommendation #2 Pursue efficiencies and budget reduction

City Administration requested efficiencies and budget reduction measures be pursued. Given Silvera's mandate and vulnerability of our residents, management takes a least harm approach while maintaining service delivery ensuring regulatory compliance and supporting residents. Silvera operated under extreme long term underfunding and as such has ongoing internal reviews to achieve cost controls and operational efficiencies. To that end we

have reformed spending to ensure we have leveraged our purchasing power (i.e. Housekeeping and Dining Supplies, Food costs), conducted staff unit time counts, and ongoing process improvements, etc. We have also reduced costs where possible, most notable is utilities, cable contract, etc., we have controlled costs in wages and staff vacancies which has been an ongoing priority given we have never had adequate funding for the Lodge program resulting in suppressed wages, working short, managing our workforce and vacancies in a high turnover industry. We manage training cost to stay within legislated compliance requirements. These efforts have added other risks and pressures impacting our workforce stability and retention. We can no longer operate with chronically under funded workforce. These measures are laid out in the risk discussion and in the notes and schedules of this document.

Recommendation# 3 Report via Civic Partners

Silvera has advanced our planning cycle to meet City budget and Civic reporting expectations. We are agreeable to report annually and we are discussing our role with the City as part of the discussions to update the Ministerial Order.

Recommendation# 1&3 Budget and Planning Align to Civic Partner and City Process

City Administration requests Silvera's business plan and budget for the 2019-2022 budget cycle be approved as part of the four year Calgary budget and business process. Silvera Board and Management have addressed this request, and subsequently adjusted our planning cycles and accelerated internal processes to align with the City's timeline. Silvera's medium term budget (2019-2022) will provide the Lodge Program portfolio overview and lay out its interim and long-term strategy.

Lodge Communities:

The six provincially owned Lodges were built in the late 1970's and are nearing their life cycle and **Long-term** we have an opportunity to look at options to optimize both buildings and land. Today we need to continue to maintain these Lodges investing in suite maintenance and upkeep as they have high occupancy. The two Silvera owned facilities were built in the late 1990's and are due for re-freshing to maintain asset value.

Five of the above provincially owned facilities have between 58 – 61 suites each and one facility with 81 suites (Shawnessy). The Silvera owned facilities have 133 suites (Spruce) and 267 suites (Aspen). The Lodge Program comprises 777 suites total.

Two of the provincial lodges have shared bathrooms and showers, which don't meet today's resident needs nor required accommodation standards.

Under the Lodge Program, management have implemented programs to address emerging and specific needs. The Beaverdam lodge (58 suites) supports residents with early cognitive impairment and the Shawnessy lodge offers suites for seniors with greater mobility impairment.

The Lodge Program waitlist is expected to grow as our population ages. Occupancy remains relatively constant at 94.6% (2017), 95.9% (2016), and 94.2% (2015).

Future Plans:

The medium and larger facilities achieve economies that are unattainable within the small (60unit) lodges. Therefore, management is investigating the possibility to optimize and/or re-purposing the small lodges.

Silvera has outlined a capital plan for the Provincial Government to fund more affordable seniors housing that we need in order to advance the portfolio and to house the demand. Building new housing is critical to support current and future senior needs but also to support any opportunities to transition out of old lodges that operate at a deficit.

Silvera has recommended, once new is built that the Province consider an opportunity to optimize two of these smaller lodges to serve unique population needs and could stretch the life of the Lodge, giving time to advance the capital plan and reduce the deficit, while at the same time meet unique population housing demand.

The province is the key holder in these decision and it would support the interest of AHS who are keen to partner with Silvera and carry the operating cost.

With the success of the dementia support and mobility programs, management is also considering expansion to other facilities in the Lodge Program to create additional "village concept" communities.

Another possibility is to re-purpose another of these lodges to a convalesce facility. This provides those who normally live alone with a place to recover from hospital procedures thus freeing up expensive hospital beds as they otherwise could not be released.

Finally, Silvera is actively pursuing new development of medium to larger lodges to replace the small lodges that are nearing the end of their lifecycle. It should also be noted that Silvera pursues and obtains major capital development funding from the Province, and not from the City.

Lodge Program Risk:

The Lodge Program as conceived by the Province was not designed to be profitable, given it is mandated and regulated to house the lowest income seniors. It is jointly funded by the Province and City under Ministerial Order through which its success is dependent. In addition, this sector, seniors supportive housing (Lodge), is heavily regulated which increases administrative burdens.

Therefore, one of the primary uncontrollable risks facing the organization is the political debate between the Province and the City. Significant shifts in this relationship impact Silvera.

Aside from the above entity risk, the most significant, uncontrollable operational risk is regulatory changes both provincially and municipally which affect both revenue generation and cost containment.

Revenue is restricted by provincial statute as the Lodge Program operates on a Rent Geared to Income basis. The Government regulations require applicants be point scored ensuring those in greatest need regardless of ability to pay rent are housed.

Rent charges, therefore are not calculated based on expense coverage, but on a points system prioritizing the lowest income applicants. Silvera is also legally obligated to ensure residents have minimum monthly cash of \$315 after rent charges. It is the principal constraint of the Lodge Program, however it is also the success as it delivers the mandate the program intends.

Cost containment and mitigation over controllable risk due to inflation is pursued through purchase economies, and prioritizing spending.

Uncontrollable regulatory changes are absorbed. The major budget increases reflect: recent changes to labor standards legislation saw significant increases to minimum wage earners, mandatory pay-outs for stat holidays (i.e. no time in lieu) and the banking of overtime hours at the statutory pay rate (i.e. 1.5 hr.) have profoundly impacted salary costs. Silvera has responded through decreasing benefit costs, being extremely cautious with staff wages and reserving increases for hourly workers to comply with these new requirements.

The introduction of the carbon tax, organics recycling program, water and waste water rate increases, accelerated utilities costs. HVAC systems are dated, and residents cannot tolerate cold or extreme heat, therefore Silvera has a higher risk in response to weather.

Unforeseen costs associated with accommodating additional organic recycling bins and collection areas increased utilities and operating maintenance expenses. Our communities are not casual with respect to food waste, and organic composting has triggered operational changes. New capital renovation projects are being planned with some already underway to comply with fire code and other by-law changes.

Maintenance backlogs devalue assets, and older facilities incur proportionately more expenses to maintain.

<i>*in thousands</i>	2015	2016	2017 FORECAST	2018 BUDGET
Operating Revenue (Rent) – (note 1)	11,721,000	11,986,000	12,174,000	12,328,000
Other Revenue (note 2)	415,000	468,000	612,000	495,000
ASHC - LAP Grant (note 3)	3,206,000	3,212,000	3,175,000	3,171,000
Provincial – One Time Funding (note 4)	1,227,000	1,186,000	1,187,000	1,365,000
Municipal Grant (note 5)	1,365,000	1,365,000	1,365,000	1,365,000
Municipal Required Funding	-	-	-	1,855,000
TOTAL REVENUE	\$ 17,934,000	\$ 18,217	\$ 18,513,000	\$ 20,579,000
Food (note 6)	1,689,000	1,764,000	1,757,000	1,872,000
Operating (note 7)	631,000	641,000	744,000	792,000
Operating Maintenance (note 8)	1,059,000	1,215,000	1,279,000	1,232,000
Utilities (note 9)	1,32,000	1,265,000	1,378,000	1,457,000
<i>Operating Expense Sub-Total</i>	<i>4,708,000</i>	<i>4,885,000</i>	<i>5,158,000</i>	<i>5,353,000</i>
Human Resources (note 10)	9,006,000	9,370,000	9,585,000	10,659,000
Administration (note 11)	2,043,000	2,494,000	3,020,000	3,325,000
Amortization Expenses (note 12)	690,000	663,000	780,000	795,000
<i>Other Expenses Sub-Total</i>	<i>11,739,000</i>	<i>12,527,000</i>	<i>13,385,000</i>	<i>14,779,000</i>
TOTAL EXPENSES	\$ 16,447,000	\$ 17,412,000	\$ 18,543,000	\$ 20,132,000
Operating Surplus (Deficit)	\$ 1,487,000	\$ 805,000	\$ (30,000)	\$ 449,000
Maintenance Reserve (note 13)	(400,000)	(400,000)	0	(400,000)
Net Surplus (Deficit)	1,080,000	405,000	\$ (30,000)	49,000

\$4,585

Notes and Supporting Schedules:

General:

The Lodge Program delivers meals, basic housekeeping and activities/active aging program as the resident population need support to live independently. Residents are low income and rents are controlled through provincial regulation requirements thus year over year revenue increases are minimal. Operating expenses including suite turnover maintenance are suppressed through purchasing economies and trade-offs with respect to building reserves accumulation of both facilities' operating and capital maintenance reserves.

Revenue and Operating Expense per Suite, per Month

	2015	2016	2017	2018
Per suite per month				
Operating Rent Revenue	1,257	1,286	1,292	1,322
Other Revenue	45	50	71	53
ASHC - LAP	344	345	340	340
Revenue before municipal support	1,645	1,680	1,703	1,715
Food Costs (1)*	181	189	189	201
Operating costs (2)*	68	69	78	85
Utilities	142	136	148	156
Operating Maintenance (3)*	107	129	137	132
Human Resources (4)*	966	1,005	1,038	1,143
Total Operating Costs, per suite, per month	1,464	1,527	1,591	1,717

1. 6% increase over 2018 yet 15% below monthly cost of a similar Housing Management Body.
2. 7% increase over 2018 yet inline with the monthly cost of a similar Housing Management Body.
3. Decrease to balance budget and excludes suite refurbishment, Furniture, Fixtures & Equipment (FF&E), and Capital Maintenance
4. 10% increase over 2018 yet 6% lower than monthly cost of a similar Housing Management Body.

Notes and Supporting Schedules (cont.):

1. Rental rates are calculated based on Rent Geared to Income regulations whereby resident income is averages \$23k. Resident's income is largely comprised of Government benefits. In addition, Silvera is also legally obligated to ensure residents have minimum monthly cash of \$315 after rent charges. Intake is according to Government regulations based on a point scoring system to identify applicants in greatest need regardless of ability to pay. With the Federal government's announcement to increase Old Age Security payments, estimated rental rates increased by 0.8%.

In late 2017, Silvera received approval to introduce a (partial) carbon recovery fee. This is budgeted to begin April 2018 and is estimated to increase resident services by over 20%.

2. Other revenue decreased due to loss in third party commercial rent by approximately 20%.
3. Alberta Seniors and Housing Corporation (ASHC) – LAP (Lodge Assistance Program) grant applies to a maximum income threshold of \$28,650 (2018) and is anticipated to fund 90% of residents; the remaining 10% exceed the threshold, but do not fully cover operating expense per suite. Subsequent to the 2018 approved budget, the ASHC-LAP grant was increased by \$0.60 per day or 3%; the net impact on revenue was determined to be an additional \$90k – \$100k.
4. In 2015, Silvera negotiated interim additional grant funding of \$1.365k from the Province, matching the City grant and expects 2018 will be the final year for additional funding. As the Province made no stipulation that funding was exclusive to the Lodge Program, it was proportionally allocated to the whole supportive living program. In 2018 it is being solely allocated to the Lodge Program, adding \$200k of revenue support that the City is not being requested to fund.
5. Silvera anticipates the City will continue to fund the current grant level of \$1.365k and we are seeking an additional \$1.855k in 2018. As a last resort Silvera may have to exercise requisition rights as provided for under the Ministerial Order. These additional funds offset increased uncontrollable expenses of the Lodge Program.

Notes and Supporting Schedules (cont.):

6. Food costs are based on a 6-week rotation of a dietician approved menu and 2 annual holiday meals (Christmas and Stampede). 2017 food costs went down in absolute terms by \$6,654 due to improved food management practices. The budgeted increase of 6.6% is calculated using the Complete Purchasing Services buying group 2018 food cost forecast, through which Silvera leverages buying power and economies. In comparison to one other Housing Management Body, our food cost are 15% lower.
7. Operating expenses increased due to increasing costs for housekeeping and dining services by \$0.19 per suite per day. Small wares (dishes etc.) and equipment are at the end of their useful life and require replacement after cost suppression over the past 5 years.
8. Operating maintenance decrease of 3.7% due to scale back, deferment of schedules and HVAC maintenance. Lodge Program facilities were assessed to determine if repair/ replacement could be delayed without causing undue harm. As a result, painting and flooring estimates were reduced by 20% and 15% respectively.
9. Utility cost increase of 5.7% provides for the implementation of the provincial carbon tax, municipal water and waste rates and recycling and organics programs. Utility costs are offset by an 8% reduction in cable costs and a 15% reduction in cell phone costs.
10. Human resource costs increased 11.2% due to regulatory changes to minimum wage, overtime and statutory holiday payments. Overtime and stat holiday provisions increased by \$81k and \$135k respectively. Hourly staff represent 75% of all staff and are subject to a 3% increase in 2018, of this population approximately 20% are minimum wage earners. Using the Boland (CCVO) Survey for NFP, the AB Senior's Community Housing Association 2017 Compensation and Benefits Report and the City of Calgary's Compensation Disclosure List of 2017, 50% of salaried staff are below these market indexes. A change in benefit plan provider decreased benefit costs by \$175k. These savings have been applied to educational updates related to accommodation standards, health and food safety standards, etc.

Notes and Supporting Schedules (cont.):

11. Administration costs increased 10.1% primarily due to insurance premium increases (\$25k), consulting fees relating to the planned upgrade and implementation of a new enterprise software system (\$310k).

Upgrading the enterprise software system in this next year is critical. It is important that Silvera upgrade systems prior to the lifecycle of the software and associated support agreements becoming unsupportable, so that transition is planned rather than a reactive decision. In addition, Silvera can take advantage of the current economic climate as fewer for-profit business and other organizations are embarking on such projects. Thus, suppliers who may not normally service a non-for-profit such as Silvera with a comparatively small budget, may come forward allowing the organization to get superior value-for-money.

12. Amortization expense is applied to furniture, fixtures and equipment and the two lodge facilities owned by Silvera.
13. The maintenance reserve is taken on the two lodge facilities owned by Silvera as the six provincially owned lodges are provided for directly by the Province. This reserve is based on \$1000/door and to ascertain the adequacy of this formula, the facility condition index reports are expected to be complete in 2018.

Supplemental Information:

Furniture, Fixture and Equipment Reserves

Most furniture, fixtures and equipment are past their useful life and purchases are done on an emergency basis. The need is clear, for resident safety and compliance, to replace furniture & fixtures and equipment. Going forward, Silvera needs FF&E reserves once the existing backlog is addressed.

Proposed Capital Equipment Purchases

Small capital equipment purchases are prioritized based on contractual obligations and impact on operational efficiency. The table below lists the forecasted purchases for 2018:

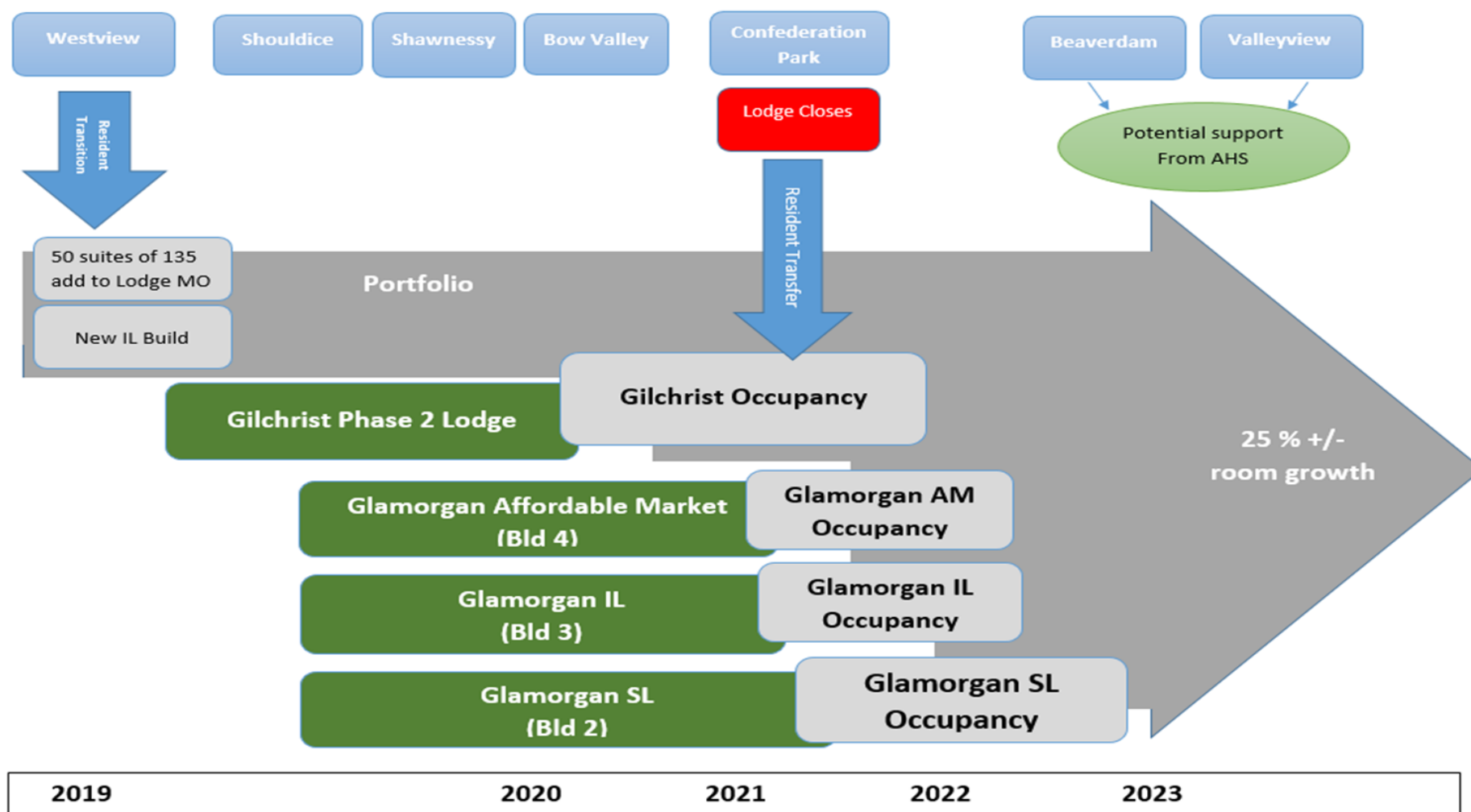
Cash Available for Capital Equipment Purchases	\$359
IT: evergreening – move to multipurpose tablets /notebooks	(\$100)
Housekeeping: service carts/ autoscrubbers	(\$14)
Dining Services: various kitchen equipment	(\$126)
Maintenance Shop: water extractor, room blowers	(\$57)
Communications: website	(\$62)

Aspen and Spruce Reserves

The province has recommended annual 1% of building replacement cost for capital maintenance reserve on the Lodge Program facilities. We provide 0.45 % These two approximately 20 years old large lodges need refurbishment to address defunct smoking rooms and organic recycling renovations as such we are drawing on the reserves.

	Capital Maintenance Aspen	Capital Maintenance Spruce
January 1, 2017	2,009,055	2,048,388
2017 Projects	(327,500)	(413,091)
Restricted Cash, beginning 2018	\$1,681,555	\$1,635,297
2017 Carryover	(256,020)	(270,222)
2018 Planned Projects	(264,500)	(1,460,000)
2018 Forecasted Reserves	267,000	133,000
Net Restricted & Committed Cash, end 2018	\$1,428,035	\$ 38,075

Facility Development TimeLine



**Chief Financial Officer's Report to
Priorities and Finance Committee
2018 March 22**

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2017 Year End Accountability Report

EXECUTIVE SUMMARY

The 2017 Year-End Accountability Report informs Council of Administration's achievement of Action Plan 2015-2018 commitments during the year 2017.

In 2017, Council's Priorities and associated strategic actions are progressing as planned. 47 of the 48 strategic actions are on target with several having achieved significant milestones. Key areas of progress include: rolling out the green carts to 320,000 homes; opening of three new affordable home developments with 72 units; obtaining approval on Green Line stations and funding commitment from the Province for the first phase; and continuing to support community associations.

The economic recovery from the two years of contraction continues to be gradual. Keeping tax increases low and closing the \$170 million budget for 2018 were therefore a priority in 2017. As The City delivers the balance of Action Plan, Administration will continue to find ways of providing high quality, cost-effective services for our citizens, communities and customers.

The report includes a two-page summary for each of the five Council Priorities, which provides an update on how the city (i.e. the community) overall is faring and how The City of Calgary as an organization is performing. The report also provides an update on progress made on the Leadership Strategic Plan, an overview of corporate operating, capital budgets and efficiency gains. Departmental pages include headline performance measures and details on operating and capital budgets.

ADMINISTRATION RECOMMENDATION:

That the Priorities and Finance Committee recommends that Council receive this report for information.

RECOMMENDATION OF THE PRIORITIES AND FINANCE COMMITTEE, DATED 2018 MARCH 22:

That Council receive Report PFC2018-0101 for information.

PREVIOUS COUNCIL DIRECTION / POLICY

In 2005, Council approved the Multi-Year Business Planning and Budgeting Policy (CFO004), which states that Administration will provide mid-year and year-end reports to the Priorities and Finance Committee as the means by which Council is informed about the performance of the organization in relation to approved business plans and budgets.

In September 2014, Council approved the City Manager's Leadership Strategic Plan (C2014-0703), which includes a commitment to "timely and meaningful reporting of accomplishments".

BACKGROUND

Action Plan 2015-2018 is The City of Calgary's business plan and budget and describes how The City will respond to the needs and aspirations of citizens over the four-year period.

**Chief Financial Officer's Report to
Priorities and Finance Committee
2018 March 22**

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2017 Year End Accountability Report

Accountability reports are presented to the Priorities and Finance Committee semi-annually to update Council on The City's progress towards commitments made in Action Plan. These reports ensure Administration remains accountable to Council and that Council is informed on the status of goals, performance measures and The City's financial situation.

INVESTIGATION: ALTERNATIVES AND ANALYSIS

Corporate Performance

In 2017, Administration continued to respond to the economic environment while delivering on the 48 strategic actions approved by Council. A few key achievements for 2017 are:

- Reduction in the 2018 property tax rate from 4.7% to 0.9% by closing the \$170 million operating budget gap through cost savings and service reductions based on the least-harm approach.
- Residential Green Cart program successfully rolled out to over 320,000 homes. Higher than expected volume of food and yard waste, approximately 38,000 tonnes, was diverted from landfills to the new award-winning composting facility.
- Green Line (Phase 1), the single largest piece of public infrastructure undertaken by The City, obtained approval of the final alignment and station locations, and funding commitment from the Province.

Calgarians also benefitted from the new Rocky Ridge recreation centre and the rejuvenation of Prairie Winds, Bowness and Mills parks with thousands of people showing up for the inauguration events. Over 650,000 people also participated in the multitude of Canada 150 events held throughout the city.

Technology enhancements, such as the MyBusiness website, Invest in Calgary website, garbage day collection app, and 3-1-1 self-service app, made it easier for citizens and businesses to connect and do business with The City. The increase in followers on all the social media platforms is another indication of the increase in citizen engagement.

Services promoting inclusivity and opportunities for all Calgarians continued to be a priority. Three new affordable homes developments were opened in 2017, providing a total of 72 new homes. Over 80,000 Calgarians were approved for at least one subsidy program, the sale of low-income monthly transit passes increased by 64 per cent, and 177 summer programs were provided to children with financial and geographical barriers.

Corporate Financial Results

In addition to delivering high quality services despite the financial challenges, The City actively reduced costs and pursued efficiencies and productivity gains. In 2017, \$112.1 million of operating savings were transferred to the Budget Savings Account and the Fiscal Stability Reserve.

The \$34.3 million transferred to the Budget Savings Account consisted mainly of workforce management, including intentional vacancy management and decreasing the use of contractors

2017 Year End Accountability Report

and consultants. Unbudgeted revenues from insurance settlements were also moved to this account.

The \$77.8 million transferred to the Fiscal Stability Reserve (FSR) was a result of:

- Lower employee benefits costs;
- Higher investment income;
- Full reimbursement of the 2016 Fort McMurray fire costs from the Province; and
- Lower corporate contingency expenses, net of transfers to Community Economic Resilience Fund to provide tax relief to non-residential property owners, Economic Development Investment Funds, and the Municipal Complex Structural Upgrade - Truss Recovery, partially offset by lower franchise fees.

The transfer to the FSR with the year-end close brings the uncommitted balance of the reserve to \$428.0 million which is 13.6 per cent of tax-supported gross expenditures net of recoveries.

The minimum FSR balance is 5 per cent with a target of 15 per cent.

Capital programs spent 86.2% of the \$2.0 billion budgeted for 2017. \$101.1 million was contributed to Capital Budget Savings Account bringing the total to \$196.3 million.

Stakeholder Engagement, Research and Communication

All City departments collaborated to produce one corporate voice to report on Council Priorities and to compile the information contained in the 2017 Year-End Accountability Report.

Strategic Alignment

Accountability reporting aligns with the City Manager's Leadership Strategic Plan and the commitment to "focus on results by establishing timely and meaningful reporting of accomplishments." The report format incorporates Results-Based Accountability, which is a key component of The City's performance management system. Further, the inclusion of cross-departmental reporting of accomplishments along with department-specific results reinforces the organizational values of collective accountability and individual responsibility.

Social, Environmental, Economic (External)

The 2017 Year-End Accountability Report provides considerable detail on The City's accomplishments and challenges in 2017, including social, environmental and economic impacts.

Financial Capacity

Current and Future Operating Budget:

No budget impacts as a result of this report.

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2017 Year End Accountability Report

Current and Future Capital Budget:

No budget impacts as a result of this report.

Risk Assessment

Providing accountability reports to Council twice per year helps to manage risk by ensuring that Council and senior management are aware of emerging issues and challenges in a timely manner and can react accordingly. The Accountability reports are complemented by twice-yearly updates to departmental and corporate risks, carried out by Administration.

REASON(S) FOR RECOMMENDATION(S):

Administration is providing this information as part of its commitment to provide timely and meaningful reporting of accomplishments and to comply with Council direction and policy (CFO004) relating to accountability reporting.

ATTACHMENT(S)

2017 Year-End Accountability Report

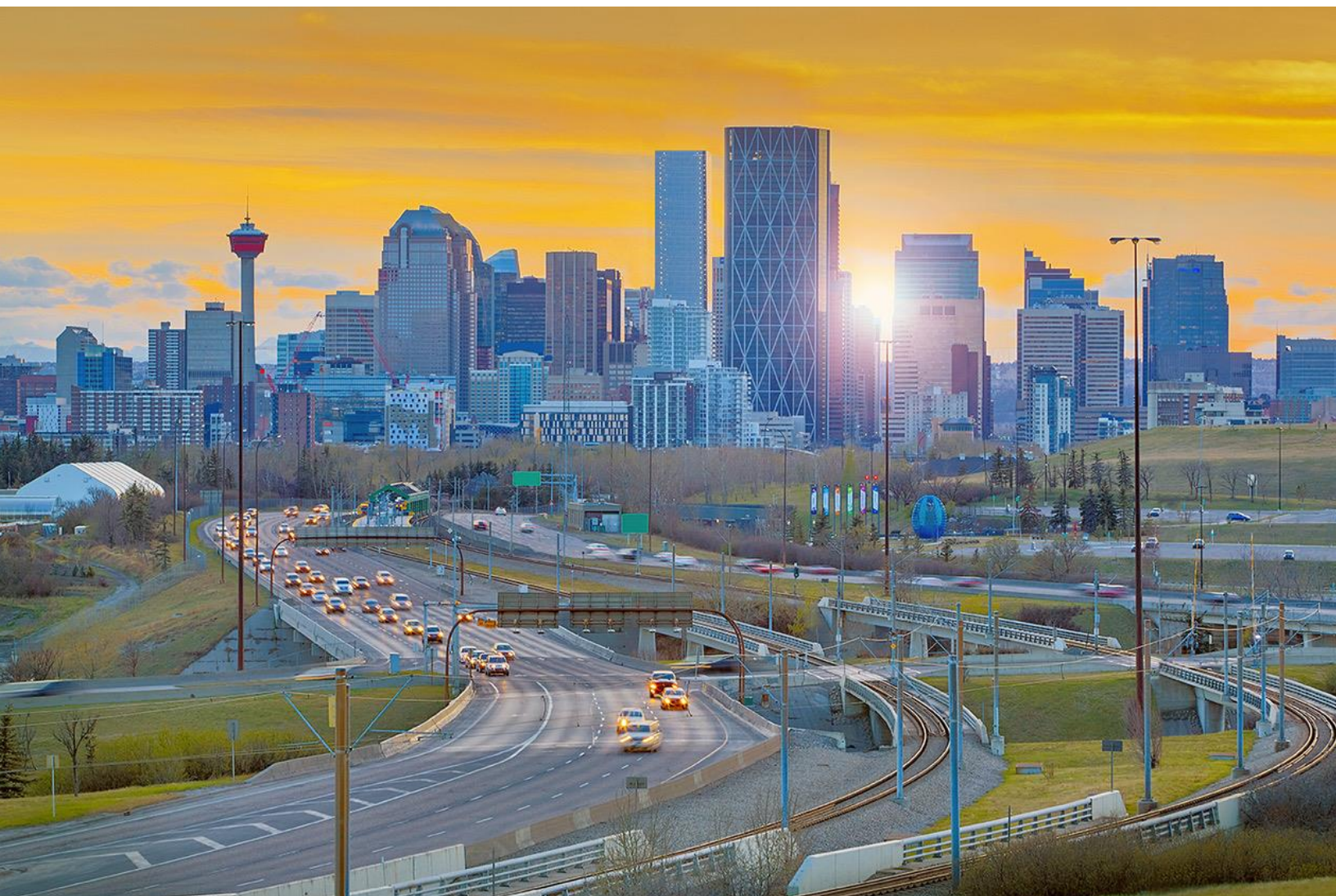


PFC2018-0101

ATTACHMENT

Action Plan 2015-2018

2017 Year-End Accountability Report



Action Plan 2015-2018 is The City of Calgary’s business plan and budget and describes how The City will respond to the needs and aspirations of the citizens of Calgary over the four-year period.

Accountability Reports inform Council of The City’s progress towards achieving the approved business plans and budgets. The reports provide an update on the status of all Council Priorities, major service initiatives, key accomplishments, challenges, and department budget performance.

Accountability Reports are presented to the Priorities and Finance Committee semi-annually (the Mid-Year Report is presented in September of the current reporting year and the Year-End Report is presented in March of the following year).

The timeline below illustrates when Council can expect to receive Accountability Reports and Adjustments related to Action Plan.

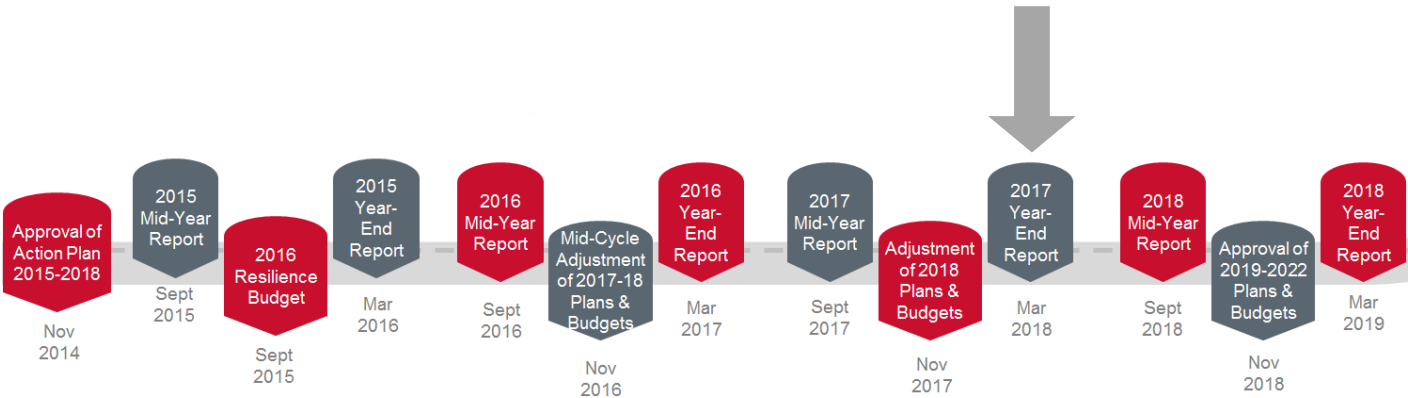


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Calgary is gradually recovering from two years of recession. The unemployment rate dropped to 7.2 per cent at the end of the year after peaking at 10 per cent in October 2016. Population increased by 1 per cent to 1,246,337 residents and oil prices rebounded to \$60 per barrel (Western Canadian Select). While GDP is projected to grow by 3 per cent in 2018, the economic activity will be driven by government investment and not traditional industries. Changes in job growth, vacancy rates and construction value are therefore expected to be moderate.

The City is responding to the economic environment and continuing to deliver on the 48 strategic actions approved by Council. A few key achievements for 2017 are:

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Capital programs spent 86.2 per cent of the \$2.0 billion budgeted for 2017. \$101.1 million was contributed to Capital Budget Savings Account bringing the total to \$196.3 million.

The rest of the report expands on the information highlighted here. Updates are provided on each Council priority in the first part of the report and selected performance measures are presented by Department in the latter part. Supplementary information with greater detail can be found online.

[Link to Council Priorities & Departmental Supplementary Information](#)

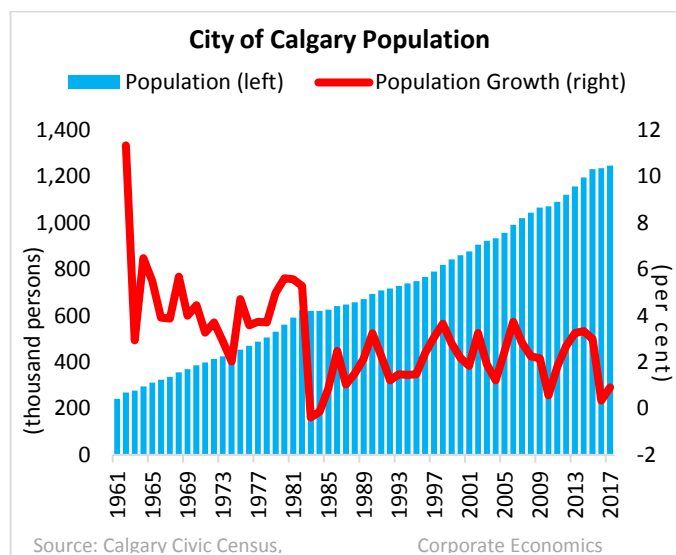
To inform the creation of Action Plan 2015-2018, Administration completed an environmental scan and analysis of key trends affecting Calgary. This page provides a synopsis of more recent conditions – including changes in the economy and intergovernmental affairs – and their impact on The City of Calgary.

The local economy is gradually emerging from two consecutive years of recession, during which employment levels dropped and vacancy rates rose in various segments of the real estate market. The improving economic condition of Alberta and the Calgary Economic Region is connected to new capacity to export energy out of Alberta, and global oil prices.

Economic activity in the Calgary Economic Region contracted in 2016 (-1.2 per cent) in response to lower oil prices and a resulting drop in business investments. After two years of contraction, the Calgary economy improved by an estimated 3.0 per cent in 2017.

WTI crude oil prices in 2017 averaged \$US 50.80 per barrel, higher than in 2016 (\$US 43.30 per barrel). Lately WTI seems to have stabilized in the \$US 60 per barrel range, however, Canadian producers are not benefiting from this. A barrel of West Canadian Select trades for roughly US\$ 25 less than WTI due to transportation bottlenecks.

The 2017 civic census placed the city's population at 1,246,337 up 11,166 people from 2016. Natural increase contributed 10,192 to population growth, while net migration was estimated at 974 persons, an improvement over the previous year when Calgary experienced a net out migration of 6,526 people.



Housing stock continues to increase with the addition of 7,170 units, bringing the total number of dwellings in Calgary to 506,392, an increase of 1.44 per cent. The overall vacancy rate is 4.76 per cent though vacancies in apartments and high-rise condos exceeded 9 percent. The vacancy rate among single detached homes remained low at 2.0 per cent. The number of dwellings under construction in 2017 was 6,537. This was down 2,971 from the 9,508 built in 2016 as the number of multi-residential units being developed dropped in response to the high vacancy rate in this housing class.

The unemployment rate in 2017 averaged 8.6 per cent compared to 9.0 per cent in 2016. The unemployment rate is expected to taper down to the 5 to 6 per cent range by mid-2020. The slow improvement in the unemployment rate is the result of multiple factors. First, at the end of a recession jobs tend to become available and people who exited the labour force tend to return and as a result unemployment rates tend to remain high even as the number of employed people increase. Secondly, this recession saw the elimination of thousands of high paying jobs. The service economy that is responsible for most new jobs today does not pay as well, so people are reluctant to take those positions.

The wage inflation rate for 2017 was much lower than in 2016, weighed down by relatively high unemployment rates. The wage inflation rate is expected to remain subdued while the unemployment rate remains above the long-term average of 5 to 6 per cent.

The City continues to collaborate with regional partners and the Government of Alberta to establish a Growth Management Board in 2018. Once established, The City will need to be an active partner in the development of a legislated Metropolitan Regional Growth Plan and a Metropolitan Regional Servicing Plan, as these plans will have significant implications on the Corporation.

To support the new authorities being provided through the City Charter and the Modernized Municipal Governance Act, The City continues to work with the Government of Alberta and The City of Edmonton to adopt a new fiscal framework that better reflects the roles and responsibilities of Alberta's two big cities.



These five Priorities set the direction for 2015 to 2018, describing the outcomes that are most important for the City of Calgary.

Council Priorities are founded on the 100-year community vision, long-term goals and aspirations articulated by Calgarians through imagineCalgary. They were also influenced by information on key trends and emerging issues anticipated in the next four years, the views of Calgarians as expressed through extensive citizen engagement and Council-approved long-term plans (specifically the Municipal Development Plan and the Calgary Transportation Plan). Council also took into account The City's financial projections, and funding opportunities and constraints.

Council Priorities include 48 strategic actions to provide direction to Administration on what is important for moving Calgary forward. To achieve these, Action Plan identifies over 1000 actions, including capital investments, during 2015-2018.

Reporting on the Council Priorities

There are two dedicated pages for each of the first four Council Priorities. The first page describes desired community outcomes (or results) related to the Council Priority. These outcomes are bigger than any one program, service, department or level of government. The whole community including public and private partners are needed in order to make a difference. The role and contribution of The City is important, but equally important is the story behind the data and the critical role of partners in achieving results.

This first page for each of the first four Council Priorities includes:

- A description of the priority;
- Selected quality of life indicators with explanations;
- Identification of some key partners; and
- Identification of The City's role and contribution to overall community well-being.

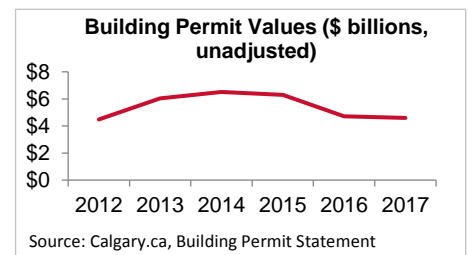
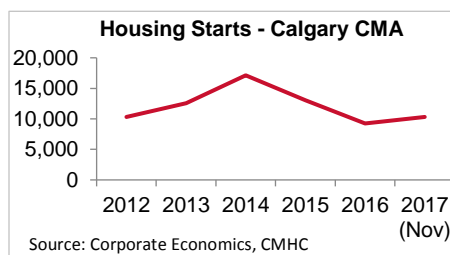
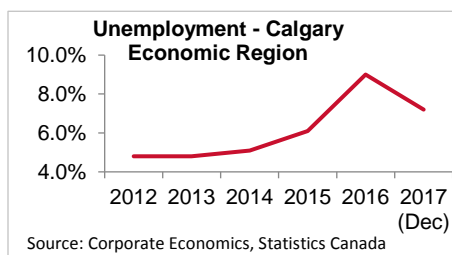
The second of the two pages is a performance page that shows the status of The City's performance on each of the Strategic Actions under the priority. It also includes highlights of noteworthy achievements and challenges that were experienced in 2017.

For the 'well-run city' Council Priority, the first page includes City-wide performance measures, rather than quality of life indicators with the focus being The City of Calgary's performance. The second page provides a status update on each of the Strategic Actions under this priority as well as highlights of noteworthy accomplishments and challenges that were experienced in 2017.



Prosperous cities offer economic opportunities across a range of industries, attracting talented people from all over the world. Prosperous cities strive to create a business environment where corporations, businesses, and entrepreneurs thrive. In prosperous cities, municipal government partners with local agencies to provide affordable housing, promote community wellbeing, and work to maintain the quality of life for citizens during challenging economic times.

How Is The Community Doing? Selected Indicators:



Some Partners Include:	
Calgary Economic Development	University of Calgary
Calgary Public Library	Government of Alberta
Calgary Arts Development Authority	Calgary Chamber of Commerce

Story Behind the Indicators:

After reaching a peak of 10 per cent in October 2016, unemployment in the Calgary Economic Region (CER) declined to 7.5 per cent in January 2018.

Increased population growth and net migration has resulted in a total of 10,851 housing starts as of November 2017 compared to 9,245 housing starts in all of 2016.

The loss in economic output from the CER between 2014 and 2016 is estimated at \$5.4 billion. Real GDP is estimated to grow at 3.0 per cent in 2017 as economic activities adapt to the lower energy price environment.

Total estimated construction value for 2017 was \$4.58 billion, just below the \$4.59 billion of 2016. The Calgary Cancer Centre was the largest permit value in Calgary history at \$868 million. Net of that development, Calgary construction activity was only \$3.7B, the third lowest in the last eleven years. Further details are provided under *Outlook for Calgary* (page 3 of this report).

The City contributes to Calgary's prosperity in a number of different ways, including:

- Supporting the development and growth of Business Revitalization Zones and fostering a competitive tax environment for small business success.
- Working in partnership with the community and other levels of government to provide programs to youth, seniors, and low income Calgarians to promote individual and community wellbeing.
- Addressing affordable housing challenges by developing strategies to increase availability.
- Providing sound governance, financial, legal, security and risk management advice so that the economy and Calgarians can prosper.

Selected highlights of The City's performance as of 2017 December 31

While economic indicators suggest Calgary's economy is entering a recovery period, many Calgarians still face tough economic challenges. The City continues to take the lead in fostering economic growth and diversification, working with partners to strengthen communities, and supporting vulnerable populations.

With City support, Calgary Economic Development's (CED) strong marketing efforts in 2017 showcased Calgary as a business location of choice to an international audience. The campaign for Amazon HQ2 generated more than 150 million media impressions across North America including CNN, The New York Times and The Washington Post. **(P1)**

CED was successful in the attraction, retention or expansion of 67 companies and film projects, resulting in 5,719 direct and indirect jobs. Achievements include a new Amazon fulfillment centre in Balzac generating 750 new jobs. Council approved \$100 million for an Economic Development Investment Fund to continue to focus on economic diversification, job creation, and the revitalization of the downtown core. **(P2)**

Access to information and services online were improved for the business community with the launch of a new myBusiness website. It provides step-by-step instructions on how to acquire a business license, change an existing license, change a designation of land use, or obtain additional permits. **(P4)**

To support the arts organizations that contribute to the vibrancy of the city's cultural scene, \$2 million in funding was provided to cornerstone arts organizations enabling them to continue operating despite low revenues during the economic downturn. **(P9)**

The City remains committed to increasing access to affordable housing. Three new affordable housing developments were opened in the communities of Crescent Heights, Bridgeland and Kingsland, providing a total of 72 new homes. In addition to the openings, The City celebrated a sod turning with various stakeholders at a new site in Wildwood. **(P6)**

To assist Calgarians impacted by the economic downturn, funding was provided to thirty local non-profit organizations from the 2017 Emergency Resiliency Fund to help meet increased demand for programs and services. **(P7)**

[Link to additional highlights and milestones available here](#)

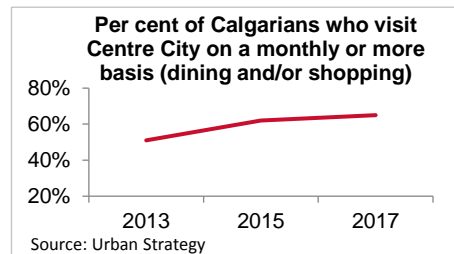
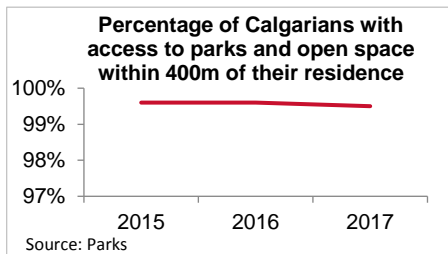
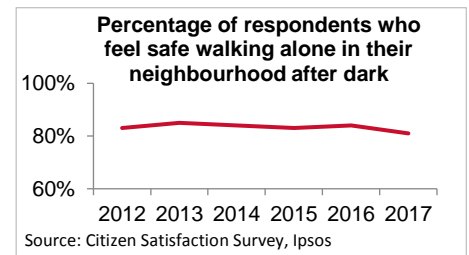
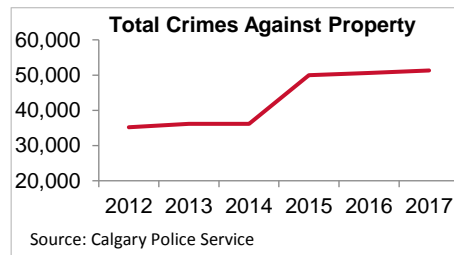
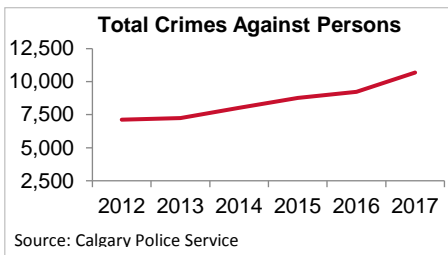
- Progressing as planned.
- * Significant milestone(s).
- ▼ Possible challenges identified; mitigation measures being developed.
- ◇ One or more challenges materialized; mitigation measures underway.

Status	Strategic Actions
●	P1 Strengthen Calgary's position as a global energy centre and location of choice for international talent, investment and innovation through enhanced business development, marketing and place-making initiatives.
●	P2 Advance purposeful economic diversification and growth.
●	P3 Support civic, business and community partners, as well as business revitalization zones, to collaborate and attract local and global investment.
●	P4 Cut red tape and continue to foster a competitive tax environment to help small business succeed.
●	P5 Seek out partnerships with other governments and community partners to achieve community well-being.
● *	P6 Increase affordable and accessible housing options.
●	P7 Continue policies and programs to reduce the number of people living in poverty.
●	P8 Respond to the needs of an aging population.
●	P9 Cultivate the city's talent, diversity and energy to enable Calgarians to live creative lives.
●	P10 Expand our library system and enhance access to technology and information.
●	P11 Facilitate programs and services for children and youth, including, in some cases, providing, a variety of affordable after school programs.
●	P12 Establish approaches and practices that welcome and support full participation of vulnerable populations in City activities.



All neighbourhoods contribute in their own way to make a city great. As neighbourhoods evolve, so do their needs and neighbourhoods and communities must be renewed so that citizens can participate in all facets of urban life. Citizens that live in inspiring neighbourhoods experience a sense of community pride, feel safe and secure, and enjoy great public spaces. Growth is promoted and well-managed, heritage sites are protected, and public safety and resiliency are high priorities.

How Is The Community Doing? Selected Indicators:



Some Partners Include:

- Government of Canada
- Government of Alberta
- Calgary Home Builders Association
- Urban Development Institute
- Community Associations

Story Behind the Indicators:

Total person and property crimes increased over the previous year and 5-year average. Increases in person crimes were driven by domestic and non-domestic assaults. Domestic violence occurrences in 2017 were 41 per cent higher than the five-year average and 12 per cent higher than 2016.

Increase in property crimes was driven by theft of vehicles, theft from vehicles, and commercial break and enter. There were 420 more incidents of vehicle thefts in 2017 than 2016 and 41 per cent more incidents over the five-year average. Survey results indicated that 81 per cent of citizens feel safe walking alone at night, down slightly from 84 per cent in 2016.

The City partners with the development community to ensure access to quality public parks and open spaces is within a five-minute walk of almost all residents of Calgary. The percentage of Calgarians who report visiting the Centre City at least once a month to dine or shop has increased from 51% in 2013 to 65% in 2017. This reflects the efforts made to create an attractive downtown core to encourage future investment and growth.

The City contributes to the creation and maintenance of inspiring neighbourhoods by:

- Responding to community calls for service, conducting crime prevention, and criminal investigations through the Calgary Police Service.
- Enhancing plans to deal with emergencies.
- Supporting the development of complete communities by providing accessible and affordable transportation networks and services.
- Promoting increased use of public spaces to build closer community bonds.
- Working with stakeholders to encourage diversity in amenities, housing types, activities, and services to create places where all citizens can make choices about their quality of life

Selected highlights of The City's performance as of 2017 December 31

In 2017, the number of emergency calls increased by more than 10 per cent over the previous year. While fire calls increased by 5 per cent, calls for medical and public service assistance increased by 13 and 33 per cent respectively, with a significant increase in opioid related calls. Ten Emergency Communications Officers completed a cross training course enabling them to better respond to call volume surges in the different service areas. More cross training will continue in 2018. Also, a third medical response unit was put into service in the Beltline area. Despite the increase in calls, response times improved for High-Risk Fire Suppression incidents and were maintained for Critical Medical Intervention incidents. **(N1)**

A comprehensive update of Calgary's Municipal Emergency Plan was completed to reflect updated processes, roles and responsibilities, including alignment with business continuity and recovery planning. The City's Infectious Disease Management Plan was updated to reflect emerging practices and research in public health emergencies. In addition, The City's pandemic supplies were bolstered to protect the health and safety of City staff during an outbreak. City staff also participated in two large-scale emergency exercises – a flood and snowstorm - to test response, recovery and business continuity processes and plans. **(N3)**

In 2017, support was provided to twenty-two Community Associations in completing their business plans. The City also continued to work in collaboration with CAs on efforts to improve public facilities and spaces and increase community engagement and active living. The Rocky Ridge Royal Oak Community Association was assisted in establishing an outdoor rink and hub with basketball courts, a picnic area and benches. The City also supported the Banff Trail Community Association as it replaced its 50-year-old outdoor hockey rink. Both groups were connected with appropriate City resources and guided through the grant application process. **(N4 and N5)**

Results from initiatives to provide great public spaces and promote urban vitality were delivered. The area under the 4th Avenue Flyover was revitalized as a vibrant play and gathering spot as part of The City's pedestrian strategy and in collaboration with the University of Calgary, the Bridgeland-Riverside Community Association, and students from Langevin School. Construction on the 1st Street SW corridor has been completed and included upgrades to sidewalks, lighting and street furniture. Streetscape improvements for 3rd Avenue in Chinatown were completed to make the street more welcoming to pedestrian traffic. **(N9)**

[Link to additional highlights and milestones available here](#)

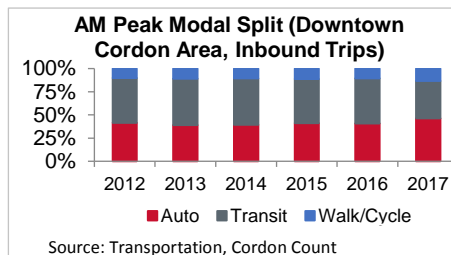
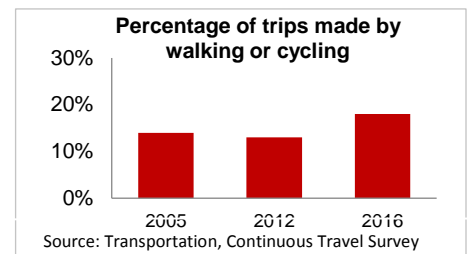
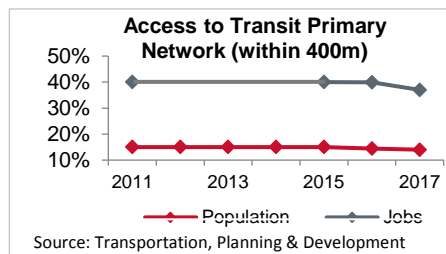
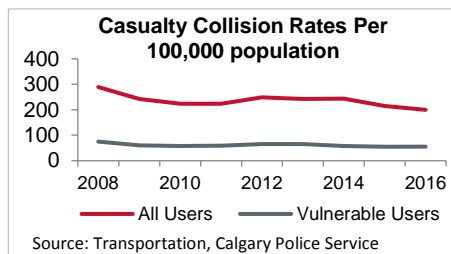
- Progressing as planned.
- * Significant milestone(s).
- ▽ Possible challenges identified; mitigation measures being developed.
- ◇ One or more challenges materialized; mitigation measures underway.

Status	Strategic Actions
▽	N1 Keep communities safe by meeting and maintaining standards for crime prevention, fire response, and enforcement.
●	N2 Build resiliency to flooding.
●	N3 Enhance The City's capacity and resiliency to prepare for and respond to pandemics, natural disasters and emergency situations.
● *	N4 Revitalize the role and ability of community associations, and use of community facilities.
●	N5 Systematically invest in established neighbourhoods as they evolve to accommodate changing community needs.
●	N6 Manage and promote growth to achieve the best possible social, environmental and economic outcomes within financial capacities.
●	N7 Develop a new funding framework to provide for infrastructure in new and redeveloping neighbourhoods.
●	N8 Make it easier to build developments that meet our Municipal Development Plan and Calgary Transportation Plan objectives.
●	N9 Provide great public spaces and public realm improvements across the city to foster opportunity for well used public spaces and places for citizen connections and urban vitality.
●	N10 Review The City's heritage processes to improve the protection and enhancement of heritage assets.
●	N11 Promotion of public safety through education, prevention, and partnerships.
●	N12 Promote and strengthen community standards through facilitated compliance.



The movement of people and goods throughout the city is made possible by providing a safe, efficient, and accessible transportation network used every day by citizens, commuters and visitors. Getting around is a top priority among citizens and influences daily quality of life. Efficient movement of workers and goods helps foster economic development in and around Calgary. Access to a variety of transportation options (including walking, cycling, public transit, driving, parking and taxis) that are affordable and convenient is critical to ensuring a city continues to move well. Effective emergency response depends on a safe and secure transportation system.

How Is The Community Doing? Selected Indicators:



Some Partners Include:

Calgary Parking Authority
Government of Alberta
Government of Canada

Calgary Police Service
Calgary Regional Partnership
Livery Transport Advisory Committee

Story Behind the Indicators:

Safety is a top priority for the transportation department, underlying all projects and programs. Overall casualty collision rates have been trending down for several years. However, vulnerable user collisions (i.e. people walking and biking) saw a slight increase in 2017. Addressing this challenge through an updated Safer Mobility Plan is a key focus for 2018. Access to the primary transit network (PTN) fell after several years of stability. This is partly due to a small section of the PTN being reduced and to changing employment areas in the city. Launching the Bus Rapid Transit (BRT) network and building the Green Line LRT are key to reversing this. Over the past decade, more Calgarians are choosing to walk and cycle, from 14 per cent of all trips in 2005 to 17 per cent in 2016. In contrast, changes in downtown employment levels have shifted peak hour travel choices and commuters are taking advantage of lower congestion and choosing cars over transit.

The City works to ensure a city that moves by:

- Providing a safe, customer-focused, efficient, and sustainable transportation network by developing plans, building infrastructure and delivering service.
- Developing an integrated transportation system that provides citizens with accessible and affordable mobility choices and connects communities.
- Prioritizing transportation capital projects including lifecycle maintenance and leveraging funding sources as they become available.
- Reviewing and enhancing regulation to promote safe and convenient taxi service.

Selected highlights of The City's performance as of 2017 December 31

2017 saw significant improvements to current infrastructure and progress on long term projects in alignment with The City's long-term Route Ahead strategic plan.

The Green Line achieved several milestones in 2017: the approval of a final alignment and station locations, and funding commitment from the Province of Alberta for Phase 1 of the project. The Green Line is the single largest piece of public infrastructure ever undertaken by The City and work continues in the areas of modeling and forecasting, pre-design planning, and network integration. **(M1)**

To increase capacity of the CTrain system, changes to infrastructure and operations were completed to run four-car trains on all LRT lines. Improvements included track adjustments on three platforms, five mainline track switch replacements, repairs to three crossings, replacement of ballast, and repairs to track surfaces. **(M1)**

Construction began on Calgary's Bus Rapid Transit (BRT) network, comprised of the 17th Avenue SE transitway (phases 1 and 2), north crosstown, south crosstown and southwest BRT (phase 1). These projects will bring high-quality, high-frequency service to dozens of communities across the city. **(M1)**

Four interchange projects to improve safety and access at strategic development locations were completed: Bowfort Road at Trans-Canada Highway, Glenmore Trail at Ogden Road, and Macleod Trail at 162 Avenue, and Sarcee Trail at 16 Avenue. Macleod Trail and 162 Avenue is Canada's first diverging diamond interchange, a configuration designed to reduce both congestion and collisions. **(M3)**

The first dedicated on-street bicycle infrastructure east of Deerfoot Trail was completed as part of complete streets projects for 8th Avenue SE, Marlborough Way NE and 40th Street E. **(M4)**

The first slate of deliverables for the Step Forward pedestrian strategy were completed. These included supporting the ActivateYYC microgrant program to help communities to walk, play and be neighbourly, and launching The City's tactical urbanism program. The Step Forward strategy was awarded the Institute of Transportation Engineers (ITE) 2017 Transportation Planning Council Best Project Award. **(M4)**

To improve the taxi system a review of the governance model for the Livery Transport Advisory Committee (LTAC) was conducted in 2017. Council endorsed The City's recommendation to dissolve the committee with The City taking on the responsibility for industry and public consultation. This recommendation would improve efficiency, eliminate the duplication of engagement efforts and result in cost saving. **(M5)**

[Link to additional highlights and milestones available here](#)

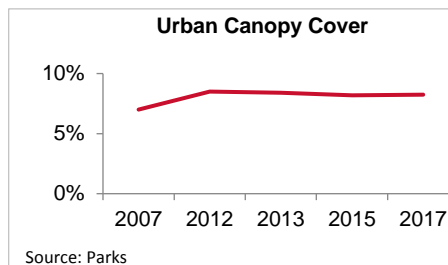
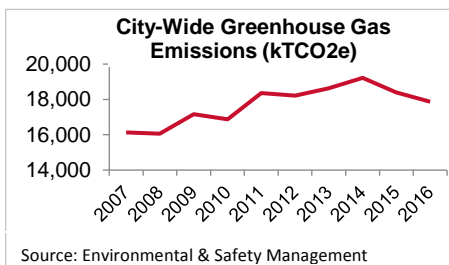
Status	Strategic Actions
● *	M1 Implement and accelerate Route Ahead as transit funding becomes available.
●	M2 Maximize the flow of traffic on the existing transportation network through the application of technology.
●	M3 Invest in strategic road improvements in priority growth areas as funding becomes available.
● *	M4 Invest in active transportation infrastructure, including cycling and pedestrian networks as funding becomes available.
●	M5 Improve the taxi system.

- Progressing as planned.
- * Significant milestone(s).
- ▽ Possible challenges identified; mitigation measures being developed.
- ◇ One or more challenges materialized; mitigation measures underway.

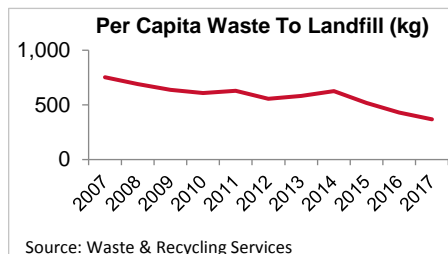
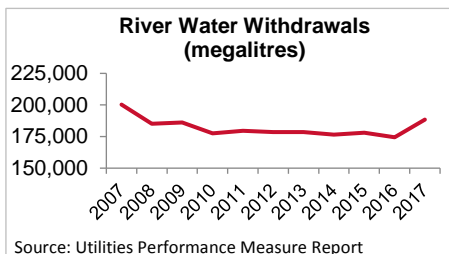


Environmental stewardship is a shared responsibility of government, business, communities, and individual citizens. Collectively they make decisions and take action to conserve energy and other resources, protect air and water quality, and minimize waste and pollution. A healthy and green city includes a well-planned and maintained mix of urban forest, parks, pathways, recreation amenities, and natural areas. Healthy lifestyles are supported through access to facilities and programs to promote health and well-being, and through services that enable active modes of travel and community engagement.

How Is The Community Doing? Selected Indicators:



Some Partners Include:
 Government of Canada
 Government of Alberta
 Recycling Council of Alberta
 YMCA



Story Behind the Indicators:

Energy consumption due to economic recovery, population growth and weather are the largest drivers for greenhouse gas emissions. Data for 2017 will be available in June 2018, whereby an increase in greenhouse gas emissions is expected. Planting trees on private and public property continues to promote the long-term growth of the urban canopy. In 2017, an additional 7,668 trees were planted through the ReTree YYC program. It is important to focus on planting and maintaining trees to improve canopy scores.

River water withdrawals continue to meet the overarching goal in The Water Efficiency Plan to accommodate Calgary's future population growth with the same amount of water withdrawn from the river in 2003 (212,500 ML). This is a result of system efficiencies as well as the wise use of water by citizens, businesses and partners. Per capita waste to landfill has trended downward since 2007, and continues to decline due to lower tonnages from commercial customers, current economic conditions, and increased diversion.

The City has many contributions towards achieving a healthy and green city including:

- Reducing the environmental impact when delivering projects and services.
- Protecting and enhancing Calgary's natural environment and promoting active lifestyles.
- Working with the community and region to conserve, protect, and enhance the environment.
- Supporting energy reduction efforts by examining alternative sources, and communicating programs, information and successes to citizens and staff.
- Building public awareness and understanding of the shared responsibility to conserve and protect the environment.

Selected highlights of The City's performance as of 2017 December 31

The City successfully implemented the residential Green Cart program to over 320,000 homes across all Calgary communities. From the start of service in July to December 31st, approximately 38,000 tonnes of food and yard waste has been composted at The Organics and Biosolids Composting Facility, a higher than expected volume, that would have otherwise gone to the landfills. In addition to food and yard waste, approximately 6,500 tonnes of biosolids have been processed in the facility. This is an important part of The City's plan to achieve the target of 70 per cent waste diversion in all sectors by 2025. **(H1)**

In efforts to encourage the use of clean energy technologies, two solar power plants at water treatment plants were completed, totaling 917 kW of installed capacity. These two plants are anticipated to reduce greenhouse gas emissions by 650 tonnes per year and avoid over \$125,000 in electricity costs annually. A 1,080-kW solar power plant was also initiated at Shepard Landfill. The energy produced will be used in the operation of the composting facility. **(H2)**

The City established three climate change mitigation working groups (Buildings and Energy Systems, Land-use and Transportation, and Waste and Consumption) to provide guidance and feedback for the development of the Low Carbon Plan for Calgary. The City published briefings on climate change resiliency to inform stakeholders and citizens about climate changes and its impacts on our city. **(H6)**

Healthy lifestyles were fostered through a range of accessible and affordable recreational programs and opportunities for Calgarians. Special events and initiatives such as Jumpstart games, #GetMovingYYC, and athletic meets saw participation from over 4,000 Calgarians of all ages. Citizens celebrated cultural celebrations throughout the year with Canada 150 events, with Canada Day 150 engaging 650,000 Calgarians. **(H7)**

The City continues to invest in indoor and outdoor recreation facilities that address the changing needs of Calgarians, with several major initiatives underway and completed. Construction of the Rocky Ridge Recreation Centre was completed and operation transferred to YMCA Calgary. Construction on the Seton facility continues on schedule. **(H8)**

The City optimized the existing park network to ensure Calgarians have access to nature and active lifestyles. A major rejuvenation of Prairie Winds Park was completed. The popular park features new and improved play areas for children, basketball courts, picnic areas, a public tandoori oven, tennis courts, fitness stations and a wading pool. A grand reopening event held in May attracted 2,500 citizens. As well, the Mobile Adventure Playground (MAP) program saw increased interest and participation, with well-attended events across the city in both winter and summer. **(H9)**

[Link to additional highlights and milestones available here](#)

Status	Strategic Actions
● *	H1 Implement the green cart program and multi-family recycling strategy, and reduce industrial, commercial and institutional waste in our landfills.
● *	H2 Encourage a broader range of innovative and clean energy technologies.
●	H3 Manage the interrelationships between flood protection, water quality and quantity, and land use.
●	H4 Work with our regional partners and the Government of Alberta on an integrated approach to the watershed.
●	H5 Protect and enhance our urban forest and natural landscape throughout Calgary.
●	H6 Continue to build public awareness and understanding of our shared responsibility to conserve and protect the environment.
●	H7 Foster healthy lifestyles through a range of accessible and affordable recreational programs and opportunities that encourage active daily living.
●	H8 Continue to invest in indoor and outdoor recreation facilities that address the changing needs of Calgarians.
●	H9 Optimize the existing parks network to ensure Calgarians have access to nature and healthy and active lifestyles.
●	H10 Lead by example and manage regulatory risks to protect public health and the environment.

● Progressing as planned.

* Significant milestone(s).

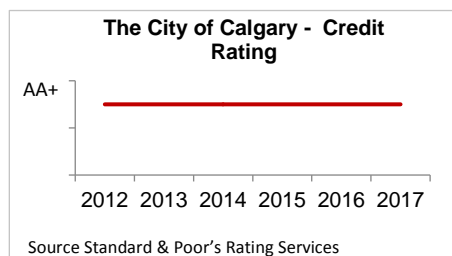
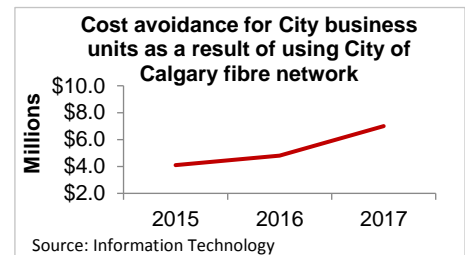
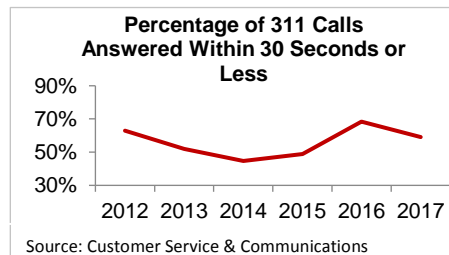
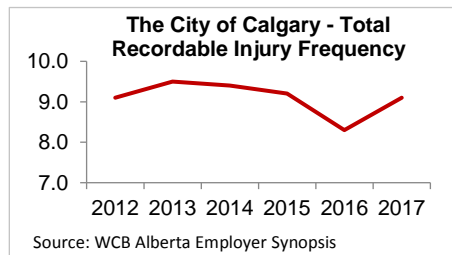
▽ Possible challenges identified; mitigation measures being developed.

◇ One or more challenges materialized; mitigation measures underway.



Calgary's government strives to be open, responsive, accountable, and transparent, delivering excellent services at a fair price. Public dollars are used wisely to provide quality public services that add value to citizens' lives. Citizens understand how and where tax dollars are spent and departments collaborate in new and effective ways. An enthusiastic and motivated workforce is attracted and retained, and employee safety is a priority. A well-run city is focused on the efficiency and effectiveness of its services and programs and plans for a sustainable financial future.

Organization-wide Performance Measures:



Story Behind the Measures:

Total Recordable Injury Frequency increased mainly due to falls, body positioning, and contact with a direct object or equipment. Improving hazard communication will increase awareness and influence actions and behaviors to prevent incidents. Safety performance will be a key corporate focus in 2018. 311 received 50,898 additional calls between June and December 2017, negatively impacting service levels. In response, 26 agents were trained and equipped to work from home and the functionality of the lower-cost self-serve 311 app was improved. Using a fibre network in place of external providers achieved \$7.0 million in cost avoidance. Fibre infrastructure will be expanded to connect all City facilities and assets. Standard & Poor's reaffirmed Calgary's AA+ credit rating in 2017 reflecting the agency's view of good financial and managerial strength. The rating is one of the highest among Canadian municipalities.

The City works to ensure a well-run city by:

- Seeking opportunities to deliver programs and services more efficiently and effectively.
- Negotiating for a City Charter to enable greater flexibility in some areas of decision-making.
- Prudently managing public funds and assets to maintain a solid financial foundation.
- Providing customer-centric service delivery.
- Committing to strengthening and managing its workforce and safety culture.
- Using technology to support safety through online reporting of corporate safety incidents, near misses and hazardous conditions.
- Establishing significant cross-corporate projects and programs like One Calgary, Infrastructure Calgary and AnalyticsCalgary.
- Maintaining public assets and infrastructure to provide maximum benefit and value to Calgarians.

Selected highlights of The City's performance as of 2017 December 31

Due mainly to lower than expected revenues in this budget cycle, The City was faced with a projected operating budget deficit of \$170 million for 2018. The City worked across departments to identify efficiencies and cost-savings. In November, a budget adjustment was approved by Council that followed a least-harm approach to balance the financial impact to citizens through cost savings and service reductions. **(W4)**

To minimize the tax burden on citizens, Council reduced the 2018 property tax increase from the previously approved 4.7 per cent to 0.9 per cent (not including the tax rebate of 2.9 per cent carried over from 2017). In total, \$126 million in citizen and business benefits were approved including investments in the Low Income Transit Pass and funding for youth, low income, and crime prevention programs. **(W4)**

The City remains focused on increasing efficiencies in its services. Approximately \$27 million in annual financial gains were realized through the Zero-Based Review program as of December 2017. Through careful workforce planning, savings of \$20.2 million were realized by managing growth and vacant positions. The number of City employees decreased by 420 from October 2016 to October 2017. **(W2)**

The City has been successful in using alternative service delivery options to stay competitive. The newly opened organics and biosolids facility is the first composting facility to be delivered under a public-private partnership model in Canada. It was awarded the 2017 Silver Award for Infrastructure from the Canadian Council for Public Private Partnerships. The City was also innovative in prototyping, and provisionally patenting, a new dewatered biosolids trailer to support the new compost facility. **(W3)**

The City worked collaboratively across service lines to engage citizens to help inform decisions. The Calgary Transit Customer Advisory Group met six times and provided feedback that helped guide service changes. In anticipation of the future legalization and regulation of recreational cannabis, The City developed a program of extensive public engagement including a survey and focus groups to establish a baseline on Calgarians' views to inform Council decision-making. The City also leveraged its social media platforms to engage with citizens. The City received more than 74,000 incoming social media messages and saw an increase in followers on all platforms, an increase of 68,407 for Twitter, 12,028 for Facebook, and 14,531 for Instagram. Social media was used effectively to promote participation in the 2017 Election through an "I will vote" campaign. **(W5)**

There was strong civic participation in the 2017 Election with the highest voter turnout (58.1 per cent) in 80 years, a record number of votes through advanced polls, and traffic to the Election's website was four times higher than in the past. The City has initiated a process review and audit to identify improvements needed in Election Calgary's processes to handle higher participation in future elections. **(W7)**

[Link to additional highlights and milestones available here](#)

Status	Strategic Actions
●	W1 Finalize a new City Charter with the province
●	W2 Be as efficient and effective as possible, reducing costs and focusing on value-for-money.
●	W3 Examine opportunities for alternative service delivery for competitiveness.
●	W4 Balance demand for quality City services with affordable taxes.
●	W5 Regularly collaborate and engage citizens to encourage participation in City decision-making, and better communicate the reasons for the decisions.
●	W6 Effectively manage The City's inventory of public assets, optimizing limited resources to balance growth and maintenance requirements.
●	W7 Continue to transform the organization to be more citizen-focused in its approach and delivery of service.
●	W8 Increase collaboration across the organization, including alignment of budgets with service delivery to achieve City priorities.
●	W9 Strive to be an employer of choice with a focus on addressing The City's aging workforce.

- Progressing as planned.
- * Significant milestone(s).
- ▽ Possible challenges identified; mitigation measures being developed.
- ◇ One or more challenges materialized; mitigation measures underway.

The story behind the plan

The Leadership Strategic Plan (LSP), approved by Council in September 2014 (C2014-0703) is the organization's response to Council's and citizens' priorities. Consistent with our commitment to be publicly accountable, Administration provides LSP status updates in each Accountability Report. These two pages continue that practice, with highlights of accomplishments in 2017.

1) Establish a cooperative and meaningful relationship with Council

- As part of the corporate calendar project, a list of Council and Committee reports is shared with Council on a quarterly basis. This allows members of Council to see what items Administration is bringing forward and when, providing an opportunity to better understand projects, programs and initiatives in advance of Committee or Council meetings.
- Supported Council in establishing their priorities and direction to Administration for 2019-2022. This included working with Councillors to understand what they heard from citizens on the campaign trail, a facilitated workshop and a data-driven report on how the community is doing.

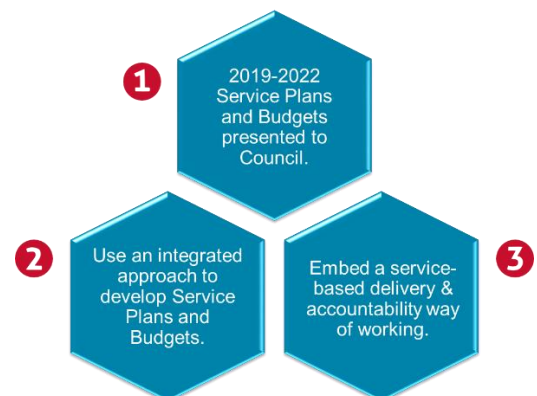
2) Cohesive leadership culture and collaborative workforce

- Corporate Employee Survey results remained steady.
- Code of conduct training was developed and will be available 2018 Q2 with a focus on values-based decision making.
- The recognition program has been realigned to the corporate culture. The One City Awards received more than 275 nominations, recognizing over 2200 individual employees.
- Inclusion continues to promote a healthy workplace through leadership tools and resources, including education to raise awareness of unconscious bias, human rights and bridging cultures.
- Calgary's first Quality of Life Report was published, describing the conditions in the community to which The City contributes, along with other organizations and levels of government. The Report has many uses, including providing input to Council Directives and to business plans and budgets for 2019-2022.

- City Manager Jeff Fielding administered his "Where We Stand" survey to better understand the perspectives of employees, senior management, and Council on where The City of Calgary is on a spectrum of culture characteristics and qualities of an ideal municipal government. 3,400 employees, 36 members of senior management, and all of Council completed the survey. Results will inform Administration's strategy in the next four-year term.

3) Better serve our citizens, communities, and customers

- The One Calgary Program (2019-2022 Service Plans and Budgets) was established, including a governance structure designed to enable greater collaboration and integration across services.
- Results for the One Calgary Program were defined. In addition to providing 2019-2022 plans and budgets to Council in November 2018, the program will be leveraged to embed a service-based culture in the organization and break down silos.



- Improvements to the ZBR program status reports present a year-over-year forecast of when financial (efficiency) gains are expected to be realized, as well as progress tracking by individual recommendation, to give a more granular view than previous reports.
- To support The City in moving forward as a data driven organization, input data from the Economic Perspectives and Calgary's Economy report was provided to the 100 Resilient Cities initiative and as a foundational part of the planning for The City's next business plan and budget cycle.
- The new Enabling Online Services program makes it easier for citizens to accomplish more tasks online, improves users' online experience, increases task completion scores, and supports reaching a One City, One Voice mindset.

- A 311 software upgrade enabled enhanced call recording including quality monitoring, speech recognition and automated surveying of citizen satisfaction. This enhancement, along with tracking analytics, enabled The City to successfully manage an increase of over 40,000 Service Requests in the last two quarters of 2017.
- A policy prioritization strategy was established to effectively manage and execute ongoing and future policy work which will guide and enable building a great Calgary,
- The City processed 90 per cent (up 3 per cent from 2016) of 50,214 trade permits online and 87 per cent (up 4 per cent from 2016) of 4,226 new home permits online in 2017, saving customers time and money,
- The Centre City Enterprise District removes a number of process and regulatory requirements, making it easier for businesses to move into new spaces. It assists building owners to make improvements or modifications to their buildings.

4) Focus immediate and collective attention on planning and building a great city

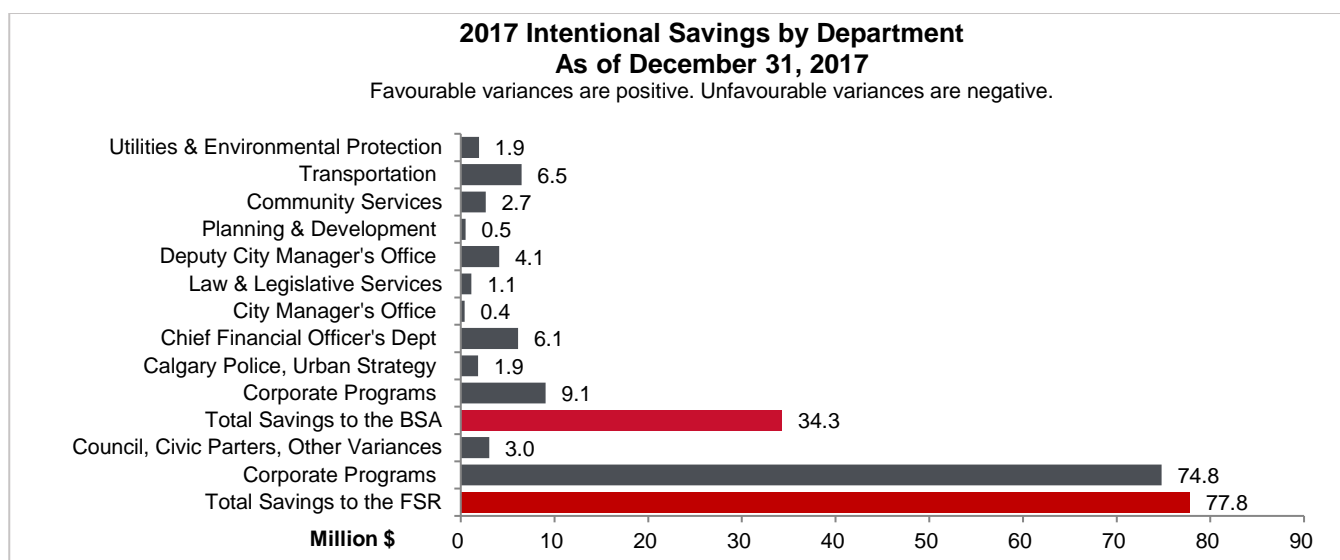
- The Industry/City work plan helps remove barriers to development. Notable achievements include: policy and process changes to accept Outline Plan applications in Growth Management Overlays areas, research for the industrial strategy working group and a communications plan to enable the sharing of industrial education work, the publication of a utility Neighbourhood-Specific Infrastructure report, and streamlining the application submission and review process, along with improvements to feedback and communication with customers.
- Improved the governance of the Urban Design Review Framework enabling high quality development making Calgary a great City,
- The Citizen and community experience was enhanced throughout the planning process, through engagement sessions to better understand how our citizens want the city to look, function and grow, and also through the highly-rated partners in planning sessions hosted with the Federation of Calgary Communities.

5) Strengthen the Corporation's financial position

- Received Council's approval of the 2018 Adjustments for the final year of Action Plan, and

approving targeted initiatives to respond to The City's emerging needs during the current economic challenges.

- Recast the 2018 Capital Budget to better align budget to the years when funds are expected to be spent, resulting in better estimated capital investment cash flows and project delivery. Recasts provide an improved insight into the status of capital projects across The Corporation and allowed Administration to better inform Council about The City's planned investment.
- Business Units contributed over \$100M to the capital budget savings account during the recast process for reallocation to additional investments as recommended by Infrastructure Calgary.
- Received approval in principle to fund 21 additional program/project investments, including reserves, off-site levies, grants, unallocated capital funds and the capital budget savings account.
- Initiated the alignment of capital investments to services as part of One Calgary.
- Continued work with the Government of Alberta on a new fiscal framework, the third phase set out in the Framework Agreement for Charters. The parties have agreed to four changes: a new infrastructure funding formula; improving the efficiency and effectiveness of local improvement levies and special taxes; improving the administration of the Destination Marketing Fee; and increasing responsibility for debt management. Details are to be finalized in 2018.
- Effectively managed the Fiscal Stability Reserve to help maintain service levels due to the current downturn in the economy.
- Identified workforce savings up to \$105 million for 2018 through initiatives including the Corporate Workforce Planning project.
- Found savings leading to contributions of \$34.3 million to the Budget Savings Account Reserve for future one-time projects and corporate-wide initiatives.
- Received the Government Financial Officers Association award for reporting excellence for our 2016 Annual Report



Figures may not add due to rounding.

2017 year-end operating savings are \$112.1 million and transferred as follows:

Business Units' operating savings of \$34.3 million transferred to the Budget Savings Account (BSA):

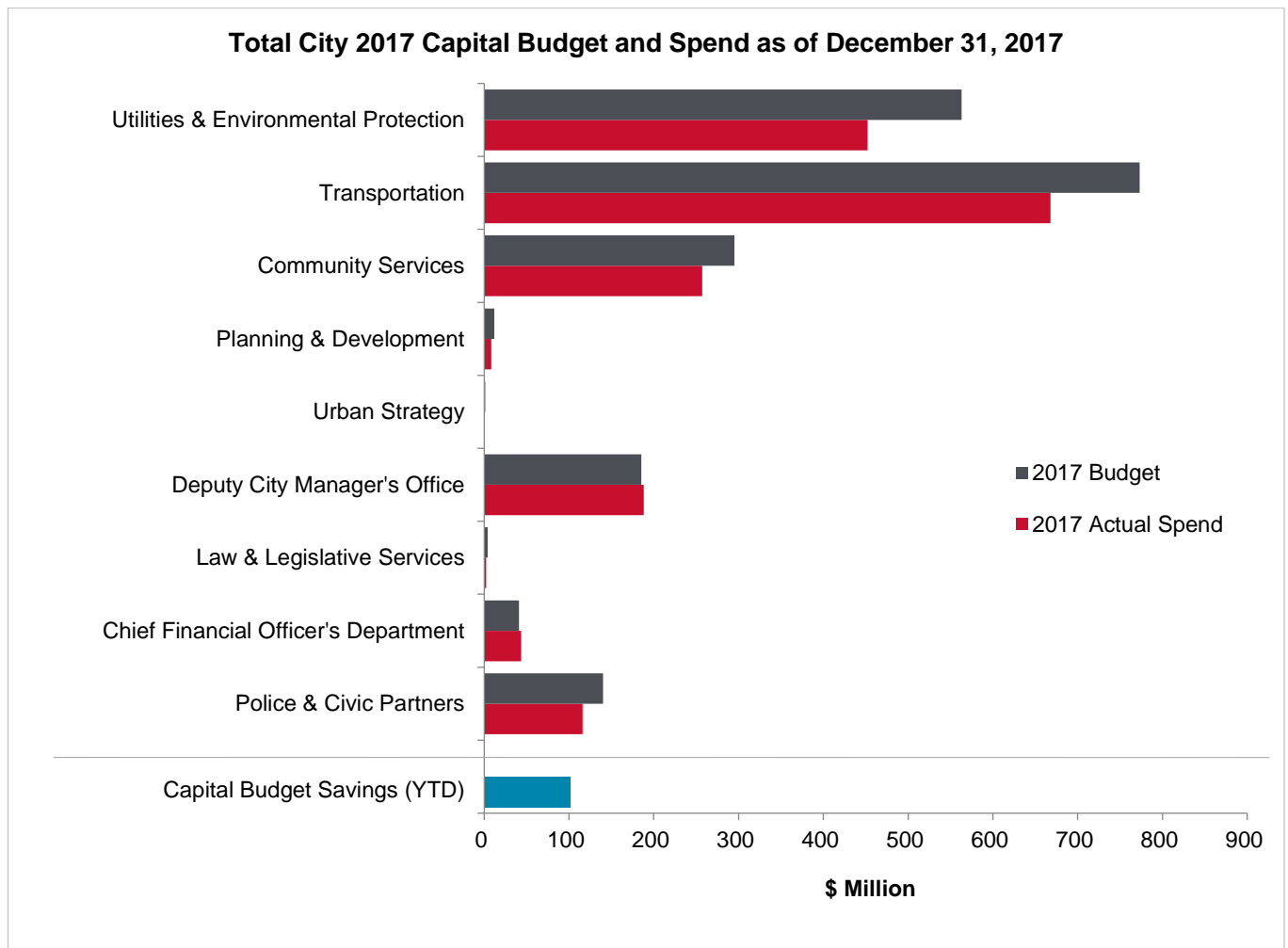
- Savings in salary and wages from various business units due to management of workforce and intentional vacancy management, lower contracted services, consultants, software maintenance and training costs (\$14.7 million favourable);
- Unallocated budget from Workforce Planning (\$9.1 million favourable);
- Calgary Transit's favourable fuel costs, savings from intentional vacancy management, and contributions from Community Economic Resiliency Fund, partially offset by lower Transit ridership and lower demand for reserved parking (\$6.1 million favourable);
- Savings in Waste & Recycling Services from efficiency improvements in collection services (\$1.8 million favourable); and sum of small savings from various business units (net to \$2.7 million favourable).

Intentional savings of \$77.8 million transferred to the Fiscal Stability Reserve (FSR):

- Lower actuarial valuations on pensions and retirement benefits, lower spending on Corporate Workforce Strategy program and savings in other health benefits, partially offset by higher Workers Compensation Board (WCB) rate and lower fringe benefits recoveries (\$25.6 million favourable);
- Higher investment income earned due to a strong capital market, external investment managers realizing capital gains, and higher principal balances invested in external portfolios (\$21.7 million favourable);
- Unbudgeted revenue due to full reimbursement received from the Provincial Government for the 2016 Fort McMurray Fire (\$6.3 million favourable),
- Lower corporate contingency expenses, net of transfers to Community Economic Resilience Fund for providing tax relief to assist Calgary non-residential tax payers (\$45 million), Economic Development Investment Funds (\$25 million), and Municipal Complex Structural Upgrade - Truss Recovery (\$8.1 million), \$31.8 million favourable was partially offset by lower franchise fees received from ATCO Gas and ENMAX due to lower natural gas prices and electricity prices, \$7.9 million unfavourable (net to \$23.9 million favourable);
- Savings in Council's Office (\$3.0 million favourable); and other small variances (net to \$2.7 million unfavourable).

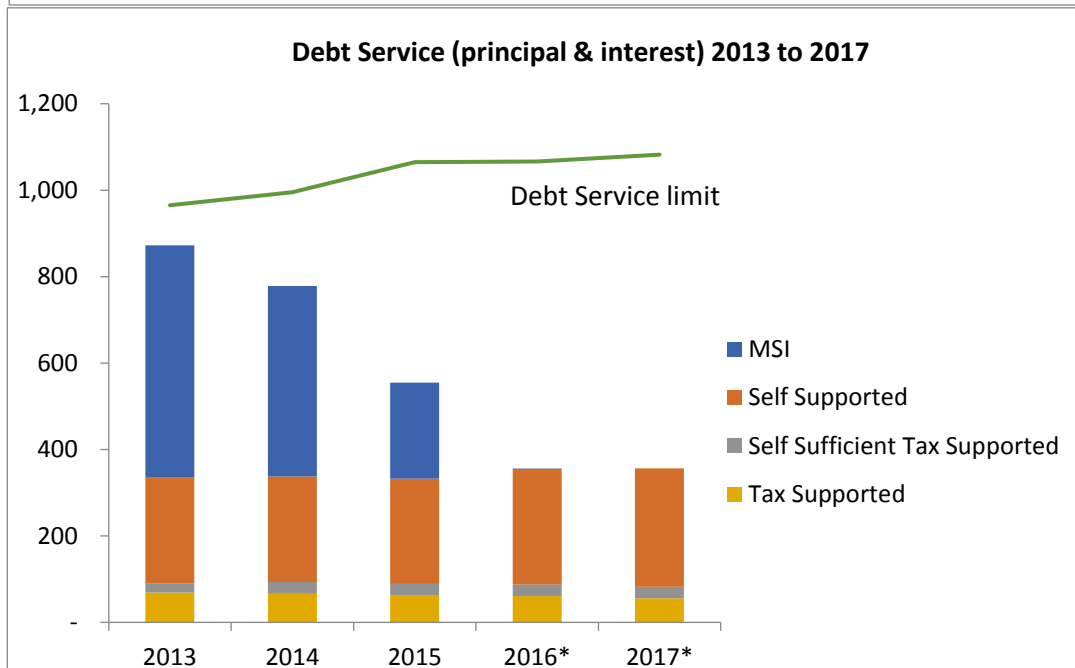
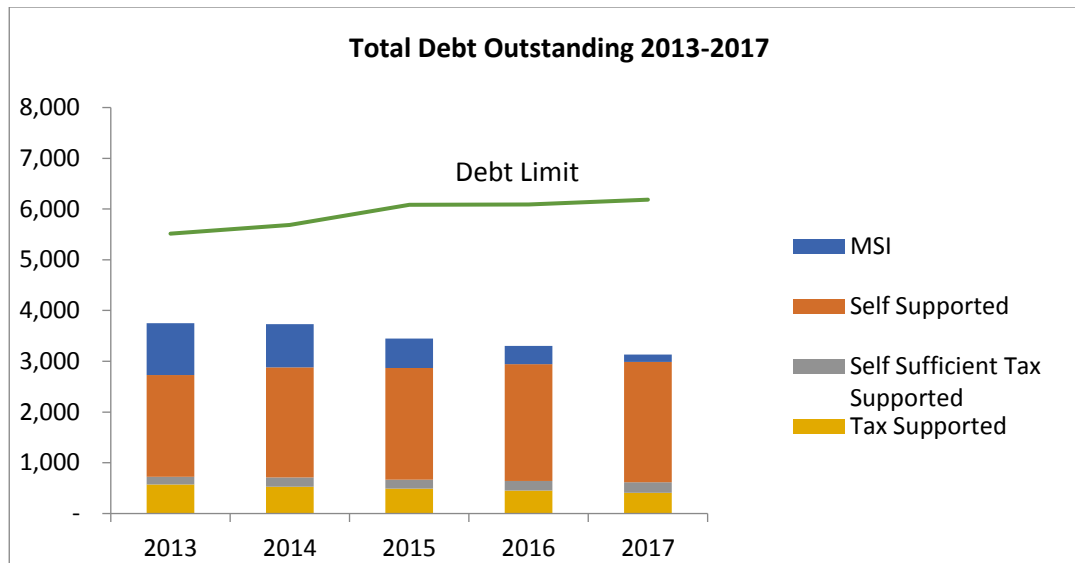
The transfer to the FSR with the year-end close brings the uncommitted balance of the reserve to \$428.0 million which is 13.6 per cent of tax-supported gross expenditures net of recoveries. The minimum FSR balance is 5 per cent with a target of 15 per cent.

Note: Financial numbers and variance explanations are provided prior to final external audit confirmation. Numbers are as at 2018 February 8.



In 2017, the City's capital investment was \$1.735 billion (86.2 per cent of the \$2.014 billion budget). This represented a 13.0 per cent increase from the \$1.535 billion capital investment made in the same period in 2016. The tax supported component of the City's 2017 investment represents approximately 83.4 per cent or \$1.447 billion.

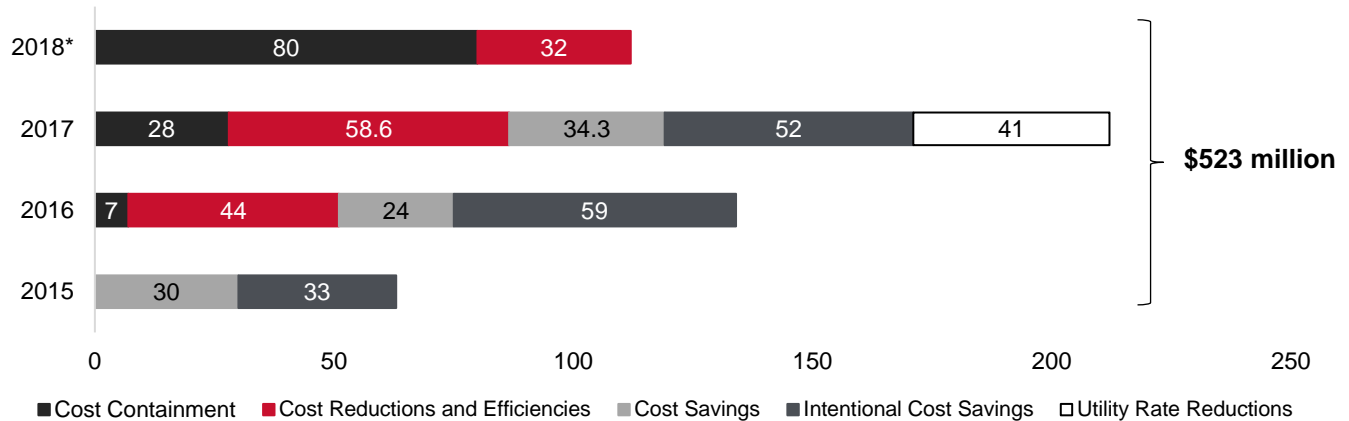
The cumulative balance in the Capital Budget Savings Account is \$196.3 million with 2017 contributions representing \$101.1 million. These savings were included in the corporate capacity identified by Infrastructure Calgary to fund a list of recommended new projects (C2017-0214).



* Due to Provincial changes in the debt service calculation, the portion of the MSI debt maturing after 2016 December 31 are excluded (MSL:124/11 and 077/16).

Debt outstanding in 2017 was \$1.1 billion lower than estimated in Action Plan. The 2017 Action Plan estimated outstanding debt was \$4.3 billion.

Efficiencies, Savings & Reductions (Base and One-Time) (\$ millions)



**There may be intentional cost savings and cost savings in 2018; however, it is too early to know or forecast what those may be at this point in time.*

Since Action Plan 2015-2018 was approved, The City of Calgary has achieved approximately **\$523 million** in savings and efficiencies.

Cost Containment in 2017 (**\$28 million**) was achieved by reducing the budgeted increase in pay for exempt employees along with lower than budgeted settlements for some unions.

The **\$58.6 million** in Cost Reductions and Efficiencies in 2017 was composed of corporate efficiencies (**\$21 million**), efficiencies arising from the 2017 Mid Cycle Adjustments (**\$10 million**), and Action Plan budgeted business unit efficiencies (**\$11 million**).

Some of the Cost Reductions and Efficiencies in 2017 included but were not limited to:

- \$6.4 million saved by switching to trenchless technology for the sanitary collection network;
- \$2.0 million saved on electricity through accelerated completion of the retrofit of 80,000 street lights;
- \$0.9 million saved by initiatives including pursuing alternative service delivery for parks maintenance and implementation of other Parks ZBR recommendations.
- \$0.8 million saved through energy consumption and improved monitoring and conservation systems

More details on Cost Savings contributed to the Budget Savings Account (**\$34.3 million**) and the Intentional Cost Savings used to fund certain 2018 Adjustment initiatives (**\$52 million**) can be found in the Operating Budget Overview on page 18.

The ZBR program has identified between \$57.3 million (low estimate) and \$68.2 million (high estimate) in annual financial gains. Of these identified gains, \$15 million was realized in 2017, bringing the total realized to \$27.3 million.



UEP Business Units

Environmental & Safety Management (ESM)

Waste & Recycling Services (WRS)

Utilities - Water Resources and Water Services (UTIL)

UEP aligns with the following Council Priorities:

A city of inspiring neighbourhoods

A healthy and green city

A well-run city

OVERVIEW

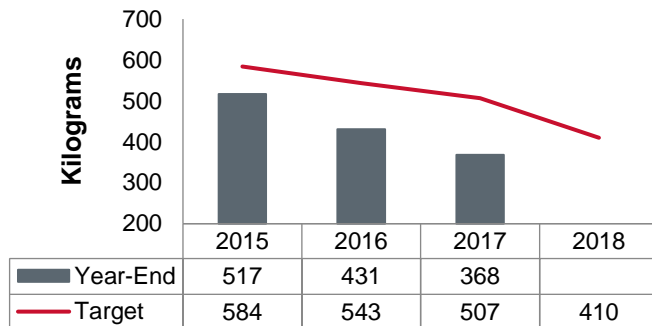
Utilities & Environmental Protection (UEP) protects public health and the environment and helps all employees work safely. Services include: collection of residential waste; recycling services; composting and waste diversion programs; landfill management; contaminated site management; environmental and safety management; provision of safe, clean drinking water; treatment and disposal of wastewater; stormwater management, and protection of our rivers and watercourses.

UEP leads The Corporation for workplace health and safety and environmental performance. Through the Corporate Safety Strategy and environmental policies, UEP supports all City departments to continually improve safety performance and manage environmental risk.

YEAR-END HIGHLIGHTS

- Drinking water and wastewater facilities met provincial regulations at all times.
- The department experienced significant reductions in revenue, requiring adjustments to operating budgets through efficiencies and operating reductions.
- The City continues to work collaboratively to implement flood mitigation solutions on the Bow and Elbow rivers.
- The City completed implementation of the residential Green Cart Program for single-family homes and is servicing all Calgary communities.
- The City of Calgary's Organics and Biosolids Composting Facility, a Public Private Partnership (P3), was completed on time and on budget.
- Climate change working groups were established to provide guidance and feedback for the development of the City's Low Carbon Plan.
- Corporate Safety is being addressed through greater focus on hazard identification, communication, incident investigation and follow-up.

H.PM2 Annual Waste Landfilled Per Capita



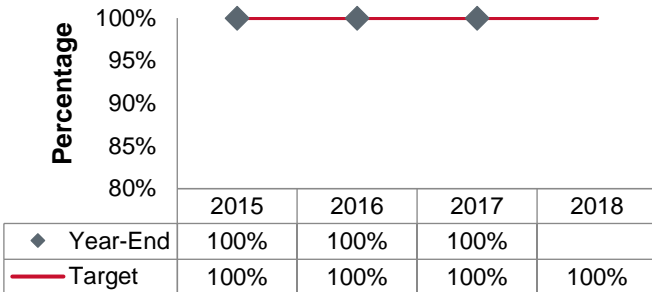
H.PM2 Annual Waste Landfilled Per Capita

Waste landfilled per capita measures the total amount of waste disposed at The City of Calgary landfills by all customer sectors and allocates an average amount (kilograms) to each Calgarian.

Year-End Update

Waste landfilled per capita continues to trend downward attributed to lower tonnage from commercial customers, current economic conditions and increased diversion. With the implementation of new strategies and the city-wide green cart composting program, it is anticipated that this trend will continue.

H.PM5 Provincial Regulations Met for Treated Drinking Water Quality



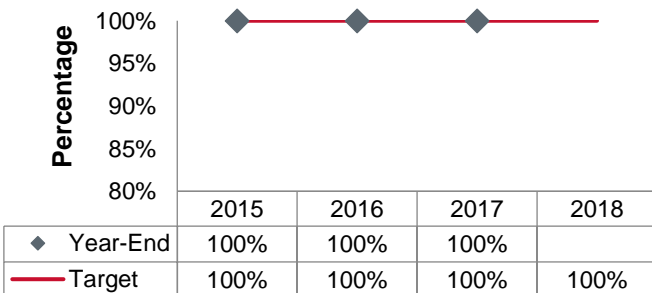
H.PM5 Provincial Regulations Met for Treated Drinking Water Quality

The Water Utility is committed to protecting public health and the environment, and treating drinking water in order to meet provincial regulations. This involves over 100,000 accredited laboratory tests per year, on more than 150 water quality parameters.

Year-End Update

In 2017, Provincial regulations for treated drinking water quality were met 100 per cent of the time at The City's Water Treatment Plants.

H.PM6 Provincial Regulations Met for Treated Wastewater



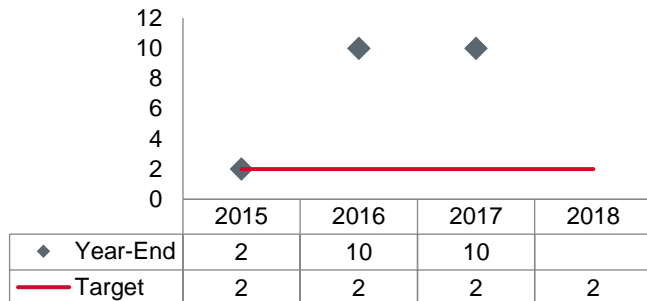
H.PM6 Provincial Regulations Met for Treated Wastewater

The Water Utility's treated wastewater must meet standards set by the provincial operating approval and Federal Regulations that came into effect in January 2015. Regular tests are conducted to measure the quality of the treated water returning to the river.

Year-End Update

In 2017, Federal and Provincial regulations for treated wastewater were met 100 per cent of the time at The City's Wastewater Treatment Plants.

N.PM3 Number of City-Owned Brownfields Returned to Productive Community Use



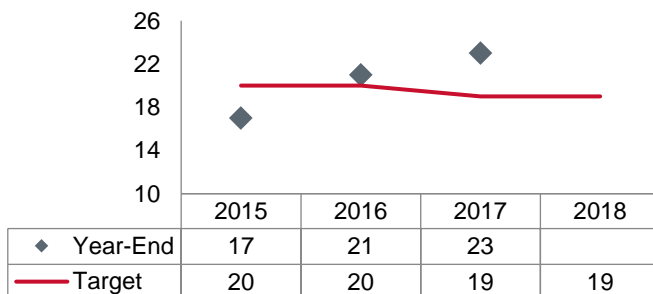
N.PM3 Number of City-Owned Brownfields Returned to Productive Community Use

The City encourages the return of productive use of City-owned brownfields. Redeveloping brownfields allows for the re-use of land, supports urban densification, and stimulates community revitalization.

Year-End Update

A combined total of 10 brownfield sites were returned to productive community use in 2017, exceeding the annual target. The additional sites included 7 land dispositions, 2 redevelopments and 1 interim use project.

W.PM17 Annual Average Number of Days Lost Per Lost Time Claim Throughout the Corporation



W.PM17 Annual Average Number of Days Lost Per Lost Time Claim throughout The Corporation

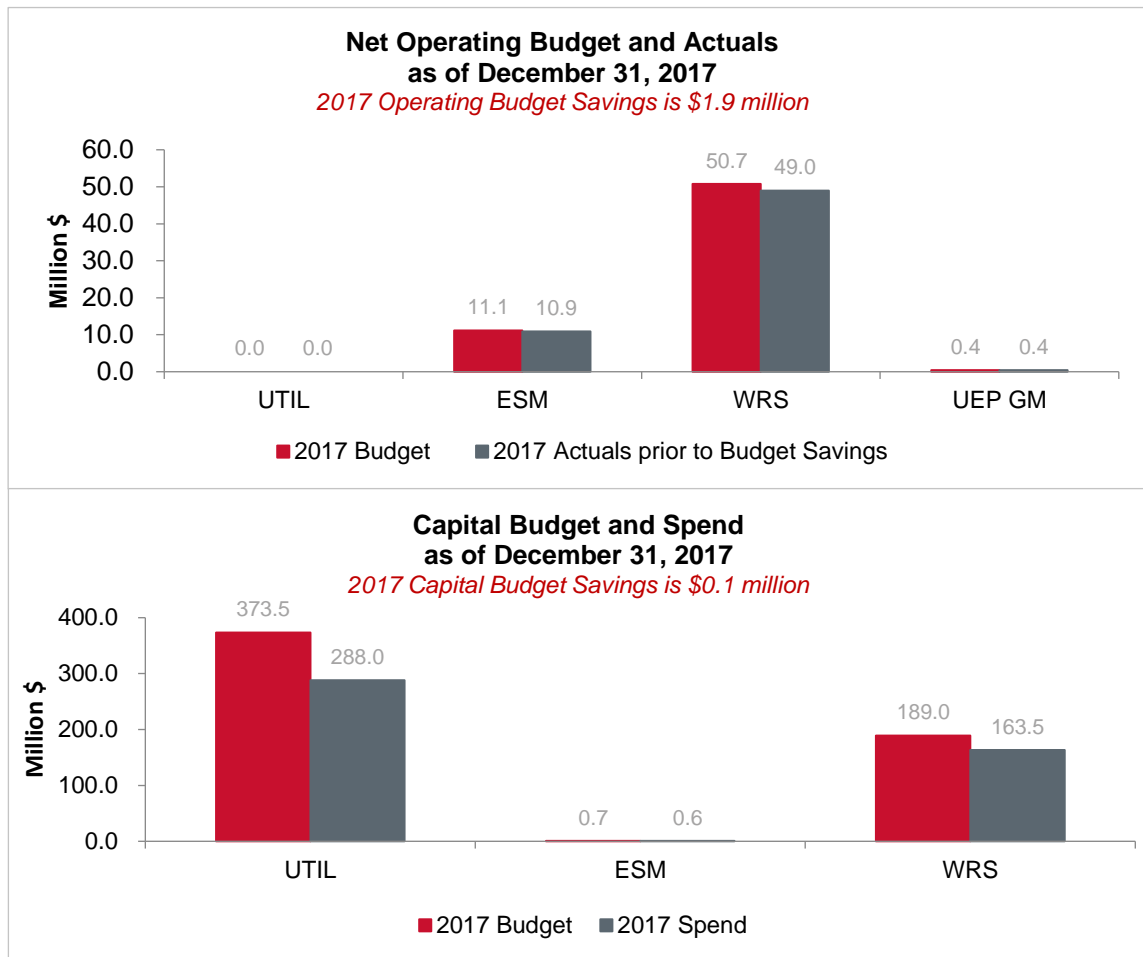
Reducing the number of days lost per Lost Time Claim (LTC) supports employees and contributes to reducing Workers' Compensation Board (WCB) claims costs. Supporting employees in their recovery through gradual increases in their duties and work hours reduces the number of days away from work and reduces costs.

Year-End Update

Business Units, ESM and Human Resources are working collaboratively to ensure employees are accommodated to return to work. The focus has been to find suitable work for employees to return to some capacity, until they have the capability to return to their original job duties.

[Link to additional performance measures here](#)





Operating Budget Summary

Tax-supported operations in WRS were \$1.76 million favorable due to efficiency improvements, and as planned, the additional efficiencies on black cart collection was used to offset the costs of the green cart program. ESM was \$191 thousand favorable mainly due to savings in Salary & Wages net recoveries from delay in filling vacant positions and efficiency from Contract and General Services. These favorable variances were contributed to the Budget Savings Account. Self-supported - Utilities' year end variance was 0 because the operating surplus of \$240.6 million was transferred to reserve. The reserve used for funding capital expenditures and offsetting future borrowing was larger than budget primarily due to higher water consumption during the dry and hot summer months. WRS (blue cart recycling and landfill operations) revenue was \$11.8 million favorable mainly due to the tipping fees from the Green Line waste removal, which will be applied to the cost of waste removal and future capital and maintenance of replacement infrastructure.

Capital Budget Summary

Utilities: The capital spend rate was 77 per cent. Bonnybrook Dewatering Building was commissioned in October 2017 as scheduled. Other major projects that made good progress in 2017 were Bonnybrook Plant D Expansion, Bonnybrook Electrical System Upgrades, and the Silverado West Pine Creek Trunk. Projects that were challenged in 2017 were stormwater and flood recovery projects, which typically have more complex stakeholder and regulatory issues to manage. ESM – The capital spend rate was 92 per cent mainly due to the Climate Change project. WRS - The capital spend rate was 87 per cent. The Organics and Biosolids Composting Facility, with P3 partner Chinook Resource Management Group, was completed and moved into operation in July 2017. Federal Gas Tax funding of \$56.8 million was used to fund a variety of environmental and facilities projects.



Transportation Business Units

Calgary Transit (CT)

Roads (RDS)

Transportation Infrastructure (TI)

Transportation Planning (TP)

Transportation aligns with the following Council Priorities:

	<i>A prosperous city</i>
	<i>A city of inspiring neighbourhoods</i>
	<i>A city that moves</i>
	<i>A healthy and green city</i>
	<i>A well-run city</i>

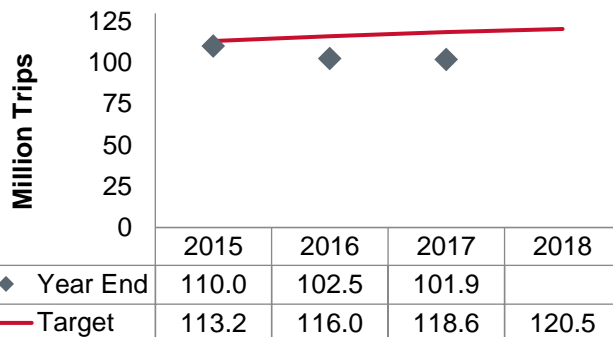
OVERVIEW

Transportation provides a comprehensive system of safe, efficient and customer-focused travel choices that keep Calgarians moving. The department works together and with partners to plan, design, build, operate and maintain a transportation network that supports walking, cycling, transit, goods movement and private motoring. Transportation focuses on constant improvement in safety, efficiency and effectiveness to enhance and support the growth of our city.

YEAR END HIGHLIGHTS

- A final alignment and staging plans were completed for the Green Line LRT project. Funding from the Province of Alberta was announced and phase one of the project is now moving towards design and construction.
- After several behind-the-scenes infrastructure upgrades, four-car CTrain service was rolled out on the blue line. The entire system now sees regular four-car service.
- 32 new S200 LRVs were put into service bringing improved features and comfort to riders.
- Four major interchanges were opened at Bowfort Rd/Trans-Canada Hwy, Glenmore Tr/Ogden Rd, Sarcee Tr/16 Ave and Macleod Tr/162 Av. This includes Canada's first diverging diamond interchange.
- The multi-year Crowchild Trail corridor study was completed and short-term improvements are currently under construction.
- Construction started on the Bus Rapid Transit (BRT) network including dedicated transitways.
- Complete Streets projects were completed on 8 Avenue SE, Marlborough Way NE and 40 Street SE. This is the first on-street bicycle infrastructure east of Deerfoot Trail.
- Roads completed retrofitting over 80,000 streetlights to LED more than a year ahead of schedule, providing better visibility and ongoing savings of approx. \$5 million per year.

M.PM5 Annual transit ridership (in millions)



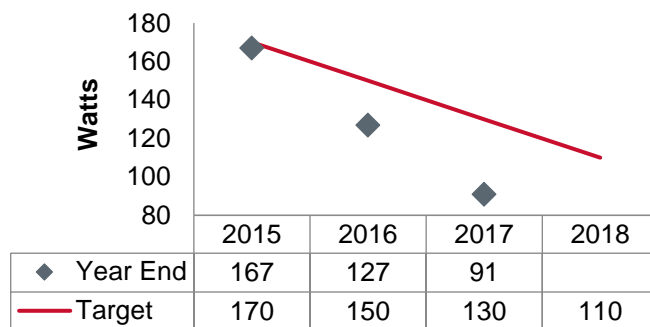
M.PM5 Annual transit ridership (in millions)

The number of trips taken on Calgary Transit each year is an indicator that people are choosing a more economically and environmentally sustainable modes of travel.

Year End Update

Transit ridership remains lower than expected due to a weakened economy and considerable downtown vacancy where transit is most competitive. Transit ridership tends to lag economic downturns and recovery, and this year is no exception. Calgary Transit is strategically adjusting service and improving efficiencies to adjust to these changes and maintain their financial position.

H.PM1 Average energy usage (Watts) per streetlight



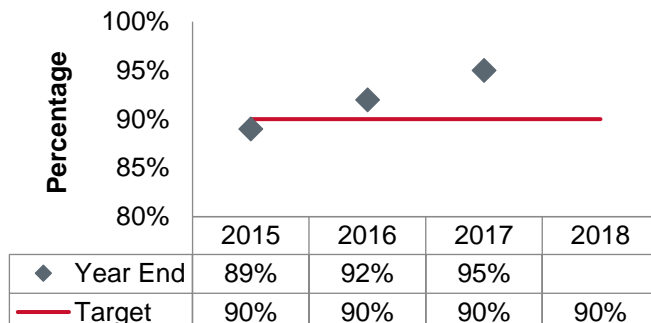
H.PM1 Average energy usage (Watts) per streetlight

Streetlights make up one of the largest infrastructure systems in the city. A major multi-year initiative to refit fixtures to LED from other technologies was started in 2015 and is now complete more than a year ahead of schedule. The change not only uses more efficient lighting that saves energy and saves money, it also improves reliability reducing the amount of time and effort needed to maintain a quality streetlight system.

Year End Update

After accelerating the LED streetlight refit program, work is now completed on the over 80,000 replacements that were planned. Finishing this work more than a year ahead of schedule is allowing The City to realize the savings from lower energy use and lower maintenance costs quicker than anticipated. Average energy usage is now lower than 2018 targets.

W.PM1 Transportation's 311 service request on-time completion rate



W.PM1 Transportation's 311 service request on-time completion rate

On-time completion of requests is an important reflection of our commitment to citizens, businesses, visitors and customers.

Year End Update

Transportation has been focusing on improving citizen service and this metric in particular. Steady improvement over the past five years has brought the on-time completion rate to 95 per cent while the number of total requests continues to rise. Transportation answered over 120,000 requests seen in 2017.

M.PM16 Per cent of trips going to the centre city made by transit in the AM peak period

Percentage

	2015	2016	2017	2018
◆ Year End	47.9%	48.6%	40.6%	
— Target	50.2%	50.6%	50.9%	51.3%

M.PM16 Per cent of trips going to the centre city made by transit in the AM peak period

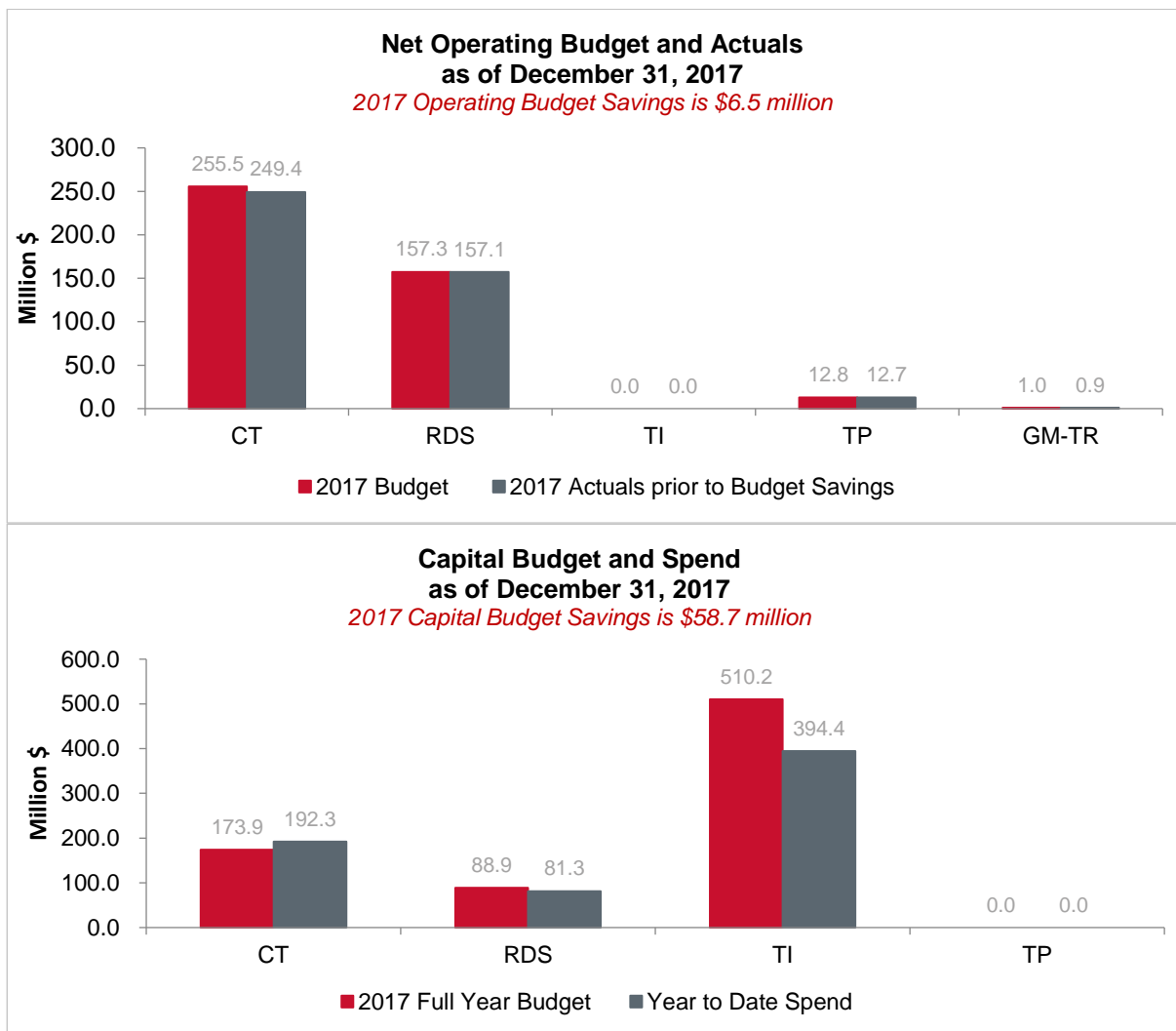
Downtown Calgary is an economic engine of the city and the centre of the transit system. The proportion of transit trips into the city centre is an indication that Calgarians are choosing to commute by sustainable modes.

Year End Update

The proportion of transit trips has fallen significantly during the economic downturn. This is largely correlated to fewer jobs in the downtown core where transit is very competitive with other travel choices. Approximately 28 per cent fewer Calgarians travel to downtown as compared to peak levels in 2013. This reduces traffic congestion for all modes, and affects how different travel choices compete with each other.

[Link to additional performance measures here](#)





Operating Budget Summary

A sustained drop in ridership resulting from the economic downturn has lead to lower overall revenues for Calgary Transit. Careful adjustment of service levels throughout 2017 has controlled costs leading to a small favourable variance. A busier than average winter in 2016/2017 lead to higher snow and ice control costs, but these were offset by higher than expected permit revenues.

Capital Budget Summary

Several major capital projects were completed in 2017 including Bowfort Road/Trans-Canada Highway, Glenmore Trail/Ogden Road, Macleod Trail/162 Avenue and Sarcee Trail/Trans-Canada Highway. Several other major projects started including the major components of the BRT network, a bridge at 194 Avenue/Priddis Slough and enabling works for Green Line. The capital spend rate for Transportation was 86% in 2017.

Work was also completed on the LED streetlight retrofit program which provides ongoing operating savings while reducing energy use, light pollution and maintenance costs. Over 80,000 fixtures were replaced since 2014.



CS Business Units

Calgary Community Standards (CCS)

Calgary Emergency Management Agency (CEMA)

Calgary Fire Department (CFD)

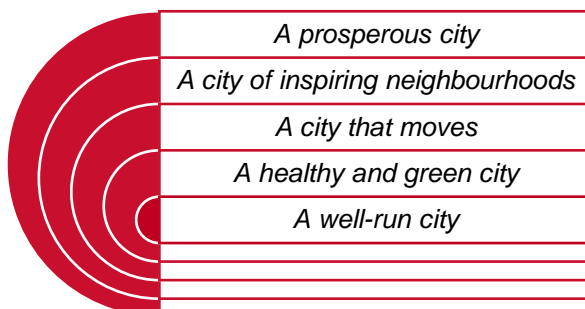
Calgary Housing (CH)

Calgary Neighbourhoods (CN)

Calgary Parks (PRK)

Calgary Recreation (REC)

CS aligns with the following Council Priorities:



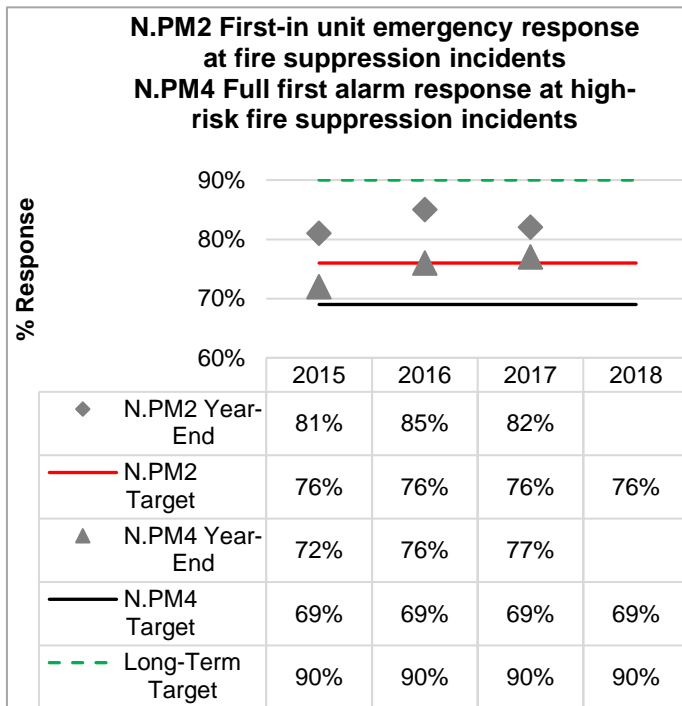
OVERVIEW

Community Services (CS) is The City's most citizen-facing department. CS works with The City's official Civic Partners and hundreds of other partner organizations to deliver programs and services that contribute to the well-being and quality of life of Calgarians.

Much of CS' work has a direct impact on Calgarians' quality of life and contributes to all five Council Priorities. CS and its partners lead 21 and support another 22 of Council's 48 Strategic Actions.

YEAR-END HIGHLIGHTS

- Affordable housing strategy improvements included supporting the development of over 1,000 units through fee rebates and grants (from the Housing Incentive Program) and establishing the Home Program to increase housing stability through Ready to Rent.
- 10,000 citizens celebrated Canada 150 at Confederation Park. In honour of the park's 50th Anniversary, citizens also enjoyed new park improvements including a natural playground, barbeque stands, seating areas, public art murals and accessible interpretive signs.
- In anticipation of the federal Cannabis Act, a City team was established to work on identifying issues and potential impacts of cannabis legalization.
- International Play Conference: Community Services and the International Play Association Canada successfully hosted 700 delegates from over 30 countries this fall. The City's legacy play work sets a foundation for improving children's physical and mental health in Calgary. A Mobile Adventure Playground program also hosted over 800 children during the event.
- A Community Hubs partnership was launched between The City, the United Way and the Rotary Club, in support of the *Enough For All* strategy. This initiative establishes approaches and practices to support full participation of vulnerable populations in City activities.
- City staff participated in two large-scale emergency exercises – a flood and snowstorm – to test response, recovery and business continuity processes and plans. A comprehensive update of Calgary's Municipal Emergency Plan was completed to reflect updated processes, roles and responsibilities, including alignment with business continuity and recovery planning.

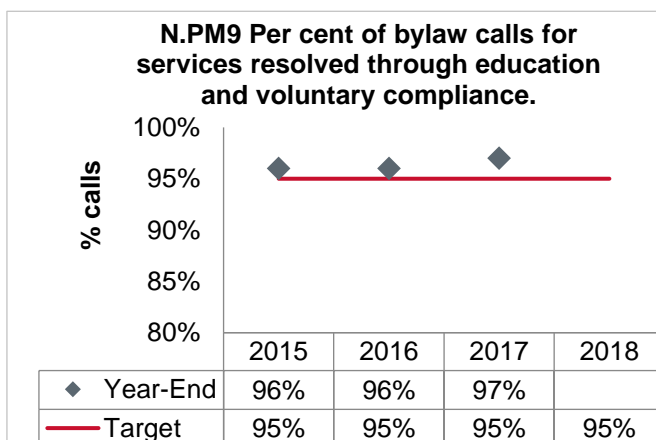


N.PM2 First-in unit emergency response within seven minutes at fire suppression incidents

Calgary Fire's year over year response performance declined by 3 per cent over 2017, but improved by 1 per cent since 2015, notwithstanding the 10 per cent increase in the number of calls in 2017. 90th percentile performance for first-in unit emergency response at fire suppression incidents was 7 minutes and 55 seconds, with 82 per cent of responses within the target time of 7 minutes. For Calgarians, even a small change can translate to lives and property saved.

N.PM4 Achieve full first alarm assignment at high-risk fire suppression incidents within 11 minutes

Despite the economic downturn and other factors contributing to a 10 per cent increase in calls, Calgary Fire made an improvement in its fire response performance at high-risk fire suppression incidents. Calgary Fire assembled the needed firefighters, slightly higher than the short-term target of 69 per cent, with 90th percentile performance at 13 minutes and 31 seconds. Significant improvements are required to make the long-term target of 90 per cent within 11 minutes.

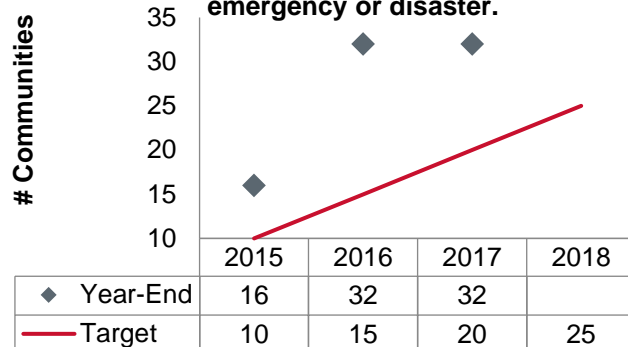


N.PM9 Per cent of bylaw calls for services resolved through education and voluntary compliance.

The voluntary compliance rate measures our success in public awareness programming in partnership with other city business units, community organizations, and schools to promote public safety, community standards and bylaw compliance. It reflects the core value we believe in – compliance comes before enforcement.

The target was exceeded in 2017. Calgary Community Standards put considerable effort into public education programs and outreach initiatives to foster citizens' compliance with bylaws. The programs we delivered in 2017 include 113 community cleanups and the Safety Expo event.

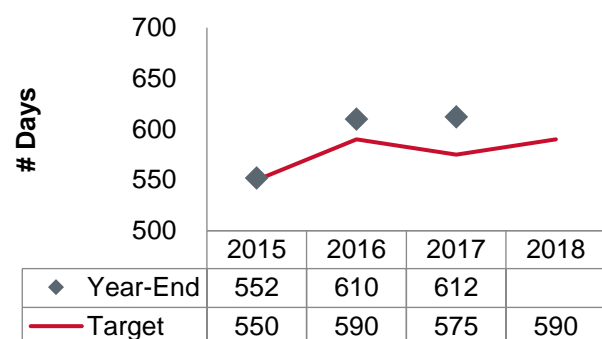
N.PM6 Number of communities informed about preparing for, responding to, and recovering from an emergency or disaster.



N.PM6 Number of communities informed about preparing for, responding to, and recovering from an emergency or disaster.

2017 saw an evaluation and re-scoping of the Ready Calgary program to include an online version, increasing access for Calgary communities. The online version is anticipated to launch in Q2 of 2018. Therefore, 32 communities remained engaged in Ready Calgary education as previously reported. It is forecasted that another 18 communities will be trained by the end of 2018, for a cumulative total of 50 targeted communities for the period of Action Plan.

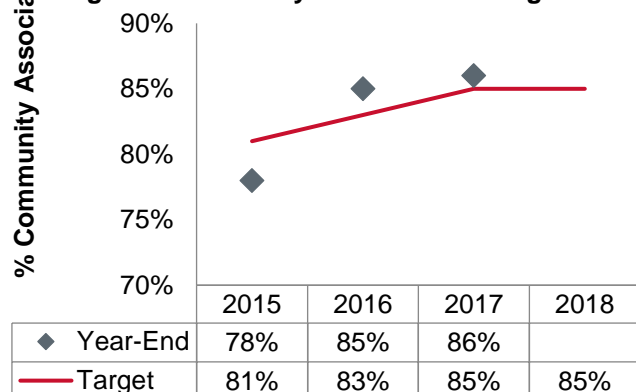
P.PM7 Number of City-supported festival and event days.



P.PM7 Number of City-supported festival and event days.

With 8 more events than 2016, and 612 event days in 2017, Recreation exceeded its target in supporting community organizations and partners to create a sense of community and civic pride through cultural activities, community celebrations, festivals and sporting events. Canada 150 events led the way throughout the year and Calgarians demonstrated the importance they place on festivals and events with their support and attendance.

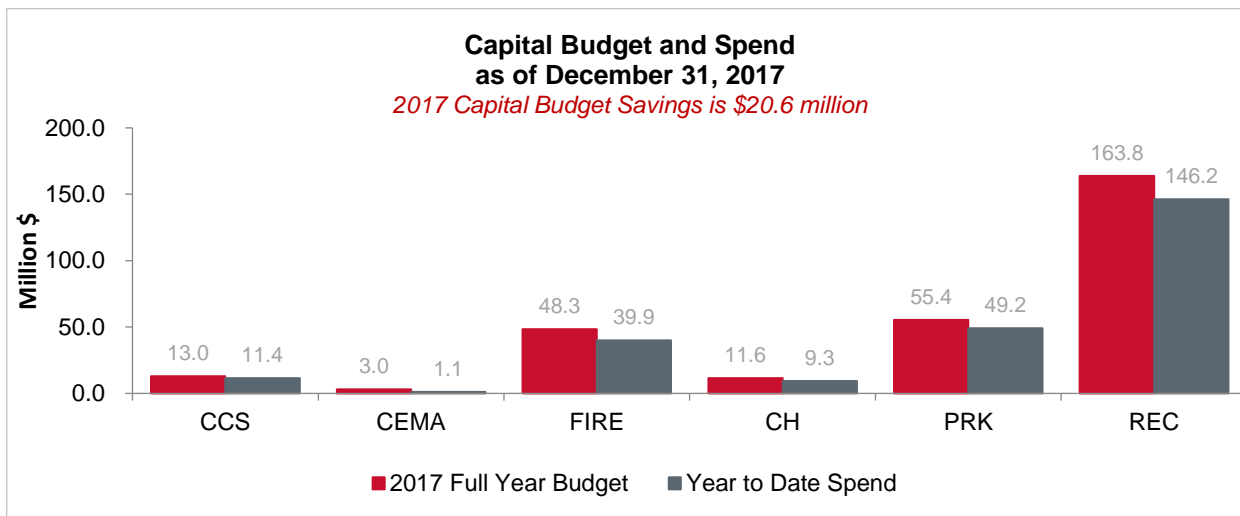
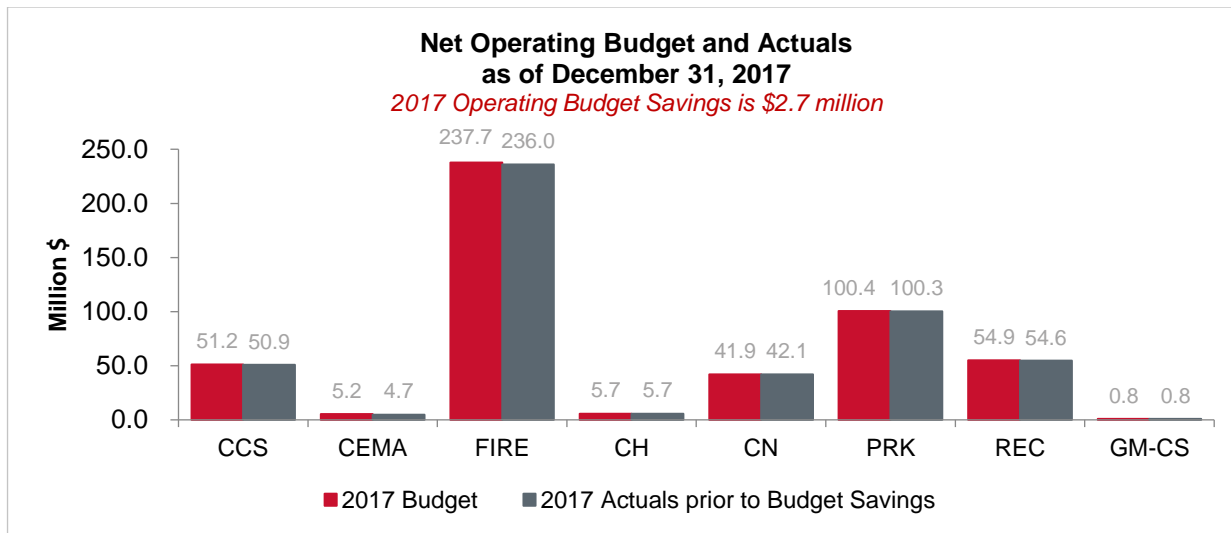
N.PM7 Per cent of community associations that are at a good/satisfactory financial standing.



N.PM7 Per cent of community associations that are at a good/satisfactory financial standing.

Financial health is an important factor in the long-term sustainability of any organization. City Liaison staff support Community Associations (CAs) with their financial practices and governance. A financial review and compliance status of CAs and social recreation organizations with a lease or license of occupation on City-owned land is reported to Audit Committee and Council on an annual basis. 86 per cent of 177 organizations that had their financial statements reviewed in 2017, received a rating of “good” or “satisfactory”, demonstrating financial stability. This performance measure has seen continued improvement since 2015, in part due to City Liaison staff helping CAs to take a proactive approach in identifying and implementing mitigation strategies for financial, facility or organizational risks.

[Link to additional performance measures here](#)



Operating Budget Summary

Community Services (CS) had a positive variance of \$2.7 million on a \$506 million operating budget, prior to budget savings. This variance is primarily due to the intentional management of workforce and utilization of other resources.

Capital Budget Summary

CS spent \$257.1 million, achieving an 87 per cent spend rate. Highlights of these investments include Recreation's new Rocky Ridge Recreation Facility, together with renovations to three locations including Village Square Leisure Centre, Canyon Meadows and Foothills Aquatic Centers. Affordable Housing increased their portfolio with three new developments in Crescent Heights, Bridgeland and Kingsland totaling 72 new units. Fire station #7 was re-opened following rehabilitation of aging infrastructure, and Calgary 911 completed procurement of their new 911 IP Phone system, with implementation to follow in 2018. Both Prairie Winds and Bowness Parks were re-opened after redevelopment, and two new adventure playgrounds opened in Confederation Park and Mills Park. Upgrades to trail networks in Nose Hill Park and the Douglas Fir Trail round out the Parks investments. The Capital Conservation Grant invested \$8 million on urgent safety issues in aging neighbourhood group infrastructure, ensuring facilities can stay open and provide for vital community programming.



PD Business Units

Calgary Growth Strategies (CGS)

Calgary Approvals Coordination
(CAC)

Community Planning (CP)

Calgary Building Services (CBS)

PD aligns with the following
Council Priorities:



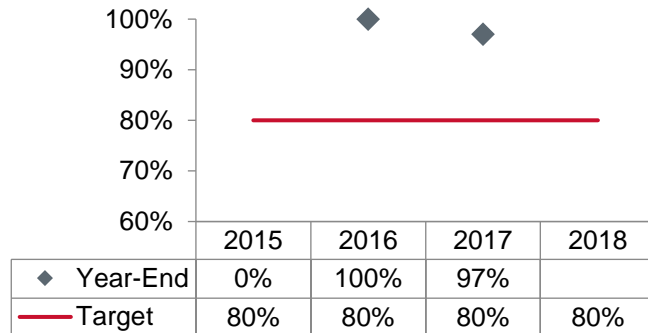
OVERVIEW

Planning & Development's (PD) mission is to plan and enable building a great Calgary. Planning & Development strives to meet the aspirations of communities through great planning, while ensuring Calgarians have safe buildings in which to live and work. We develop plans and policies and deliver services that support land use and development throughout Calgary and in the surrounding region. The department's three key result areas are: Advancing the Municipal Development Plan (MDP) Vision, Realizing Development, and Ensuring Building Safety.

YEAR-END HIGHLIGHTS

- Municipal Development Plan (MDP) is advanced:** The Centre City Guidebook and Developed Areas Guidebook were adopted in 2017, helping to provide clarity and certainty for customers and communities in achieving the MDP vision. Additionally, one new Area Structure Plan (ASP) was approved, along with amendments to the following four: South Macleod Centre ASP, Springbank Hills ASP, Symons Valley Community Plan, and West Springs ASP. PD also received approval on two new Area Redevelopment Plans (ARP's): Anderson Station ARP and the Rundle Station Area Master Plan.
- Development is Realized:** We improved communication with customers through the implementation of customized timelines for specific application types for land use and development permit applications. PD facilitated the completion of 4,593 development permits, 349 land-use amendments, and 19 outline plans. We increased transparency with Industry and citizens through releasing the 2017 Off-site Levy Report, along with the Centre City Levy Program.
- Buildings are safe:** PD responded to 573 urgent response service requests and 136 Infill (unsafe construction) service requests, attending incidents where unsafe conditions have been identified and/or conducting an inspection at the specific site. PD also completed 16,071 building permits and 51,953 trade specific permits ensuring compliance and safety. In 2017, there was a 27 per cent increase to a total of 890 suites on the City's Secondary Suites Registry, which ensures safe and legal secondary suites.

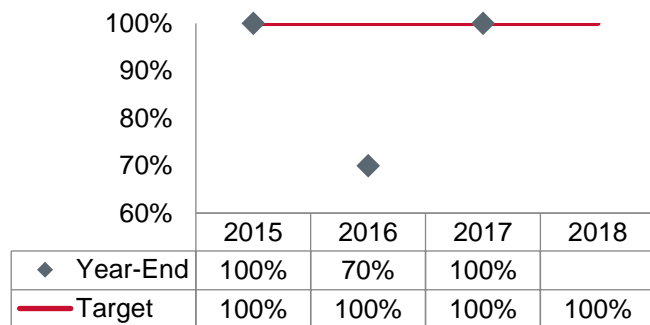
P.PM2 Participant rating of four out of five or better for service levels on affordable housing inquiries/applications



P.PM2 Participant rating of four out of five or better for service levels on affordable housing inquiries/applications

This performance measure demonstrates a commitment made to engaging in two-way communication with our customers and creating mutual benefit through meaningful feedback. With 2017 being the highest response rate from the survey to date, the feedback clearly demonstrates that this program has been embraced by customers and the end result is an added benefit to our citizens and communities.

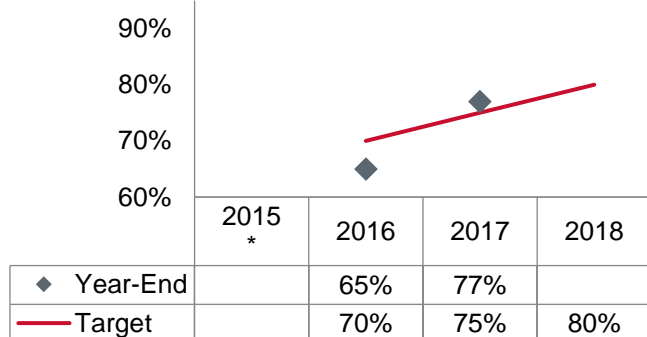
N.PM5 Per cent of the municipal heritage conservation grant program utilized in the current budget cycle



N.PM5 Per cent of the municipal heritage conservation grant program utilized in the current budget cycle

The reserve fund supplying the City of Calgary Historic Resource Conservation Grant Program is 100 per cent allocated (subscribed) through this current budget cycle. The grant program has been an important incentive in the City's heritage conservation program with its availability enticing several property owners to designate their heritage property's to access the grant program. Participation in this program helps promote inspiring neighborhoods, and vibrant character-inclusive communities. With the reserve fund depleted through 2018 it's likely that fewer property owners will seek designation than in the past.

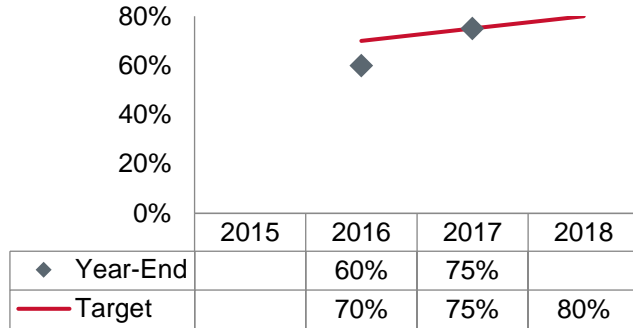
N.PM6 Per cent of development permit decisions made for low density residential infill applications within 90 calendar days of application



N.PM6 Per cent of development permit decisions made for low density residential infill applications within 90 calendar days of application submission

This performance measure provides a level of certainty for customers to facilitate a predictable review process and construction timeline. Applications for infills and major additions have shown a significant increase over 2016 volumes and resulted in an overall increase of 42 per cent over 2016. The increased training, process efficiencies and utilizing digital circulations have contributed to the performance target of 75 per cent being successfully achieved (77 per cent).

N.PM7 Per cent of development permit decisions made within 120 calendar days of application submission

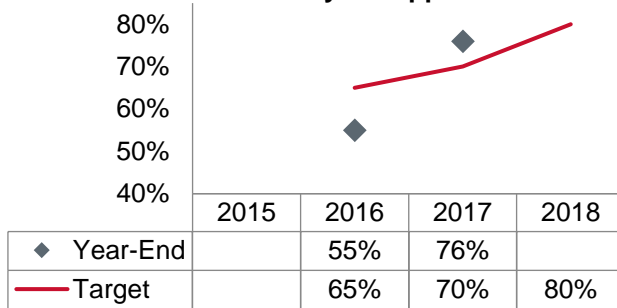


*N.PM6, N.PM7 and W.PM7 were new performance measures from 2016 May 06 PUD2016-0322 report and had no 2015 measures to report.

N.PM7 Per cent of development permit decisions made for multi-family, commercial, industrial and institutional applications within 120 calendar days of application submission

This performance measure incorporates both City and applicant times to reach a decision, and requires the parties to work collaboratively. This measure is in addition to any applications where a customer has approached The City to develop a customized timeline related to concurrent applications, or for extenuating circumstances causing an extension of time being requested by the customer (such as a delayed Provincial approval). PD continues to work with its partners to find process improvements, standardization and other efficiencies as part of the Continuous Process Improvement initiative of the Industry/City Work Plan. Additionally, PD has reached an agreement with BILD to reduce the amount of time applicants are given to respond to City comments. It is expected that this change, along with continued use of customized timelines for extremely complex applications, will allow us to reach our 2018 target of 80 per cent.

W.PM7 Per cent of building permits for tenant improvements to commercial and multi-family development issued within 21 calendar days of application

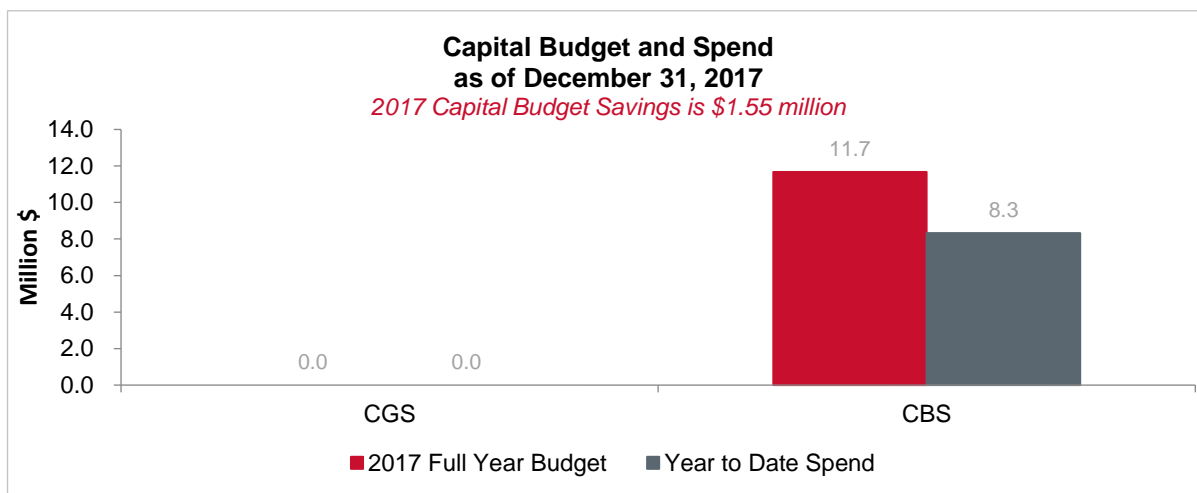
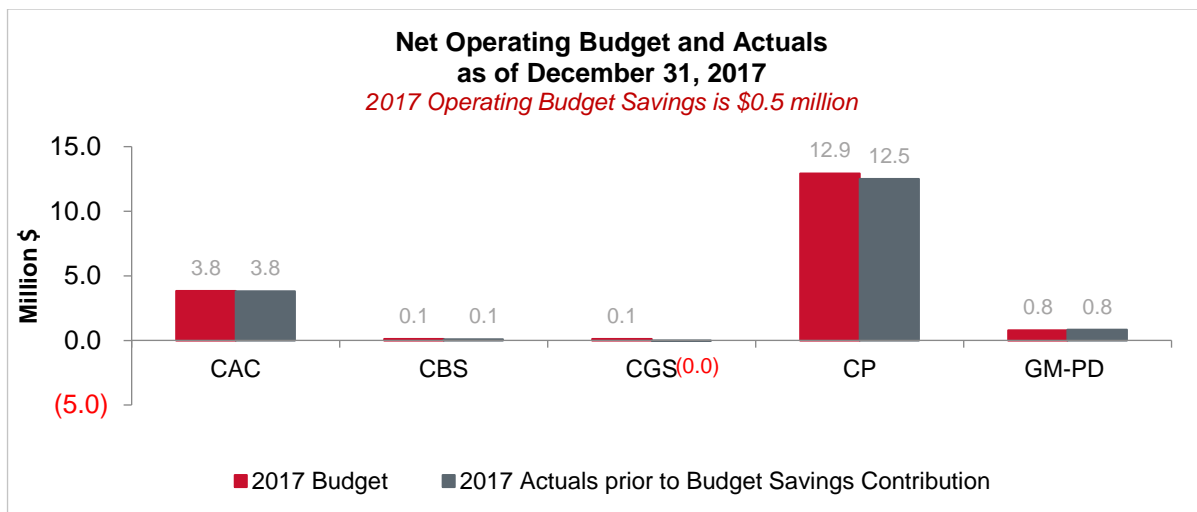


W.PM7 Per cent of building permits for tenant improvements to commercial and multi-family development issued within 21 calendar days of application submission

This measure speaks to Administration's ability to understand and respond to the evolving needs of tenants and business owners through building permit applications for alterations, renovations and/or additions. A timely response provides certainty to the business or property owner and ensures a safe building for tenants. The total number of applications received remained steady over the past two years, and continued in spite of the economy. During downtimes, owners continue to renovate or make tenant improvements, rather than invest in new construction.

[Link to additional performance measures here](#)





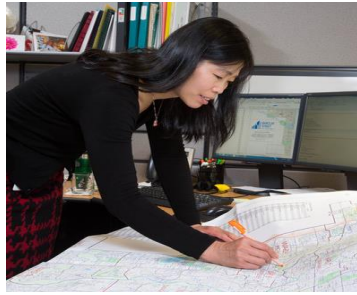
Planning & Development (PD) includes four business units and the General Manager's Office (GMO). Community Planning (CP) and the GMO are tax supported, Calgary Building Services (CBS) is primarily self-supported, Calgary Approvals Coordination (CAC) and Calgary Growth Strategies (CGS) are a mix of tax and self-supported.

Operating Budget Summary

PD's favourable variance of \$0.5 million before BSA contributions is mainly due to favourable license and fee revenue as well as savings in contractual services and office rental. CBS is mandated to fund its operating and capital expenditures from its revenue and transfer all operating surplus or deficit to/from the CBS Sustainment Reserve to sustain its self-supporting status. As at 2017 December 31, the CBS Sustainment Reserve has a balance of \$86.8 million (down \$12.3 million from the previous year) mainly due to a \$20 million contribution in 2017 to the Economic Development Investment Fund to attract new business to Calgary downtown. An additional \$20 million contribution for 2018 is also approved. During the 2018 budget deliberation, Council approved the extension of the 2017 PD application fee freeze to 2018. The fee freeze is estimated to reduce the 2018 PD revenue by \$1.4 million.

Capital Budget Summary

As at 2017 December 31, the PD capital expenditure was \$8.3 million (or 71 per cent) of its 2017 capital budget of \$11.7 million. This includes projects for Work Space Initiatives (the 3rd floor Planning Services Counter renovation), Business Technology Sustainment (conversion of systems to support external services and enable on-line application and payment) and Capital Asset Acquisition (e.g. vehicles and lifecycle replacement of computer equipment).



DCMO Business Units

Corporate Analytics & Innovation
(CAI)

Facility Management (FM)

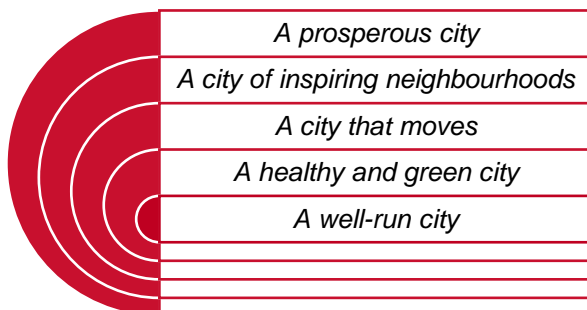
Fleet Services (Fleet)

Real Estate & Development Services
(RE&DS)

Resilience and Infrastructure Calgary
(RIC)

Supply Management (SM)

DCMO aligns with the following
Council Priorities:



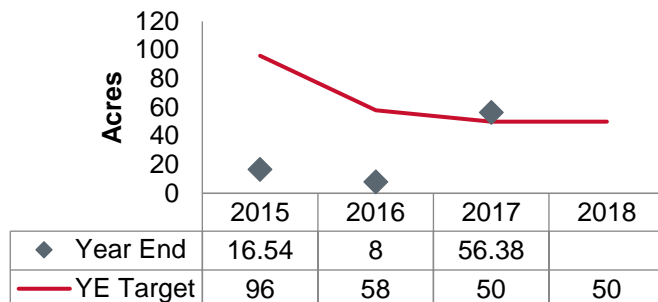
OVERVIEW

The DCMO collaborates with all departments to manage data, assets and relationships within the organization and with other levels of government. Through innovative problem solving, new coordinated approaches to managing the organization's capital, information and assets have been identified and implemented.

YEAR END HIGHLIGHTS

- Fleet created an asphalt carrier that can be interchanged with a stainless-steel sander on a standard truck reducing the number of trucks required by the organization. Fleet sold one of these vehicles to the City of Airdrie reflecting the marketability of the finished product.
- Supply co-championed and actively participated in the Supply Transit Enhancement Program (STEP) to improve business outcomes through an end-to-end integrated process review from maintenance planning to delivery of requested goods and services.
- Infrastructure Calgary oversaw the reallocation of capital budget and alignment of funding capacity for over 20 newly funded capital projects, aligned with the new Capital Investment Plan.
- CAI developed the Calgary Rights-of-Way Management (CROWM) portal to meet the requirements of the new Rights-of-Way bylaw. The portal facilitates the application process for utility line assignments, provides enhanced reporting and industry account management tools.
- FM completed an extensive review of best practices for centralized operations and maintenance. This research highlighted the benefits of a centralized approach, including the potential realization of cost savings, efficiencies, and service coordination enhancements.
- RE&DS initiated the planning of the Great Plains-Starfield industrial park to bring on more than 800 acres of prime industrial land in SE Calgary.

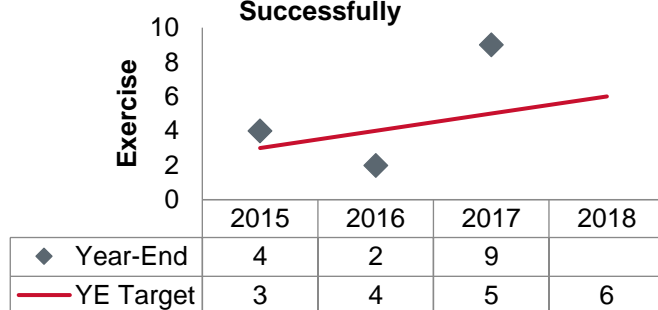
P.PM2 Industrial Land Sold Annually



P.PM2 Industrial Land Sold Annually (Acres)

2017 was a successful year for industrial land sold compared to the past few years where it was a challenge due to the economic downturn. RE&DS has exceeded the targeted goal of 50 acres by selling 56.38 acres of industrial land resulting in a total of \$39 million from 13 transactions.

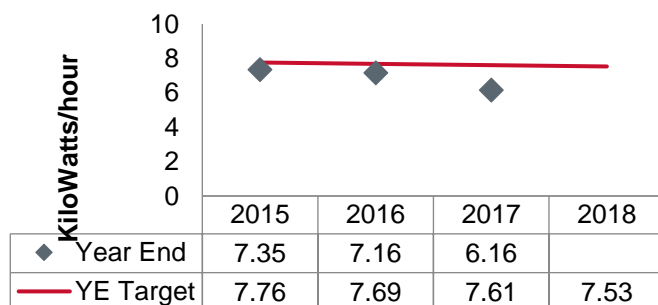
N.PM1 Number of Corporate Workplace Emergency Training Exercises Run Successfully



N.PM1 Number of Corporate Workplace Emergency Training Exercises Run Successfully

Facility Management continues to participate in Calgary Emergency Management Agency (CEMA) led and FM-focused training exercises to help identify gaps, overlaps and interdependencies while improving employee knowledge of business continuity and emergency protocols and systems.

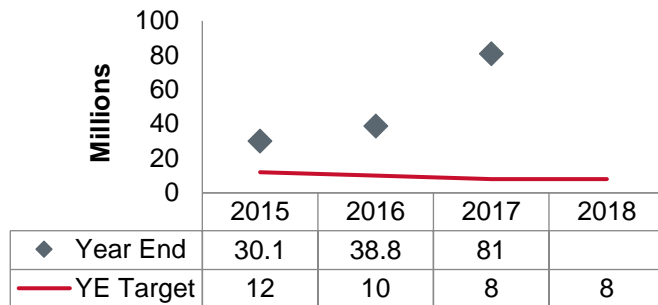
H.PM1 Energy Units Consumption Per Gross Floor Area in FM's BMS



H.PM1 Energy Units Consumption Per Gross Floor Area for Buildings in Facility Management's Building Management System

Facility Management's energy management efforts in 2017 resulted in a consumption rate of 6.16 kWh, which is 19 per cent lower (better) than the target set. FM is well ahead of its final Action Plan target and continues to seek opportunities to reduce utility consumption and contribute to initiatives such as the Corporate Energy Plan.

W.PM14 Revenue from General Surplus Parcels Sold Annually

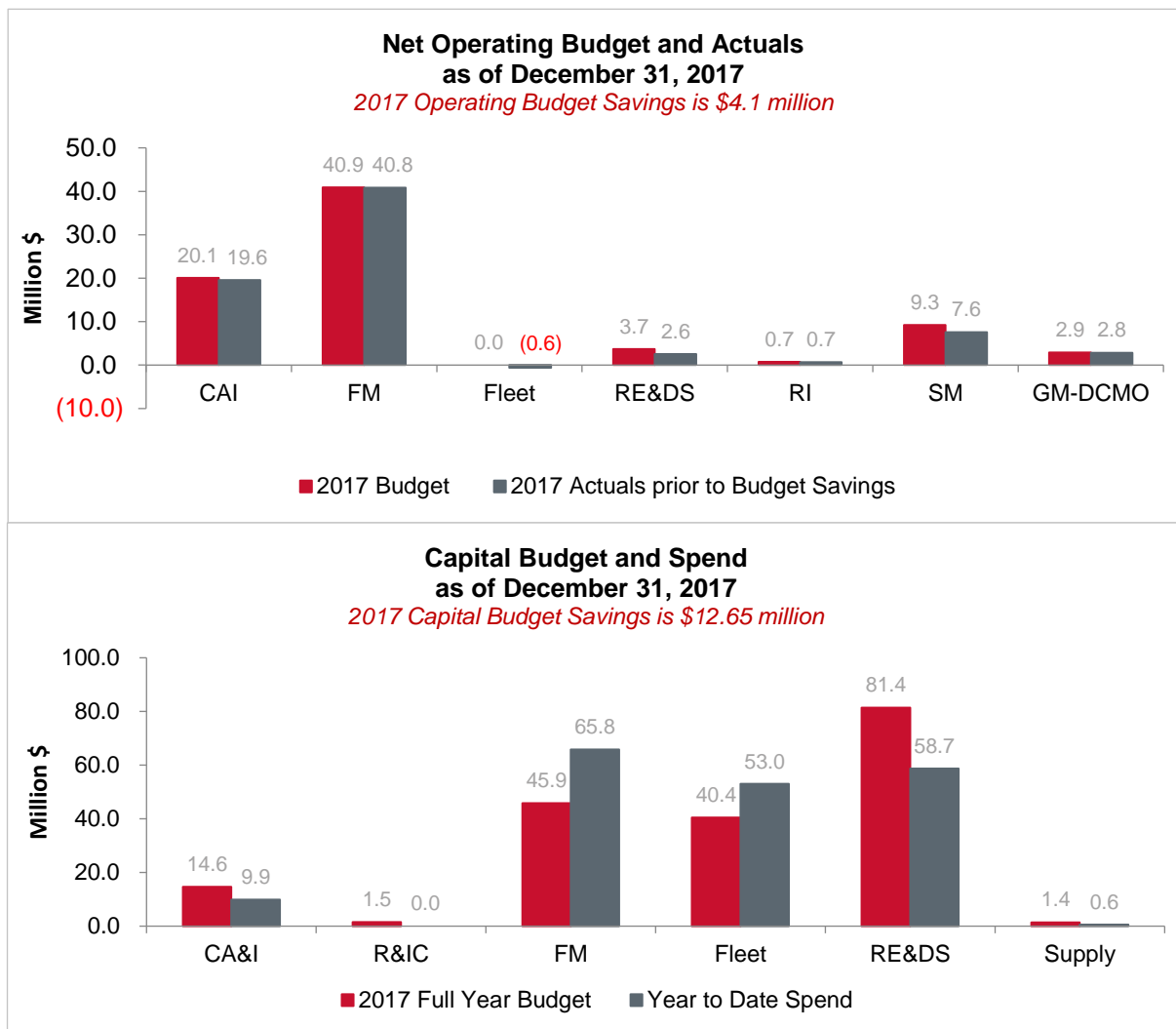


W.PM14 Revenue from General Surplus Parcels Sold Annually

2017 was another positive year for Real Estate & Development Services (RE&DS) in general surplus land sales. The target of \$8 million was well surpassed this year with a total of \$81 million in general lands sold. Overall, RE&DS had a total of 25 transactions over the course of this year, with one large transaction that amounted to \$53 million for the Westbrook Mall lands. Outside of the Westbrook Mall sale, RE&DS was still able to achieve sales well above the targeted \$8 million.

[Link to additional performance measures here](#)





Operating Budget Summary

The Deputy City Manager's Office (DCMO) favourable variance of \$4.1 million, prior to budget savings, is mainly attributed to intentionally reducing manageable costs within the Department including materials and business expenditures. Other drivers of the favourable variance include unbudgeted markup revenues earned from the sales of LED street lights in SM, higher than budgeted Utility Line Assignment revenue in CAI, favourable acquisition fee revenues earned because of the Green Line project in RE&DS, and lower utilities costs in FM.

Capital Budget Summary

The DCMO capital budget is 102 per cent spent as of 2017 December 31. SM - Monitoring equipment was installed on all fuel sites which enhanced safety compliance and supports the accurate reporting of fuel inventory and status. CAI - The corporate imagery program implemented the use of Geospatial Information Systems (GIS) to conduct 3-dimensional analysis of properties in the Springbank Hill community identifying which properties had panoramic view of the mountains resulting in a more accurate property valuation for the community. The Calgary.ca web mapping framework upgrade program worked with the Roads business unit to redesign and improve the maintenance process of the Snow and Ice Control (SNIC) online map by simplifying how information was displayed to enable the public to more quickly and easily find the information required for their travel routes within The City. Also, the solar potential map was updated with the most recent data to enable citizens to explore the potential of powering their homes and workplaces with solar energy. This raw data was posted on The City's open data portal for citizens to integrate and analyze the information with other data sources.



CFOD Business Units

Assessment (ASMT)

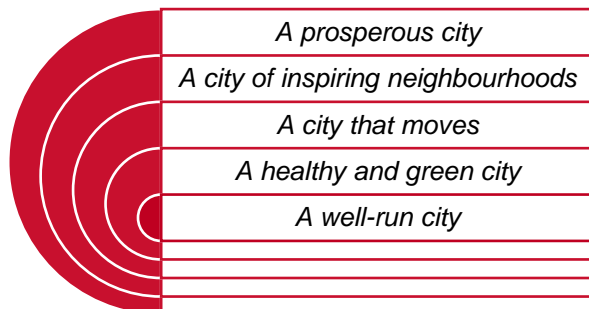
Customer Service & Communications
(CSC)

Finance (FN) + Corporate Initiatives
(CI)

Information Technology (IT)

Human Resources (HR)

CFOD aligns with the following
Council Priorities:



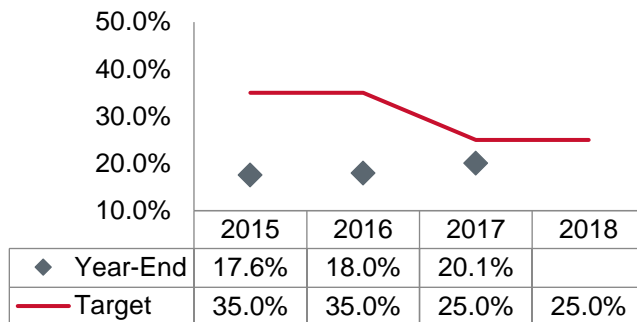
OVERVIEW

The Chief Financial Officer's Department (CFOD) collaborates with internal and external partners to provide financial leadership, annual market value assessments, technology solutions, human resources strategies, customer and communication services as well as strategic leadership and coordination of corporate-wide initiatives.

YEAR-END HIGHLIGHTS

- Through budget adjustments, Council reduced the 2018 property tax increase from the previously approved 4.7 per cent to 0.9 per cent, and directed Administration to fund tax relief to businesses. Additionally, Council approved \$126 million in benefits for citizens, including adjusted landfill tipping fees and planning and development permit fees, investment in Low Income Transit Pass, funding targeted to safe communities, youth and low income programs as well as crime prevention efforts.
- 911 event data is being shared with the Advanced Traffic Information System (ATIS) to identify traffic accident locations and inform citizens of detours resulting from the accidents. This information is shared with over 30,000 Twitter followers.
- Through the Workforce Planning Initiative, savings of \$20.2 million were realized by consolidating growth and budget use only positions. One-time contributions to the Budget Savings Account of \$18.9 million were realized through position reductions and vacancy management.
- Assessment initiated a multi-disciplinary team that meets regularly during the tax billing mail-out timeframe to ensure the resolution across business units of potential issues.
- The ZBR program has identified between \$57.3 million (low estimate) and \$68.2 million (high estimate) in annual financial gains. Of these identified gains, \$15 million was realized in 2017, bringing the total realized to \$27.3 million. The program is on track to meet the goal of reviewing services that account for 80 per cent of gross operating budget by 2020.
- The City continues to enhance citizen access to information and services in the channel of their choice. In addition to the 21 million visits Calgary.ca received in 2017, another 30 million interactions were conducted via online applications, an increase of 5 per cent over 2016.

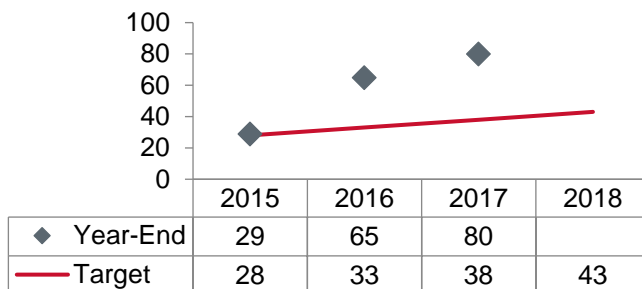
W.PM44 Per cent of the total annual assessment base under formal complaint



W.PM44: Per cent of the total annual assessment base under formal complaint

The per cent of total annual assessment base under complaint has been steadily increasing since 2015. The 2017 result is still distinctly lower than in 2013 and 2014, when it was at 27.5 per cent and 30.4 per cent respectively. To address this trend and increased workload, Assessment is working with Law ahead of establishing assessed values for the year, to have preliminary assessed values signed off on during the Advance Consultation Period and to establish a Tribunal Taskforce.

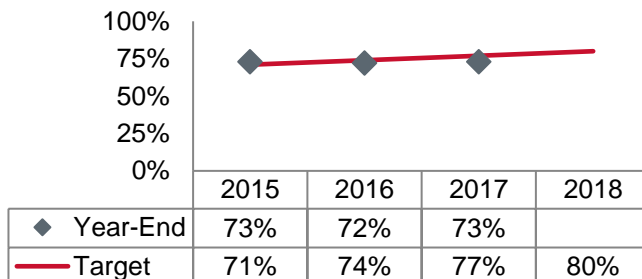
P.PM13: Number of public City of Calgary facilities with free access to wireless internet



P.PM13: Number of public City of Calgary facilities with free access to wireless internet

Since public Wi-Fi was launched in May 2014, there have been more than 22 million connections to the service. The City now offers public Wi-Fi at 80 locations, including every CTrain station, most City Recreation sites, and several Parks locations. The popularity of public Wi-Fi at City facilities demonstrates that Calgarians find value in the service. To keep up with citizen demand for connectivity, The City has already exceeded the 2018 target set out in Action Plan by 86 per cent.

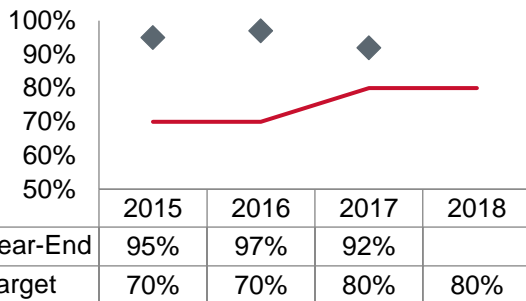
P.PM9 Percentage of website visitors who are able to complete thier task online via Calgary.ca



P.PM9: Percentage of website visitors who are able to complete their task online via Calgary.ca

Task Completion is the percentage of website visitors who are able to complete their task online via Calgary.ca. In 2017 Calgary.ca had over 21 million visits and the task completion score was 73 per cent, which is four percentage points below the target of 77 per cent. The challenge in increasing the score over the past year is primarily the performance of applications used for online transactions. To address this, the prominent public-facing applications will be evaluated to determine their impact on citizens' ability to complete tasks online. User experience improvements along with customer feedback will be shared with application owners to help improve online completion rate.

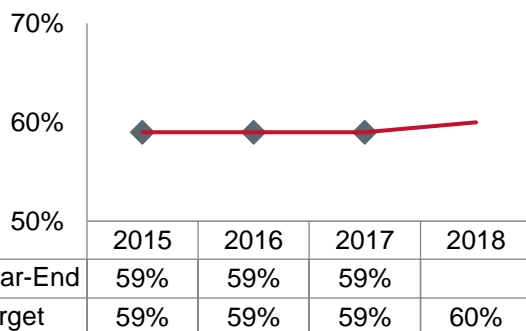
W.PM17: Job applicant satisfaction with on-line experience



W.PM17: Job applicant satisfaction with on-line experience

In 2017, the job applicant satisfaction score continues to be strong at 92 per cent, well above the 80 per cent target. The year over year satisfaction score dropped by 5 per cent as a result of some initial technical issues with the HCM upgrade. These technical problems have since been resolved, resulting in notable increase in job applicant satisfaction since Q4 2017.

W.PM6: Tax Installment Payment Plan Accounts (TIPP) participation



W.PM6: Tax Installment Payment Plan Accounts (TIPP) participation

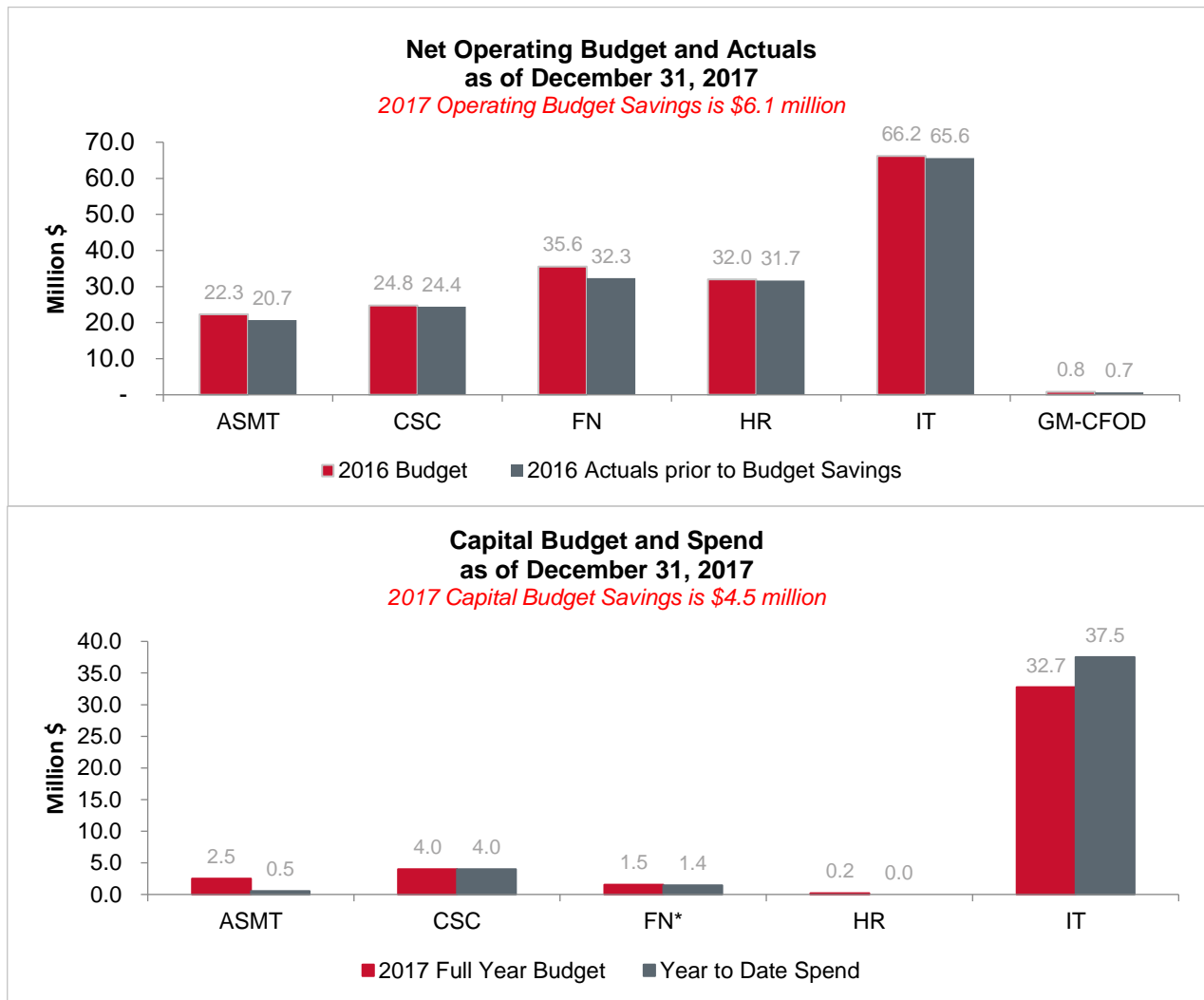
TIPP is a citizen-centric program that allows property owners to pay property taxes on a monthly basis, helping citizens budget payments and reduce the risk of late payment penalties. It provides The City with a reliable income stream, reducing cash flow volatility and short term borrowing. Calgary's TIPP participation rate in 2017 continues to lead the country, remaining constant at 59 per cent as property tax accounts increased steadily. A TIPP recalculation was performed to include the forecast municipal tax rate increase to mitigate the volatility of taxpayers' monthly tax instalments.



[Link to additional performance measures here](#)

OTHER HIGHLIGHTS

- A new Garbage Day Collection application reminds citizens about their collection day and cart color. Approximately 100,000 citizens have signed up for the application.
- Partnering with the Calgary Public Library, The City leveraged the myID portal, enabling citizens to access the library's catalog, chat, contact management and access e-library, and to make room booking applications.
- The completion of Phase 2 of Accounts Payable Work Flow successfully automated electronic invoice approval, reduced payment cycle time and supported timely invoice approvals.
- The City processed Municipal Phased Tax Program credits of approximately \$20 million to 4,900 non-residential property accounts. It is anticipated that the total cost of the 2017 program credits will be \$30 million when all complaints and appeals have concluded.
- The Engage portal is enhancing public input. Since March 2016, over 212,000 citizens and stakeholders have visited the site, providing 50,000 inputs, ideas, and comments on various initiatives. Seventy-five research projects were initiated in 2017 to gather information and insights from citizens and customers.



Operating Budget Summary

The Chief Financial Officer's Department variance of \$6.1 million, prior to budget savings, is mainly due to hiring of limited term positions, intentional management of expenditures including contractual, printing, and business expenses. This is partially offset by higher postage expenses due to increased tax billing mail outs, higher than budgeted internally provided service costs, and hiring of temporary positions.

Capital Budget Summary

The Chief Financial Officer's Department capital budget is 106 per cent spent as of 2017 December 31. The Accounts Payable workflow implementations and the Human Resource System upgrade were completed. Network, servers, storage, telecommunication, identity management, workstations, and monitors for City employees were successfully lifecycled as planned in 2017. This not only replaced aging equipment, it accommodated current growth and ensured continued redundancy, resiliency and scalability. Several citizen-facing applications were delivered such as the Garbage Day app, My Innovation crowd sourced platform for citizen collaboration, My Home app for online permits, and the streetlight outage app. Delivering on the Council-approved Fiber Infrastructure Strategy, 30 km of new fiber conduit was built, 65 km of new fiber optic cable was pulled, and 120 locations were connected to the fiber backbone. The 311 Software was deployed onto a new platform to increase the quality of service to citizens due to a faster and a more robust platform available to first contact agents. In addition, twenty-six 311 agents are now equipped to work from home which will allow the City to be more resilient and responsive to unplanned events while reducing overall operating costs.



OVERVIEW

In partnership with other City Departments and the private and public sectors, Urban Strategy (US) seeks to effectively realize and attract redevelopment potential. US is focused as a department on four key result areas: the 24 Main Street areas identified in the Municipal Development Plan (MDP) are implemented creating unique, vibrant, and thriving places, the vision of the Centre City is advanced, urban spaces are active and animated, and a comprehensive vision is achieved through Strategic Corporate Coordination.

YEAR-END HIGHLIGHTS

Main Streets:

- A major milestone was achieved in 2017 with land use policy amendments, using the newly approved Developed Areas Guidebook (DAG), and land use redesignations for five Main Street areas.
- US has capital funding to improve the public realm along the street and sidewalks within individual priority Main Streets areas. Work has begun on the streetscape master plans for the first eight Main Streets.

Centre City:

- US collaborated with Planning & Development and Calgary Economic Development successfully in the creation of a Centre City Enterprise District which allows for a temporary suspension of bylaw rules and a streamlined process.
- 1st Street SW corridor improvement project construction has been completed including upgraded sidewalks, lighting and street furniture.
- Streetscape improvements for 3rd Avenue in Chinatown were completed.
- Construction of the West Eau Claire Park has begun and will continue into 2018.

Urban Animation:

- US successfully organized “The Backyard alleyway activation” event in coordination with the 17th Avenue reconstruction. The event showcased the opportunity to help businesses attract citizens in creative ways to the area during construction.

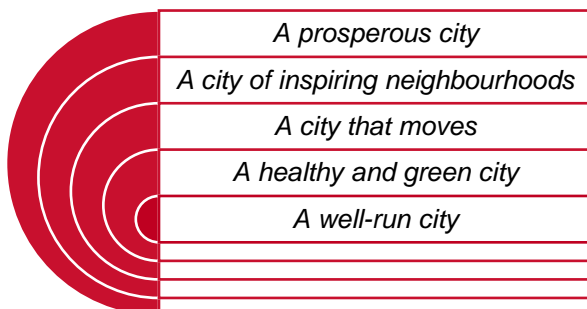
Strategic Corporate Coordination:

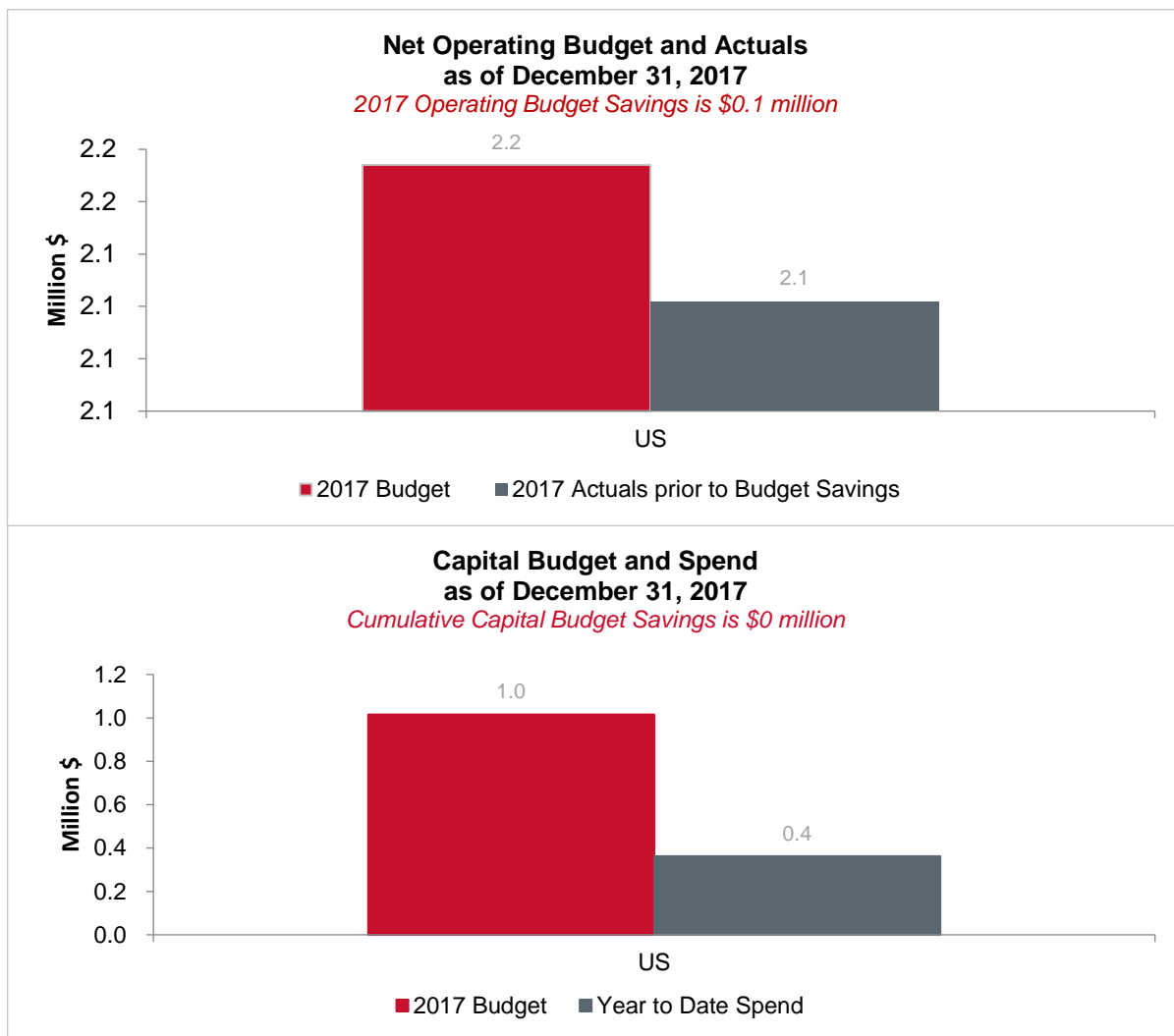
- Community engagement sessions were held in collaboration with PD for Dalhousie and North Hill mall to create a vision for each area to inform development applications.

Urban Strategy Units

Urban Strategy (US)

US aligns with the following
Council Priorities:





Operating Budget Summary

Urban Strategy consists of a mix of tax-supported and self-supported operations. For the year ended 2017 December 31, the tax-supported operation has a favourable variance of \$0.1 million before BSA contribution mainly due to savings in consultants and salary & wage from staff management. The savings in consultants and salary & wage in the self-supported operation is fully offset by reduced recovery from Calgary Building Services for internal administrative support to a net zero variance.

Capital Budget Summary

For the year ended 2017 December 31, Urban Strategy has spent \$0.4 million of its 2017 capital budget of \$1.0 million mainly on Chinatown downtown improvement and banners. The remaining \$0.3 million budget for Centre Street lighting enhancement and the \$0.3 million for the Mainstreet projects have been delayed due to the combining of multiple Main Street areas into one procurement request to increase efficiencies and reduce turnaround times as these corridor projects proceed.



LLS Business Units

City Clerk's Office (CCO)

Corporate Security (SEC)

Law (LAW)

LLS aligns with the following
Council Priorities:



*Law & Legislative Services was created as a department on June 1, 2017.

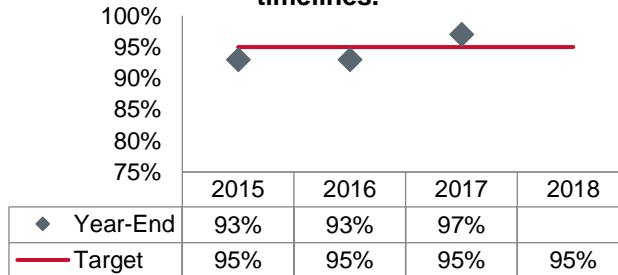
OVERVIEW

Law and Legislative Services (LLS) provides direct service to the public as well as providing enabling services to other areas of The City of Calgary. The CCO serves Calgarians by providing advice, expertise and support to ensure open, accessible, transparent, and impartial government. Law provides legal counsel and advocacy, insurance, risk management and claims, and issues management services to help ensure the timely delivery of Council priorities, corporate objectives and City services within acceptable risk tolerances. SEC is responsible for the security of City employees, infrastructure, assets, and visitors to City facilities.

YEAR-END HIGHLIGHTS

- SEC's Information Security team successfully completed the Cyber Security Awareness Campaign in October 2017.
- SEC's Technical Operations and Physical Security team completed four critical infrastructure threat risk assessments in 2017. One assessment was completed at the Bonnybrook Wastewater Treatment Plant and three assessments were completed at pump stations with reservoirs.
- Working with Supply, Law completed new construction procurement templates and commenced training clients. Law and Supply continue to examine ways in which procurement processes can be made more efficient and effective.
- Led by the CCO, The City's new legislative agenda and minutes system, eScribe, was launched in October 2017.
- Overseen by Elections Calgary, the 2017 election turnout was 58.1 per cent, the highest rate for the City in 80 years. The advance vote saw the highest number of advance votes cast in Calgary and Alberta's civic history. Candidate Profiles were the most viewed content type on the elections website. Website traffic was 4.5 times higher than during the 2013 election.

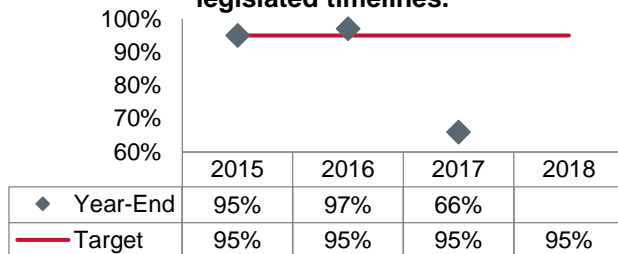
W.PM1 Percentage of Law and Legislative Services' 311 service requests completed within the target timelines.



W.PM1 Percentage of Law and Legislative Services' 311 service requests completed within the target timelines.

In 2017, Law and Legislative Services received a total of 4,495 service requests. 97 per cent of the service requests were completed on time. This is well above The City's 311 on-time target of 80 per cent and surpasses the department's Action Plan performance target of 95 per cent.

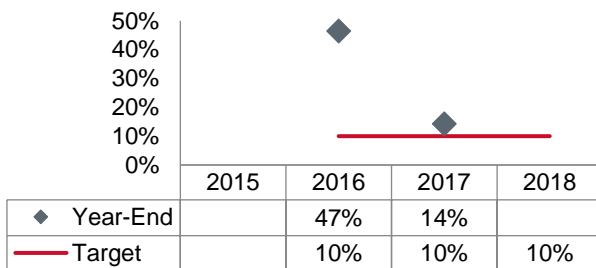
W.PM28 Percentage of Freedom of Information and Protection of Privacy (FOIP) requests completed within legislated timelines.



W.PM28 Percentage of Freedom of Information and Protection of Privacy (FOIP) requests completed within legislated timelines.

In 2017, 233 out of 352 FOIP requests were completed within legislated timelines, an on-time rate of 66.2 per cent. Increasing complexity in requests resulting in a higher volume of work has required the City Clerk's Office to increase staffing to improve the FOIP Office's ability to respond to customer service expectations.

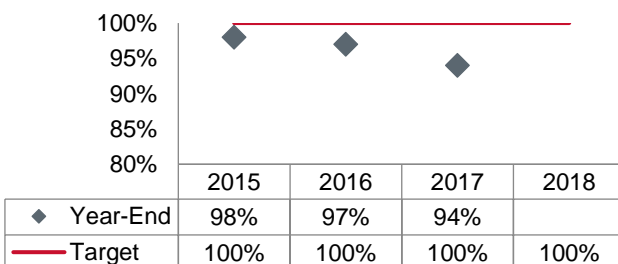
W.PM36 Percentage increase in legal education seminars



W.PM36 Annual percentage increase in legal education seminars offered to clients to assist with earlier identification and mitigation of risk.

In 2017, Law offered 72 education sessions either within the department or to clients to assist with earlier identification and mitigation of risk. This represents a 14.3 per cent increase over the 63 sessions offered in 2016.

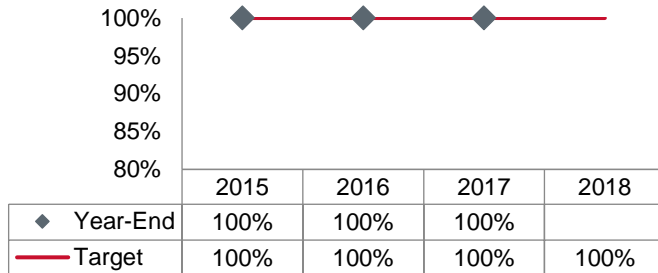
W.PM34 Percentage of City Clerk's-supported Committee minutes posted on time



W.PM34 Percentage of City Clerk's-supported Committee minutes posted within two business days after the end of the meeting.

81 out of 86 sets of Committee minutes were published on time, representing 94 per cent on-time performance in 2017, a slight reduction from the 97 per cent mark recorded in 2016. This result is largely due to meeting duration and complexity.

N.PM3 Annual percentage increase in critical threat risk assessments performed



N.PM3 Annual percentage increase in threat risk assessments performed on assets identified as critical infrastructure.

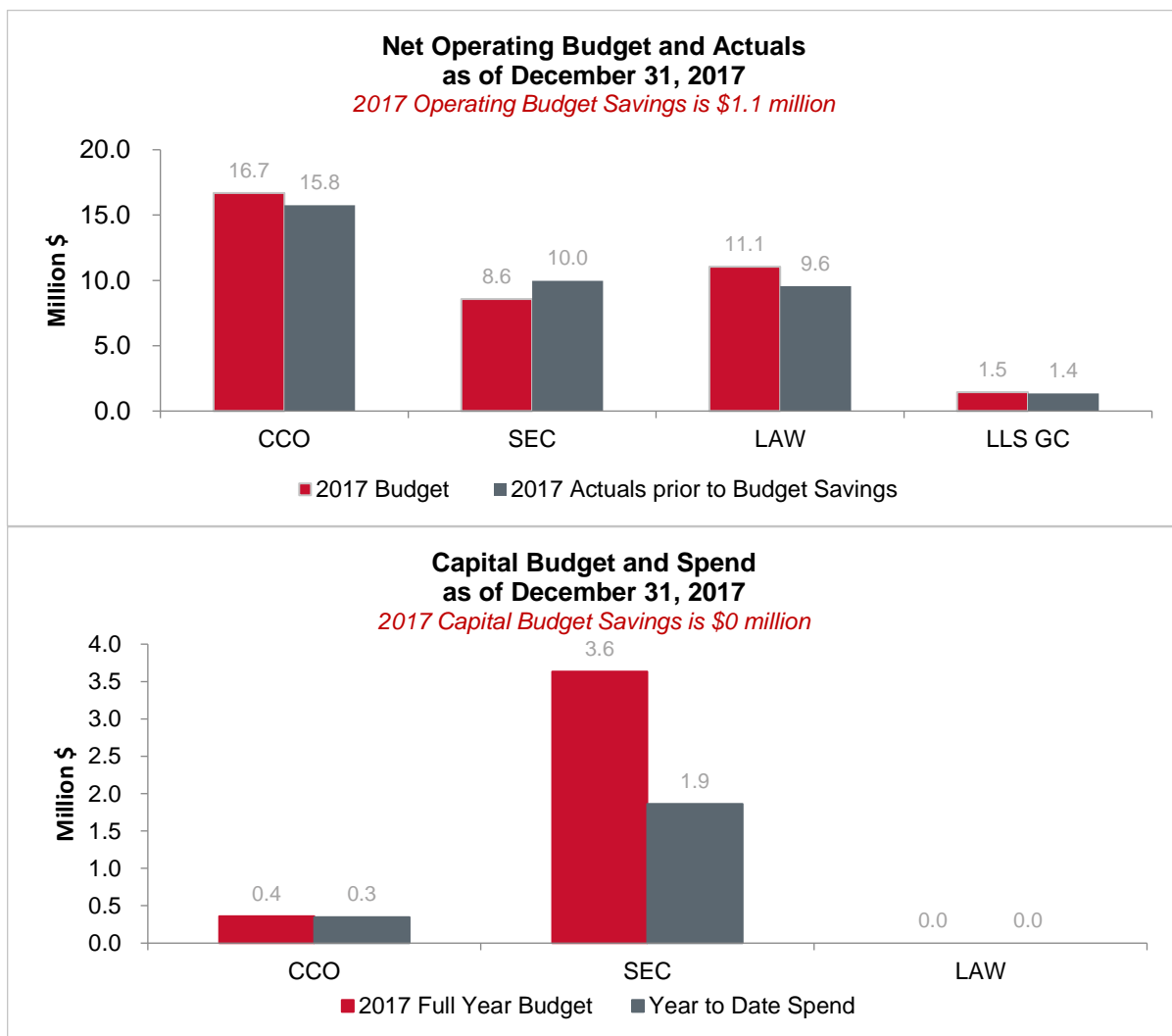
In 2017, Corporate Security conducted 4 threat risk assessments on critical infrastructure sites, doubling the 2 assessments completed in 2016. One assessment was completed at the Bonnybrook Wastewater Treatment Plant and three assessments were completed at pump stations with reservoirs.

[Link to additional performance measures here](#)



ADDITIONAL YEAR-END HIGHLIGHTS

- SEC's Technical Operations and Physical Security team enhanced access control and upgraded and/or implemented closed circuit television cameras at all Recreation facilities.
- Reviews of business processes in each of Law's Sections and Divisions were undertaken. These resulted in the development of lists of opportunities and issues that will inform Law's zero-based review.
- The Subdivision and Development Appeal Board (SDAB) and Assessment Review Board (ARB) were made more open and accessible through website updates, use of OpenCalgary's data catalogue, better public access to statistics, and the introduction of online video of SDAB meetings.
- The CCO completed the 2017 municipal census. The online Census was completed by 177,700 households, a significant increase from the 98,849 households that participated in 2016.
- Employee suggestion boxes were deployed as part of Law's employee engagement program. Other initiatives included conducting focus groups on employee survey results, and reviewing and updating hiring and onboarding processes.
- Law concluded a water servicing agreement with Cochrane. Work is ongoing with amendments to agreements with the Tsuut'ina Nation, Rockyview County and the MD of Foothills.



Operating Budget Summary

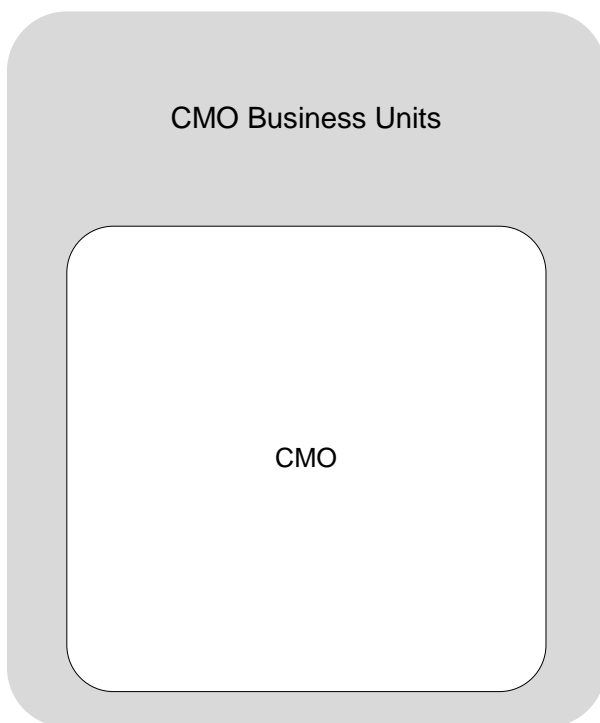
The LLS favorable variance of \$1.1 million before budget savings contributions is mainly attributed to lower Assessment Review Board (ARB) hearing costs in the CCO higher than budgeted settlements collected from third parties or their insurers in the Risk Management and Claims division within Law. This is partially offset by unbudgeted temporary positions and unfavorable internal recoveries within SEC, higher than budgeted legal liability accruals relating to the 2017 fiscal year in Law, and higher than budgeted project costs in CCO.

Capital Budget Summary

LLS' capital budget is 55 per cent spent as of 2017 December 31.

CCO – 2017 ongoing capital projects include the Corporate Records Content Suite Phase 2 project, audio-visual upgrades to the Council Chambers, and the Assessment Review Board's online service enhancement project, which has a paperless hearing pilot project component that was delayed into 2018.

SEC – The Information Security team continued to improve its technology risk mitigation and monitoring abilities in 2017. Projects are progressing with remaining work anticipated to be complete in late 2018 to 2019. The Physical Security team improved enterprise system resilience through awareness campaigns. The remaining identified projects are anticipated to start in 2018 with completion in 2019-2020.



CMO aligns with the following
Council Priorities:



OVERVIEW

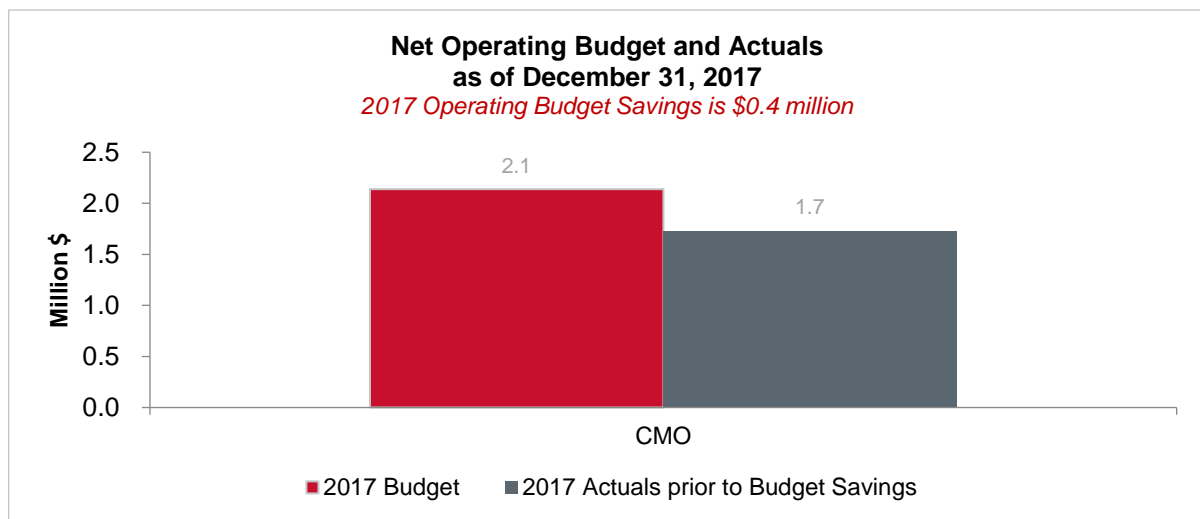
The City Manager is the administrative head of the municipality, ensuring the policies and programs of the municipality are implemented, advising and informing Council on the operation and affairs of the municipality, and performing the duties and functions assigned by the Municipal Government Act and Council. The City Manager's Office (CMO) team supports the City Manager to lead a well-run organization and enable the delivery of quality public services. We provide the City Manager and the Administrative Leadership Team the support they need to lead the organization effectively, helping give employees line of sight to the organization's vision, purpose and values in their everyday work and providing clear corporate direction on goals and priorities.

YEAR-END HIGHLIGHTS

- In partnership with Calgary Economic Development, the City Manager's Office brought forward the Economic Development Investment Fund (EDIF) in December 2017. The \$100 million fund is a mechanism to intentionally address Calgary's economic uncertainty and the financial and economic crisis, which were identified as the top acute shock and chronic stress respectively at the 2017 March 03 #ResilientYYC Agenda-Setting Workshop. The EDIF represents a commitment by local government to invest in strategic and catalytic projects to strengthen the local economy particularly during times of economic downturn and recovery.
- In July 2017, the CMO supported the launch of the "The Top 7 over 70" awards program - a first-of-its-kind in Canada celebrating older adults in Calgary and area (the MDs of Foothills, Rocky View and Bighorn, Kananaskis and Banff). Founded by Calgary businessman and philanthropist Jim Gray, the awards recognize individuals who have started a new venture or reprised an existing one after the age of 70.

YEAR-END HIGHLIGHTS CONTINUED

- The City Manager's Office led the development of "Calgary's Economy Report" in September 2017, combining statistical and public perception data. Areas reviewed included demographic trends, standard of living and equity, business climate, City infrastructure, real estate, economic performance, and composition and diversity.
- In 2017, the City Manager's Office supported Calgary Rotary District 5360's bid to host the 2025 Rotary House International Convention for Calgary. Hosting the Rotary International Convention will provide significant support to the local economy. The Rotary International Convention also offers opportunities for Rotarians to spread goodwill within the host community about the organization and its objectives, while local members and their partners can enrich their lives through participation.
- The City Manager's Office hosted a series of roundtables on growth management and financing, property tax, and assessment in the second half of 2017. The CMO also hosted joint Administrative Leadership Team meeting between The City of Edmonton and City of Calgary. These efforts have fostered positive and collaborative working relationships with The City's stakeholders and partners.
- City Manager Jeff Fielding spoke at a number of events to promote The City as a place to do business, as a place of employment, and as an innovative organization in Calgary. These events included Calgary's Real-Estate Forum in October, the North American Society of Trenchless Technology Conference in early November, and the Southern Alberta Institute of Technology (SAIT) and the Project Management Institute's (PMI) *Open Mic Series* on leadership.



Operating Budget Summary

The CMO's favorable variance of \$408 thousand, before budget savings contributions, is mainly attributed to intentional management of expenditures including salary and wage, business, and contractual costs.

There is no capital budget for the CMO.



Recognitions by Council Policy

EXECUTIVE SUMMARY

Council recognition of citizens is an important component of a democratic government, demonstrating a link between Council and Calgarians and providing opportunities to showcase achievement. While Council has long recognized citizens in a variety of ways, there is currently no policy governing the parameters of such recognitions. Rather, recognitions are currently conducted based on general guidelines and expertise in the City Clerk's Office (Protocol). The proposed policy seeks to capture these practices in policy, while also providing additional procedural guidance. The proposed policy also seeks to provide clarity on expenses, outline the Calgary Awards Program, and provide recognition options for Council.

ADMINISTRATION RECOMMENDATION:

That the Priorities and Finance Committee recommend that Council:

- 1) Approve the 'Recognitions by Council' policy; and,
- 2) Direct Administration to prepare any necessary amendments to the Procedure Bylaw to align with the 'Recognitions by Council' policy.

RECOMMENDATION OF THE PRIORITIES AND FINANCE COMMITTEE, DATED 2018 MARCH 22:

That Council approve the Administration Recommendations contained in Report PFC2018-0112.

PREVIOUS COUNCIL DIRECTION / POLICY

When considering a funding request for the Calgary Stampeders Grey Cup Rally in November 2015, Council directed that Administration continue to develop a policy to provide 'greater clarity to the process for recognizing significant events, including amateur and professional sports.' (C2015-0882).

BACKGROUND

Recognitions in a variety of forms have been conducted by Council for many years. In most cases, the recognitions were individually approved by the Priorities and Finance Committee (PFC), or were deemed 'standard' recognitions in accordance with the Procedure Bylaw. Currently, there is no policy governing the process or criteria for such recognitions.

The recognitions performed by Council in recent years include such events as the recognition of Calgary's Olympic and Paralympic athletes, acknowledgement of awards or achievement by City Business Units, rallies for professional sports teams, as well as several regularly occurring events such as the United Way cheque presentation and National Poetry Month.

In addition, the annual Calgary Awards Program was established in 1994, with the W.O. Mitchell Book Prize being added to the Program by Council in 1996. Council did not, at the time, provide

Recognitions by Council Policy

detailed expectations with respect to criteria, process or format for the Calgary Awards Program. Instead, the Calgary Awards Program that was first implemented in 1995 has largely remained the same, with some minor changes implemented over the years.

INVESTIGATION: ALTERNATIVES AND ANALYSIS

Stakeholder Engagement, Research and Communication

Since 2015, City Clerk's Office has reviewed the nature and frequency of recognitions conducted by Council. Combined with existing practices and guidelines, this review has helped establish general criteria for recognitions by Council.

City Clerk's Office has also conducted a review of practices in other jurisdictions, notably Edmonton, Toronto and Ottawa. This review has demonstrated that other jurisdictions tend to provide more avenues for recognition by Council, for a wider variety and breadth of service or achievement.

In combination with this jurisdictional scan, the Calgary Awards were reviewed in 2016. This review concluded that the Calgary Awards Program is widely seen as The City's premier citizen achievement awards. The review similarly included feedback from key stakeholders, including several members of Council and the Mayor. Through this feedback, several members suggested that there were too few avenues to recognize a full range of service or achievement, other than the Calgary Awards.

Finally, in keeping with the direction provided by Council in 2015, Administration recommends Council simplify the process for approving recognition of significant events.

Therefore, the proposed policy is intended to: capture existing practices while providing greater clarity and flexibility on process and criteria; confirm Council's direction with respect to the Calgary Awards; provide clarity with respect to expenses and budgets; provide greater opportunity for recognition of a wider range of service and achievement; and provide a framework of authority within which Administration can operate.

OVERVIEW OF PROPOSED POLICY

Capturing Existing Practices:

Sections 5.1 through 5.4 largely articulate what has been the operating guidelines of City Clerk's Office for some time. However, these sections also seek to streamline the approval processes and clarify the role of Administration, through the City Clerk's Office, in receiving and assessing nominations for recognition by Council. The policy also provides that there be no more than 3 recognitions at a Council meeting, each lasting no more than 5 minutes. The City Clerk's Office

Recognitions by Council Policy

would work with the Mayor to determine the recognitions, the agenda date, and order of presentation at Council.

Section 5.6 identifies the exclusions to the policy, including recognitions of individual City staff (except senior personnel at the Mayor's discretion), private business or corporate accomplishments, and milestones or anniversaries of individual citizens.

Formalizing Council direction on the Calgary Awards:

Section 5.7 is intended to reflect the current practice for the Calgary Awards Program as well as minor program adjustments that resulted from the program review. While these sections detail Council's direction on the general award categories and eligibility, they also ensure that Administration, through the City Clerk's Office, has the authority for Program implementation.

Clarity on Expenses and Budgets:

Section 5.10 is intended to ensure that expenditures made to implement the various recognition events in this policy are guided by existing amounts and standards used historically. Any reasonable increases to expenditures could be approved by the respective General Manager without requiring Council's approval. To use the example of the Calgary Stampeders Grey Cup Rally, a future rally would take a similar format as the one in 2015, based on amounts approved or incurred at that time.

In addition, the Policy makes clear that a Business Unit could access funds through the Chief Financial Officer in the event that the funding required to implement a recognition event is not available. This mechanism would likely only be used for larger events, and only where existing budgets were insufficient.

Wider Range of Recognition:

This policy allows members of Council and the Administrative Leadership Team to nominate recipients through the process outlined for Council Recognitions, beyond the Calgary Awards Program.

In addition, the policy introduces two new avenues for recognition (Sections 5.4 and 5.5): The Mayor's special commendation and the Mayor's Civic Spirit Award. The special commendation is intended to allow for the Mayor, on behalf of Council, to issue a recognition for outstanding service outside of a Council meeting. This mechanism is intended to be rarely used, and would apply for instances where a recognition is warranted but would otherwise not be appropriate or practicable at a Council meeting. The Mayor's Civic Spirit Award would allow the Mayor, or Council members working through the Mayor, to identify deserving citizens worthy of recognition who may not meet the criteria of either the recognition of achievement by Council or the Calgary Awards Program.

Recognitions by Council Policy

The policy also allows for exceptions (Section 5.9), in the event a worthy recipient of recognition is identified that does not fit in any of the existing categories.

Strategic Alignment

This proposed policy supports the Administration's commitment to 'continue to transform the organization to be more citizen-focussed in its approach and delivery of service' (W.7). Specifically, the policy addresses the commitment to 'provide citizen recognition advice and support to The Corporation and provide leadership in administering The City's Protocol functions' (W7.3).

Social, Environmental, Economic (External)

Recognizing citizens for exceptional achievement helps build a sense of community and encourages further achievement by citizens. It is also a way for Members of Council as a whole to express their appreciation for the numerous exceptional citizens and the work they do to contribute to life in Calgary (and beyond). This policy acknowledges that good deeds, commitment, and service can lead to achievement both large and small, all of which may warrant recognition from Council.

Financial Capacity

Current and Future Operating Budget:

There are minimal impacts to current and future operating budgets. While the policy does provide clarity on the nature of expenses and approvals required, generally the recognitions provided for exist already. Some small costs may be incurred relating to administration of the recognitions in the Chamber, where City Clerk's Office may gather recipients prior to a meeting and provide coffee / tea.

Current and Future Capital Budget:

No impacts on current or future capital budgets.

Risk Assessment

There are no known risks with proceeding with this policy. By not proceeding, The City will continue to lack a current policy governing recognitions by Council and will continue to operate without clear and consistent Council direction.

REASON FOR RECOMMENDATION:

Recognition of citizens demonstrates a link between Council and Calgarians and provides opportunities to showcase achievement. The policy provides a framework of authority within which Administration can ensure such recognitions occur consistently and in keeping with Council's direction.

ATTACHMENT

Attachment – Draft Council Policy: Recognitions by Council (CC-xxx)

Council Policy

Policy Title: Recognitions by Council
Policy Number: Assigned by the City Clerk's Office
Report Number: Report(s) going to Committee/Council
Adopted by/Date: Council / Date Council policy was adopted
Effective Date: Date adopted or later as directed by Council
Last Amended: n/a
Policy Owner: City Clerk's Office

1. POLICY STATEMENT

- 1.1. Council acknowledges the importance of recognizing significant accomplishments, initiatives, or programs which enhance community spirit and positively impact The City of Calgary and its citizens.

2. PURPOSE

- 2.1. The purpose of this Council policy is to establish criteria and procedures to ensure Recognitions by Council are carried out in a consistent and professional manner.

3. DEFINITIONS

- 3.1. In this Council policy:
- (a) "Amateur sports" means any individual or team engaging in sport largely or entirely without remuneration;
 - (b) "Organization" means a not-for profit organization, educational institution, or established community group;
 - (c) "Professional sports team" means one of the following teams: Calgary Flames, Calgary Hitmen, Calgary Roughnecks or Calgary Stampeders;
 - (d) "Recognition" means the acknowledgement of achievement, service or merit; and
 - (e) "Significant anniversary" means a minimum of 50 years, and any factor of 5 thereafter.

4. APPLICABILITY

- 4.1. This Council policy applies to all Recognitions performed by, or on behalf of, Council.

- 4.2. This Council policy does not apply to recognitions performed by individual members of Council on their own accord.

5. PROCEDURE

5.1. Recognition of Achievement - General

- 5.1.1. Individuals, Organizations, or Administration may be recognized for achievement in the following areas:
- (a) local, national or international awards in the area of arts, science or academia;
 - (b) dates of local, national or international significance;
 - (c) significant achievement in advancing initiatives relating to a City of Calgary or Council initiative, program or priority; or
 - (d) significant achievement, exemplary action or extraordinary commitment to improving life in Calgary and the lives of Calgarians.
- 5.1.2 Organizations and Administration may be recognized for significant anniversaries or milestones.
- 5.1.3 The City Clerk's Office will:
- (a) receive and review each Recognition request and, where requests meet all criteria, recommend an appropriate Council meeting and time; and
 - (b) select no more than three Recognitions to be presented at a Council meeting and determine the order, in consultation with the City Clerk and the Mayor.
- 5.1.4 Recognitions are typically scheduled at the beginning of the Council meeting, in accordance with the order of business contained within the Procedure Bylaw 35M2017, unless otherwise arranged.
- 5.1.5 Each presentation shall be no longer than 5 minutes in length, presented by the Mayor or, if the Mayor is not in attendance, the Deputy Mayor.

5.2 Recognitions in the Chamber

- 5.2.1 Subject to section 5.1.1, nominations for a Recognition in the Council Chamber may be submitted to the City Clerk's Office by:
- (a) the Mayor;
 - (b) a Member of Council, provided the nomination has the support of PFC or the Mayor;
 - (c) a Member of the Administrative Leadership Team (ALT), provided the nomination has the support of ALT.

5.3 Regularly Occurring Recognitions in the Chamber

5.3.1 Regularly occurring Recognitions include:

- (a) Annual United Way Results Presentation;
- (b) Freedom to Read Week;
- (c) National Poetry Month;
- (d) Any others that meet the criteria of section 5.1.1 and which may be deemed regular by the City Clerk in consultation with the Mayor.

5.3.2 Regularly occurring Recognitions are initiated by the City Clerk's Office, which will place the Recognitions on a Council agenda in accordance with the order of business contained in the Procedure Bylaw in consultation with the Mayor and the City Clerk.

5.4 Mayor's special commendation

5.4.1 The Mayor, on behalf of Council, may issue a special commendation for exceptional achievement by individuals or Organizations in accordance with section 5.1.1, where special Recognition outside the avenues otherwise articulated in this Council Policy is determined to be appropriate.

5.4.2 This special commendation would be presented outside of a Regular Meeting of Council at a location or occasion deemed appropriate.

5.4.3 Such nominations are submitted to The City Clerk's Office to be dealt with in accordance with section 5.1.3.

5.5 Mayor's Civic Spirit Award

5.5.1 The Mayor may nominate individuals or organizations for Recognition by Council where achievement does not meet the criteria of section 5.1.1 but is otherwise notable for its contribution to community spirit, volunteerism, or community building.

5.5.2 Such nominations are submitted to The City Clerk's Office to be dealt with in accordance with section 5.1.3.

5.6 Exclusions

5.6.1 Under this Council policy, Council will not generally recognize the following:

- (a) Achievement of individuals in their capacity as City employees, with the exception of the City Manager, General Managers or other senior executives at the discretion of the Mayor;

- (b) Private business or corporate anniversaries or special accomplishments, except in the context of section 5.5; or
- (c) Significant anniversaries or birthdays of individual citizens, which may be recognized by the Mayor, at his or her discretion.

5.7 Calgary Awards Program

- 5.7.1 Exemplary achievement by Calgarians shall be recognized through the Calgary Awards Program (Program) on an annual basis. The Calgary Awards are The City's highest honour.
- 5.7.2 The Calgary Awards shall acknowledge the achievement of Calgarians in the following areas:
 - (a) Community Achievement: recognizing outstanding contributions and achievement in community life and providing honour to Calgary's exceptional citizens;
 - (b) Environmental Achievement: recognizing environmental achievement and contributions that reduce the impact on or restore The City's natural environment;
 - (c) International Achievement: recognizing an individual who has achieved international acclaim.
 - (d) Accessibility: recognizing buildings or facilities that exceed minimum requirements for accessibility by persons with disabilities;
 - (e) Book Prize: recognizing literary achievement by a Calgary author.
- 5.7.3 Recipients are to be selected by a jury from amongst nominations and ratified by Council.
- 5.7.4 Nominations must meet the following minimum eligibility criteria:
 - (a) Nominees are to have made a significant contribution to Calgary;
 - (b) Nominees must be residents of Calgary for a period of two years prior to the date of the nomination, with the exception of those eligible to receive an award under 5.6.2 (c), above;
 - (c) Nominees must not currently hold political office;
 - (d) Nominees may only be nominated for one award in a given year;
 - (e) Organizations must be Calgary-based or have a local branch;
 - (f) City of Calgary employees or elected officials may not be considered for an award for their work as a City employee or elected official. City projects are also not eligible for an award;
 - (g) Recipients cannot subsequently receive an award in the same category for the same achievement; and
 - (h) Recipients shall be recognized at an awards presentation hosted by Council, where recipients will receive their awards at a ceremony accompanied by a reception.

- 5.7.5 The City Clerk's Office shall be responsible for managing the Calgary Awards Program, including determining award categories and names, selecting and coordinating juries, arranging and coordinating the ceremony and all other aspects of Program design not articulated in this policy.

5.8 Sports Recognition

- 5.8.1 When a professional sports team (team) wins their league championship Council shall, in collaboration with the team's ownership, recognize the team as follows:
- (a) For the Calgary Flames and the Calgary Stampeders: a recognition celebration will be held at a suitable venue that combines a public celebration with a private reception for the team and invited guests;
 - (b) For the Calgary Hitmen and the Calgary Roughnecks: the team will be recognized at the first available Council meeting following the championship game.
- 5.8.2 Such recognitions are initiated by the City Clerk's Office, which will place the recognitions on a Council agenda in accordance with the Procedure Bylaw in consultation with the Mayor and the City Clerk.
- 5.8.3 Following each Olympic and Paralympics Games, and following each Special Olympics World Games, Council shall recognize all Calgary-based athletes, coaches and team officials that are part of Team Canada for these events at a suitable meeting of Council, combined with a private reception for the honourees and invited guests.
- 5.8.4 Achievement in amateur sport at the national and international level may be recognized through a letter program, administered by the City Clerk's Office in collaboration with the Mayor's Office.
- 5.8.5 Significant achievement in amateur sport by an individual or team at the national or international level may be recognized in a manner similar to 5.7.1 (b), at the recommendation of the City Clerk's Office and at the direction of the Mayor.

5.9 Exceptions

- 5.9.1 On occasion, Council may direct it appropriate to recognize individual citizens, groups, organizations, and City business units notwithstanding the provisions of this policy. Exceptions to this policy must be presented to the Priorities and Finance Committee (PFC) for approval.

5.9.2 If approved, the City Clerk's Office would place the recognition on a suitable Council agenda in accordance with the Procedure Bylaw and in consultation with the Mayor and the City Clerk.

5.9.3 If timeframes do not allow the PFC to consider the exception, the Chair of the meeting deemed appropriate by the City Clerk's Office may allow the exception.

5.10 Expenses

5.10.1 For all Recognitions in this Council Policy, expenses shall be limited to those reasonably incurred for the appropriate implementation of the Recognition program. Existing standards and amounts shall be instructive.

5.10.2 The City Manager or responsible General Manager may determine whether existing amounts are sufficient and may approve any additional expenditures as required.

5.10.3 In all cases, where existing budgets are insufficient for a recognition under this policy, the Chief Financial Officer may authorize the use of funds to cover any unbudgeted expenditures.

6. AMENDMENT(S) (Mandatory)

Date of Council Decision	Report/By-Law	Description

7. REVIEWS(S) (Mandatory)

Date of Policy Owner's Review	Description

**One Calgary Report to
Priorities and Finance Committee
2017 April 10**

**ISC: UNRESTRICTED
PFC2018-0445
Page 1 of 6**

The City's Strategic Plan Principles

EXECUTIVE SUMMARY

One Calgary Service Plans and Budgets 2019-2022 will deliver on Council's direction throughout the next business cycle. The City's framework for the development of its Strategic Plan "Three Conversations, One Calgary" guides Administration to align its service delivery to intentionally create value for citizens. The resulting service plans and budgets will be presented to Council in November 2018.

Today's report introduces five over-arching principles for this work. In accordance with The City's service promise "what matters to you matters to us" creating and maintaining value for Calgarians, the first three principles focus on creating value through the development of the service plans and budgets. The fourth speaks to accountability through the continual monitoring, review and reporting and the fifth on continuous improvement. The focus on creating value for citizens is essential to The City's ongoing transformation to a modern municipal government that has citizens' hopes and aspirations at its core.

ADMINISTRATION RECOMMENDATION:

That the Priorities and Finance Committee recommends that Council approve the five Strategic Plan Principles outlined in Attachment 1.

RECOMMENDATION OF THE PRIORITIES AND FINANCE COMMITTEE, DATED 2018 APRIL 10:

That the Administration Recommendation contained in Report PFC2018-0445 be approved.

PREVIOUS COUNCIL DIRECTION / POLICY

On 2005 January 31, Council approved the Multi-Year Business Planning and Budgeting Policy (CFO004). This policy was amended on 2008 January 14 and on 2012 April 9.

On 2014 September 15, Council approved the City Manager's Leadership Strategic Plan: Contract with Council (C2014-0703), which identified service plans and budgets as a key component of The City of Calgary's performance management system intended to support better delivery of services to communities, customers and Calgarians.

On 2017 April 25, (C2017-0375), Council received for information, the methodology for Service Plans and Budgets and a list of City Services.

On 2018 January 31 (C2018-0115), Council adopted the "Council Directives to Administration for 2019-2022 One Calgary Service Plans and Budgets". Further, Council adopted a motion arising to direct Administration to return with two amendments to the Council Priorities.

On 2018 February 28, Council adopted the additional amendments to the "2019-2022 Council Directives for One Calgary" (C2018-0201); and approved "Three Conversations, One Calgary" as the framework that will guide the development of The City's Strategic Plan for 2019-2022 (C2018-0224).

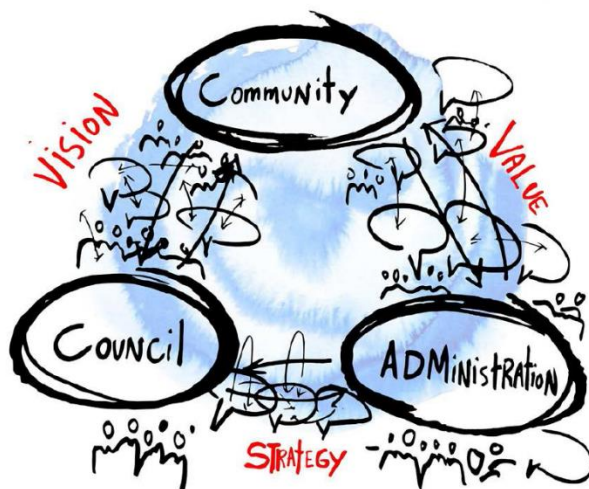
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On 2018 March 21, Council approved Principles for Setting Indicative Tax Rates and Capital Infrastructure Investment Principles; and passed a motion arising directing the Administration to return to the 2018 April 10 Priorities and Finance Committee with updated Principles reflecting elements of value and clearly defined corporate leadership outcomes and performance measures (C2018-0304).

BACKGROUND

On 2018 February 28, City Manager, Jeff Fielding presented 'Three Conversations, One Calgary' as the framework to guide the development of The City's Strategic Plan for 2019-2022 ('the Strategic Plan') including service plans and budgets. As shown in the conceptual drawing of that framework below, there are three sets of roles, relationships, and results.



Creating and maintaining the value citizens experience in exchange for financial investment into The City's services (relationship between Administration and the Calgary community) is the driving force behind the development of the 2019-2022 service plans and budgets. The resources available for the delivery of this investment in services will determine the progress towards meeting citizens hopes, dreams and aspirations (relationship between City Council and the community). The strategy for how The City intends to invest in its services to create value for citizens and meet citizen aspirations will be outlined in the 2019-2022 Service Lines and Budgets and will be approved by Council in November 2018 (relationship between Administration and Council).

With Council's direction for 2019-2022, and the "3 Conversations One Calgary" framework to guide Administration's response approved on 2018 February 28 (C2019-0201, C2018-0224), key components of the conversation between Council and Administration have been determined.

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On 2018 March 21, the One Calgary Program presented the results of the Preliminary Resilience Assessment (as part of the City's commitment to being a member of the 100 Resilient Cities funded by the Rockefeller Foundation). The outlined discovery areas provided a framework for a financial update to Council and the presentation of The City's Infrastructure Investment Principles and ongoing work on its climate change program. Council approved the Capital Investment and Indicative Rate Principles to guide the development of these aspects of the 2019-2022 Service Plans and Budgets.

The conversation with Council on 2018 March 21 resulted in a discussion and subsequent motion arising (as noted above) to integrate principles reflecting elements of value, and defined corporate leadership outcomes and performance measures as important to address in the development of the 2019-2022 service plans and budgets.

To respond to this request, Administration identified an opportunity to create a set of overarching principles for One Calgary and illustrate how these principles relate to the "3 Conversations, One Calgary" framework. Once approved, these principles will be applied throughout the development of The City's Strategic Plan and the 2019-2022 Service Plans and Budgets.

One Calgary will next present at the Strategic Meeting of Council on 2018 April 25 to consider the indicative tax rate, long-term tax support rates for user fees, and utility rates. The setting of these rates is essential for Administration to understand the framework within which it will be able to invest, create and maintain service quality, and deliver services to citizens.

INVESTIGATION: ALTERNATIVES AND ANALYSIS

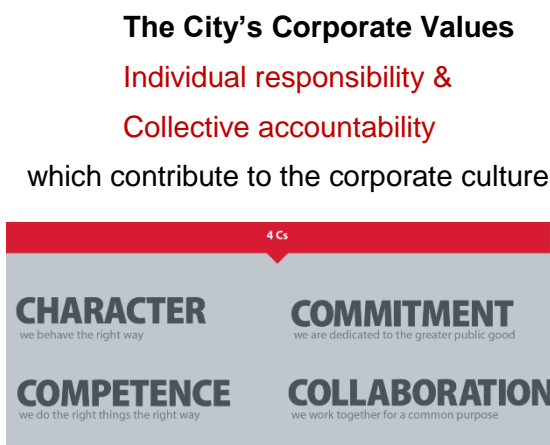
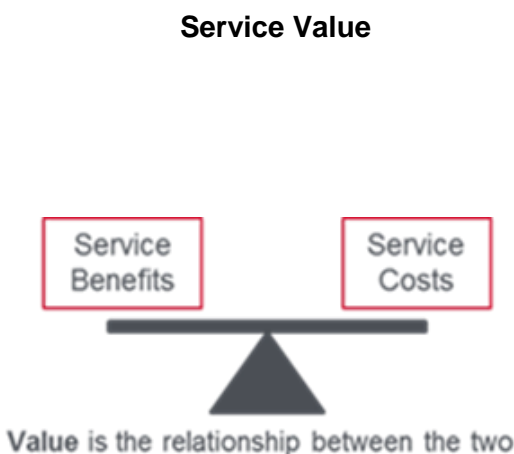
Since the adoption of the Leadership Strategic Plan in 2014 September, The City has been on a continuous journey to transform how it delivers services to citizens and become a modern municipal government. As Administration moves along this journey, opportunities are being identified to better integrate our services across the organization and improve the way we work. The conversation with Council on 2018 March 21 is example of a time where new insights led to the identification of an opportunity to create a set of common over-arching principles that focus on how best The City can create and maintain services that resonate with citizens.

Better understanding what citizens '*perceive as having value*' from the services, weighed against the cost of receiving them, better enables us to focus efforts and resources to the things that matter most. Each element of value (such as reliability or timeliness) is considered a *value dimension*. This contrasts with *Corporate Values*, which are the values of the organization and how we work. For The City of Calgary, we have the 4 Cs (Character, Competence, Commitment and Collaboration). These, combined with Council's Five Guidelines to the Administration (Integrated Service Delivery, Engaged Leadership, Trust and Confidence, Investment and Value and Cooperative Alliances) form our Corporate Culture and way of working.

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Service Value is Different from Organizational Values



The focus of this report is on developing principles that will help the organization to develop, monitor, and continuously improve the *value dimensions* that are most important to citizens. Five principles are proposed. The first three focus on the Three Conversations Model and using *value dimensions* in the development of the service plans and budgets. The fourth speaks to accountability through the continual monitoring, review and reporting on these and the fifth on continuous improvement. The principles are listed in the left-hand column of Attachment 1 and are recommended for approval. In the right-hand column, key value dimensions, factors and examples of how the principle is being applied are listed.

Attachment 2 Demonstrating Value Through Service Plans and Budgets describes how customer *value dimensions* have been integrated into the service plans and budgets to date. These dimensions are a new and important part of our transformation to a citizen focus and will play an instrumental role in the development of the service plans and budgets including their use in describing the service, in performance measurement, benchmarking, and in strategy development.

Council also identified the importance of clearly defining corporate leadership outcomes and measures. The fourth principle addresses this area in the overall context of ensuring accountability. In addition, Executive Leadership has been identified as an internal service for this cycle and will therefore, also have strategies, performance measures and budgets prepared as part of its service plan and budget that will be presented in November. This service was identified as a service through the service portfolio project and was presented to Council as one of the services in the list of services on 2017 April 25 (C2017-0375).

The recently approved Indicative Tax Rate and Capital Infrastructure Investment Principles (C2018-0304), are consistent with these over-arching principles and values. In fact, they provide direction to Administration in how it connects the vision (left side of the triangle) with service delivery (right side) on specific decisions.

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Stakeholder Engagement, Research and Communication

Under the One Calgary program, there is a comprehensive plan for ensuring public and stakeholder input is sought and incorporated at multiple points as the 2019-2022 service plans and budgets are developed. The internal and external engagement that is currently taking place includes questions directly related to services and which value dimensions matter most.

Strategic Alignment

The development of Three Conversations, One Calgary: The City's Strategic Plan for 2019-2022, including service plans and budgets, is one of the most significant pieces of work that The City undertakes as it advances our common purpose and helps to deliver on Calgary's vision for the future. The work aligns with Council policy and long-term planning and demonstrates where The City will focus over the next four years. The principles proposed will help to guide this work.

Social, Environmental, Economic (External)

Service plans and budgets are a tool that allows consideration of the social, environmental and economic environment during the business planning and budgeting process. The plans and budgets will be developed using a results-based performance framework. This includes information on how each City service contributes to quality of life for Calgarians and their aspirations for the community. Applying a resilience lens and integrating qualities of a resilient city (reflective, resourceful, redundant, robust, flexible, inclusive, integrated) into our service plans and budgets will contribute to our City's ability to withstand stresses and shocks and contribute to the community's quality of life results.

Financial Capacity

Current and Future Operating Budget:

Having approved principles for The City's Strategic Plan will help guide the development of the 2019-2022 service plans and budgets.

Current and Future Capital Budget:

Having approved principles for The City's Strategic Plan will help guide the development of the 2019-2022 service plans and budgets.

Risk Assessment

As with previous business planning and budgeting cycles, consideration of risks is a key factor informing the development of plans and budgets. Given the city's current economic context, risk will need to be considered in a different way, including re-thinking assumptions, and placing considerably more emphasis on weighing the costs as well as the benefits of risk mitigation strategies, to ensure that they provide good value.

The change to service plans and budgets transforms how The City develops its plans and budgets. A risk in such a large-scale change is that it can sometimes be difficult to navigate what the change is and how best to deliver the results that are sought. The five principles outlined in this report help to address this risk by providing guidance and adding structure to the development of City's Strategic Plan (2019-2022).

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REASON(S) FOR RECOMMENDATION(S):

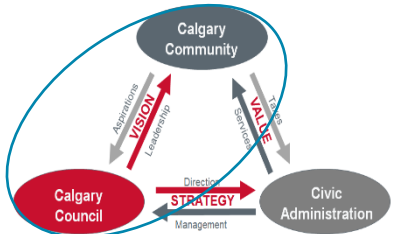


Providing Strategic Plan Principles that aim to create and maintain value provide additional guidance to the Administration to ensure One Calgary develops service plans and budgets that align to the three conversations model and that it incorporates the things that are valued most by Calgarians throughout the service plan and budget cycle.

ATTACHMENT(S)

1. Attachment 1 – Strategic Plan Principles
2. Attachment 2 – Demonstrating Value Through Service Plans and Budgets

The City's Strategic Plan Principles

Better understanding what citizens *'perceive as having value'* from the services, weighed against the cost of receiving them, better enables us to focus efforts and resources to the things that matter most. Each dimension of value (such as reliability or timeliness) is considered a *value dimension*. The following are five principles that will help the organization to develop, monitor, and continuously improve the *value dimensions* that are most important to citizens. The first three focus on the Three Conversations Model and using *value dimensions* in the development of the service plans and budgets. The fourth speaks to accountability through the continual monitoring, review and reporting on these and the fifth on continuous improvement. Note many value dimensions apply to more than one principle. In the table, they have been placed with the principle where they have the strongest connection.

Principles (For Approval)	
 <p>1. Vision: Address citizen needs and long-term quality of life aspirations.</p>	<p>Key Value Dimensions:</p> <ul style="list-style-type: none"> aspirations, hope, fairness, equity, social responsibility, wellbeing <p>Example of how these are being applied this cycle (One Calgary 2019-2022):</p> <ul style="list-style-type: none"> Council Priorities and Directives approved to provide the Administration with direction on where the focus should be for the next four-year cycle Identification of The City's contribution towards quality of life results.
 <p>2. Strategy: Use a Council-driven and corporately integrated approach to planning for service delivery.</p>	<p>Key Value Dimensions:</p> <ul style="list-style-type: none"> environment, reconciliation, resilience, sustainability scalability, expertise, risk, transparency and reputational assurance, innovation, efficiency, effectiveness <p>Examples of how these are being applied this cycle (One Calgary 2019-2022):</p> <ul style="list-style-type: none"> Service pages will show a complete integrated picture of service plans (including performance measures, benchmarking, risk, etc.), and both operating and capital budgets. Services will also identify how they contribute to Council Priorities and quality of life results (outcomes) as well as performance results (customer and citizen outcomes).
 <p>3. Value: Focus on what matters most to citizens and customers and maximise their value for city services.</p>	<p>Key Value Dimensions:</p> <p>Functional: avoids hassles, quality, reliability, responsiveness, saves time, simplifies, reduces risk, reduces effort, legislative compliance, affordability</p> <p>Emotional: accessibility, attractiveness, fun/entertainment, prevention, therapeutic value, wellbeing</p> <p>Business to Business: ease of doing business, expertise, decreased hassles</p> <p>Examples of how these are being applied this cycle (One Calgary 2019-2022):</p> <ul style="list-style-type: none"> The public and internal engagement for One Calgary is seeking information that will help services to better understand what value dimensions are most important to customers All services will include dimensions of value in their service plans (see attachment 2 for more information).

The City's Strategic Plan Principles

The following two principles focus on the overall Three Conversations model and reflect the need to continuously monitor progress and make efforts for improving service delivery. These two principles complement the previous three, which focus on creating value in our service plans and budgets and in our everyday work.



4. Accountability: Monitor the value generated through services by using performance measures, and reporting.

Key Factors and Actions:

- Develop service and corporate performance measures and benchmarking as a part of the service plans and report on performance results (including performance on dimensions of value that matter most to citizens and customers).
- Provide a clear line-of-sight of accountability on joint strategies.
- Monitor and maintain a corporate Risk register.
- Report regularly to Council and the public on progress.

Examples of how these are being applied this cycle (One Calgary 2019-2022):

- Semi-annual Accountability reports will identify and report on quality of life results and performance results (including performance on dimensions of service value) for each service.



5. Continuous Improvement: seek to improve services and processes and adjust on an ongoing basis.

Key Factors and Actions:

- Implement the Corporate Strategy for Service Efficiency and Effectiveness, using The City's Performance Management System (which includes performance measurement, benchmarking, service review and improvement)
- Revise and adjust plans and budgets in response to emerging needs and Council direction.

Examples of how these are being applied this cycle (One Calgary 2019-2022):

- Incorporate Council Directives to Administration for 2019-2022 (C2018-0201) into the development of service plans and budgets.
- Ongoing monitoring of dimensions of value and respond to changes as required.
- Use a variety of approaches across the organization to improve service effectiveness and efficiency.
- Annual adjustments and larger mid-cycle adjustment (in year 2020 to reflect the results of these efforts by adjusting the last two years of the plan)



Demonstrating Value Through Service Plans & Budgets

Introduction

On 2018 March 21, Council passed a motion to direct Administration to return to the 2018 April 10 Priorities and Finance Committee with updated Principles reflecting something similar to the following: *"Incorporate the "Elements of Value" to citizens by incorporating, but not limited to: Inspirational value, Individual value, Ease of doing business value, Functional value, Table stakes value (ethical standards)"* (C2018-0304).

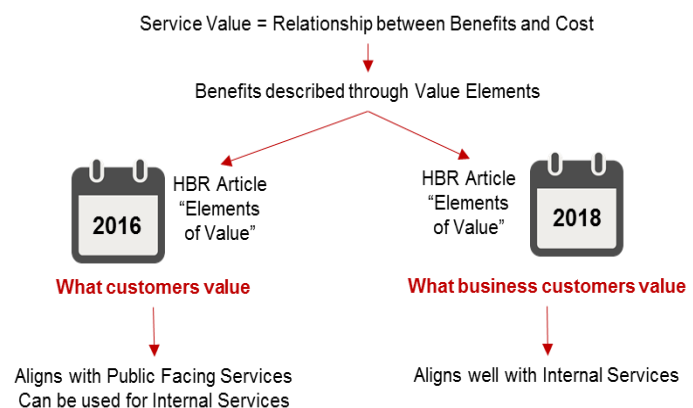
This attachment provides some additional detail on how these elements (One Calgary calls these value dimensions) of value are being incorporated within the service plans and budgets, in relation to the updated principles referencing service value within the cover report.

Background

In 2016 September, The Harvard Business Review (HBR) published an article titled "The Elements of Value – Measuring-and-delivering-what consumers really want", based on research conducted by Bain & Company. This article outlines elements that address consumer needs, categorized in four key categories – Functional Value, Emotional Value, Life Changing Value and Social Impact Value dimensions.

Further to the 2016 September article, The Harvard Business Review published a follow up article in the 2018 January-February issue titled "the B2B Elements of Value – How to measure-and-deliver-what business customers want", based on further research conducted by Bain & Company. This article outlines elements that address business customer needs, categorized in five separate categories – Table Stakes value, Functional value, Ease of Doing Business Value, Individual Value and Inspirational Value.

The two articles correspond to the diverse services The City offers – the 2016 consumer article corresponds to what citizens and customers value from the public facing services The City offers (e.g. Public Transit), while the 2018 B2B article aligns with what our Public facing services value from The City's internal service (e.g. Fleet Management). It's worth noting that there is a substantial overlap between the two lists.



How these are being used in building Service Plans & Budgets

In 2017, definitions were created for each (referred to at the City as Value Dimensions) listed in the 2016 September article. Additional dimensions relating to The City were also added; e.g. Resilient, Reconciliation, Fairness and Equity.

Through 2017, both public facing and internal services were asked to review the list of dimensions (based on the 2016 article) and choose up to five dimensions they believe to be

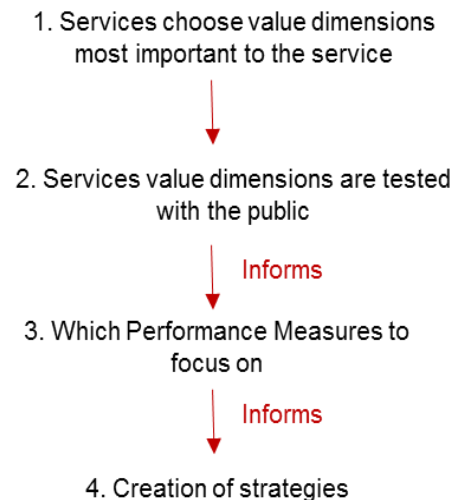


Demonstrating Value Through Service Plans & Budgets

most important to the customers of their service and to citizens. They were also asked to provide a definition of how the dimension relates to their service.

Moving forward, the dimensions of value will be used for the following purposes:

1. Services choose the value dimensions most important to their Service (2017).
2. From 2018 April 2 to 22, an online engagement tool open to all members of the public and the Citizens' View Panel, will have an opportunity to rank which dimensions of value are most important to them.
3. Citizen input on value dimensions, in conjunction with other citizen research and Council's Directives will help to inform services in developing outcome related (results based) performance measures tied to the dimensions of value (in Results Based Accountability™ format) for inclusion on the service pages of their plan and budget.
4. How the service is performing on the key performance measures related to key value dimensions will inform the development of strategies to maximize value related to the dimensions most important to citizens and customers.



Other Connections

Concurrently with this work, MBNCanada (Municipal Benchmarking Network Canada) undertook a strategic value review of service areas, which included an action for the Board to identify a value proposition statement and value dimensions for each of the 36 (broad) service areas within MBNCanada, with conceptual ideas for measurement.

The City shared the list of the dimensions of value and definitions developed based on the 2016 HBR article, along with the process The City was undertaking. MBNCanada adopted (the majority of) The City's list of value dimensions and completed a similar process to identify value dimensions for each of the 36 service areas. The City will review the alignment between the dimensions identified through both processes.

The City of Calgary is one of 10 cities in the 100 Resilient Cities (100RC) network – Pioneered by The Rockefeller Foundation in May 2016. 100RC is a global network of cities working to address some of the biggest challenges facing cities. Foundational to building resilience in our organization and in the community will be to consider and integrate “qualities” of resilience (i.e., reflective, resourceful, inclusive, integrated, robust, redundant/diverse, flexible) and introduce those qualities (a resilience lens) into our strategic planning processes. The resilience qualities are reflected throughout the value dimensions and Strategic Plan principles.



Demonstrating Value Through Service Plans & Budgets

Next Steps

The majority of the work done thusfar has focused on services identifying value dimensions corresponding to the 2016 September HBR consumer article. Now that the 2018 article, focusing more on the value dimensions important to business customers has been released, the One Calgary Program will work to include these additional dimensions as options for internal services to use as dimensions of value for their customers.

Current list of value dimensions being used by services (adapted from the 2016 HBR article for public sector):

Functional Value	Emotional Value	Life Changing Value	Social Impact Value
Affordability	Accessibility	Heirloom	Self-Transcendence
Availability	Attractiveness	Equity	Environmental
Avoids hassles	Fun/Entertainment	Fairness	Reconciliation
Connectivity	Prevention	Motivation	Resilient
Convenience	Therapeutic Value	Provides Hope	Sustainability
Informs	Wellbeing	Self Actualization	
Integrates	Wellness		
Legislative Compliance			
Organizes			
Quality			
Reduces effort			
Reduces risk			
Reliability			
Responsiveness			
Safety			
Saves time			
Simplifies			
Variety			



Demonstrating Value Through Service Plans & Budgets

Additional Value dimensions that are currently being introduced adapted for public sector use from the 2018 HBR B2B article include:

Functional Value	Ease of Doing Business	Individual Value
Innovation	Configurability	Reputational Assurance
Scalability	Expertise	
Improved Top Line	Flexibility	
Cost Reduction	Integration	
	Risk	
	Transparency	
	Reach	
	Commitment	
	Cultural Fit	
	Simplification	

References:

Almquist, E. and J. Sr., and Bloch, N., *The Dimensions of Value*, Harvard Business Review, September 2016.

Almquist, E., Cleghorn, J., and Sherer, L., *The B2B Dimensions of Value*, Harvard Business Review, February 2018.

ABBEYDALE-APPLEWOOD PARK TRAIN WHISTLE CESSATION

EXECUTIVE SUMMARY

The Rotary/Mattamy Calgary Greenway multi-use pathway around the periphery of the city has been substantially completed by Parks Foundation Calgary. A northeast leg of the pathway crosses a Canadian National (CN) Railway line located at Mile 121.30 of the CN Three Hills subdivision at the eastern edge of the communities of Abbeydale and Applewood Park. A map of the crossing location is in Attachment 1.

Transport Canada regulations for rail crossings call for several safety measures, including a requirement that trains approaching a crossing sound a warning whistle. In the time since the construction of the crossing was completed and responsibility for its maintenance was taken over by The City, concerns about the frequent train whistles have been received from citizens living nearby.

Transport Canada allows exemptions to train whistle requirements if alternate safety measures are undertaken by the municipality. Calgary Parks has worked with both Canadian National Railway and Transport Canada to identify and install the alternate safety measures required at this location to cease the need for whistle warnings. This included notification of adjacent residents and relevant associations or organizations in relation to all federally regulated railway companies. This report and associated approved Council minutes will serve as a formal declaration from Council to prohibit train whistles at the Abbeydale-Applewood Park crossing (Attachment 1). Once this occurs, Administration will pursue a whistle cessation exception from Transport Canada to exempt this crossing from the whistle requirement.

ADMINISTRATION RECOMMENDATION(S)

That the SPC on Community and Protective Services recommend that Council:

1. Approve the cessation of train whistling at the rail crossing location known as *Mile 121.30 of the CN Three Hills subdivision* (Attachment 1); and
2. Direct Administration to provide notification of the above Council direction to Canadian National Railway, the headquarters of Transport Canada Rail Safety Directorate, and other relevant stakeholders as required.

RECOMMENDATION OF THE SPC ON COMMUNITY AND PROTECTIVE SERVICES, DATED 2018 APRIL 11:

That Council approve the Administration Recommendations contained in Report CPS2018-0364.

PREVIOUS COUNCIL DIRECTION / POLICY

Whistle cessation declarations have been made at numerous specific rail crossing points throughout the city over a number of years. For example, on December 5, 2000, Council approved TTP2000-57 (Train Whistle Sounding In The City of Calgary), and directed Administration to pursue whistle cessation at three separate locations.

ABBEYDALE-APPLEWOOD PARK TRAIN WHISTLE CESSATION

BACKGROUND

From 2010 to 2017, the Rotary/Mattamy Calgary Greenway was constructed and is now substantially complete. This asphalt multi-use pathway, planned and constructed by the Calgary Parks Foundation and ultimately maintained by Calgary Parks, provides Calgarians a 'ring' route, around the periphery of the city. The Greenway is well used by bicycle and pedestrian traffic, year-round.

Completion of the northeast leg of the Greenway required an at-grade crossing of a Canadian National (CN) Railway track at Mile 121.30 of the CN Three Hills subdivision, located at the eastern edge of the communities of Abbeydale and Applewood Park (Attachment 1). Construction of the crossing was completed in 2017, in accordance with the requirements of the Rail Safety Act and Canadian Rail Operating Rules ('CROR'). The CROR stipulate the inclusion of safety measures for at-grade crossings, including flashing LED warning lights and bell, and train whistle posts installed at 0.25 miles on each side of the crossing, to warn pathways users of a train's approach.

Following the construction and opening of the crossing, The City received a number of calls from citizens concerned about the frequency of the new whistles and the nuisance they caused. As a result, Calgary Parks, in coordination with the Ward 9 office, began the process required to exempt the need for train whistles at this location.

INVESTIGATION: ALTERNATIVES AND ANALYSIS

Crossing of the Canadian National train tracks was deemed necessary to connect the Rotary/Mattamy Greenway. The crossing was designed and constructed according to Grade Crossing Standards; however, it was determined that the installation of additional safety measures in lieu of otherwise mandatory train whistles is in the best interest of the adjacent residential communities, while still ensuring the pathway is safe for users and train operators. Without the additional safety measures, the only alternative would be to continue to provide safety warnings via train whistles, per Transport Canada's Canadian Rail Operating Rules.

Transport Canada, via the Railway Safety Act, controls the requirement for train whistling. Calgary Parks was advised that there is a multi-step process for applying to lift the requirement for whistles, which includes consultation with the railway company, notification of stakeholders, assessment of the crossing and passing of a resolution by the municipal government to prohibit whistles at the subject location. Consistent with the Transport Canada instruction, Calgary Parks has consulted with Canadian National Railway and gained their cooperation to coordinate whistle cessation. A Grade Crossing Safety Assessment Report was also obtained to verify compliance of the Grade Crossing Standards and to investigate measures required to eliminate the whistle requirement. The report recommended the installation of maze barriers at the crossing, advance warning signs on both pathway approaches, an emergency notification sign, and additional guide fencing at two nearby unauthorized pedestrian crossing locations. The recommended measures are now in place and have been inspected by CN and City of Calgary personnel. Finally, Calgary Parks carried out the required notification of relevant associations or organizations in relation to federally regularly railway companies. This was done via direct letters and a public newspaper advertisement on 2018 February 21. No responses were received as result of the notifications.

ABBEYDALE-APPLEWOOD PARK TRAIN WHISTLE CESSATION

To complete the request for whistle cessation at this crossing, Administration requests that Council pass a resolution declaring that train whistling should not be used at the following location: rail crossing at Mile 121.30 of the CN Three Hills subdivision (Attachment 1). This report and associated approved Council minutes will serve as a formal declaration from Council to prohibit train whistles at the Abbeydale-Applewood Park crossing. Given the additional safety measures put in place, inspections of the work carried out by Canadian National, and the notification of all relevant rail stakeholders, all other Transport Canada requirements are complete. Once the Council minutes are approved, as a final step in the request for whistle cessation, Administration will send a copy to CN and all other relevant stakeholders, including the headquarters of Transport Canada Rail Safety Directorate.

Stakeholder Engagement, Research and Communication

This report is coming forward in response to citizen concerns around train whistles in residential areas. Transport Canada requirements for whistle cessation applications include the need for direct notification of all relevant stakeholders (associations or organizations) as well as a public notice, regarding the municipality's intention to pass a resolution to prohibit train whistles at the subject location. Individual letters were sent out to rail stakeholders and an advertisement was posted in the Calgary Herald. Additional community notification was undertaken in coordination with the Ward 9 office through a direct mail out to area residents. No concerns were brought forward as a result of the notifications.

Strategic Alignment

This report aligns with the Council-approved 2015-2018 Action Plan goal: "Respond to the needs and aspirations of the citizens of Calgary."

Social, Environmental, Economic (External)

Social

Whistle cessation at this location will enhance the liveability of adjacent neighbourhoods by reducing noise and nuisance, while ensuring that Greenway users will continue to be safe while using the pathway.

Environmental

Whistle cessation at this location will enhance the liveability of adjacent neighbourhoods by reducing noise nuisance.

Economic (external)

There are no economic impacts associated with the train whistle cessation request.

Financial Capacity

Current and Future Operating Budget:

Minor operating costs will be required to pay for annual maintenance and inspections of the crossing area to ensure ongoing compliance with Canadian National safety requirements.

ABBEYDALE-APPLEWOOD PARK TRAIN WHISTLE CESSATION

Current and Future Capital Budget:

The request for whistle cessation involved modest costs for the construction of the alternate crossing safety measures required by Transport Canada. This cost was covered by Calgary Parks.

Risk Assessment

The risks associated with the cessation of train whistle warnings will be offset by the specific alternate safety measures prescribed by Transport Canada. Calgary Parks secured an external consultant to prepare a Grade Crossing Safety Assessment. The recommended safety measures in this assessment include the installation of maze gates, fencing, and warning and emergency notification signage in the area. Additional risk mitigation will be achieved through regular monitoring, formal inspections and maintenance of new safety measures and area fencing.

REASON(S) FOR RECOMMENDATION(S):

In accordance with Transport Canada Grade Crossing Standards and Section 23.1 of the Railway Safety Act, Council may pass a resolution declaring that train warning whistles should not be used in specific areas. Such a declaration for Mile 121.30 of the CN Three Hills subdivision (east of Abbeydale and Applewood Park) would reduce nuisance and provide a better quality of life for residents in the area. Given the additional safety measures put in place, inspections of the work carried out by Canadian National, and the notification of all relevant stakeholders, all Transport Canada requirements are complete and whistle cessation can occur at this location.

ATTACHMENT(S)

1. Abbeydale-Applewood Park Rail Crossing Location Map

ABBEYDALE-APPLEWOOD PARK TRAIN WHISTLE CESSATION

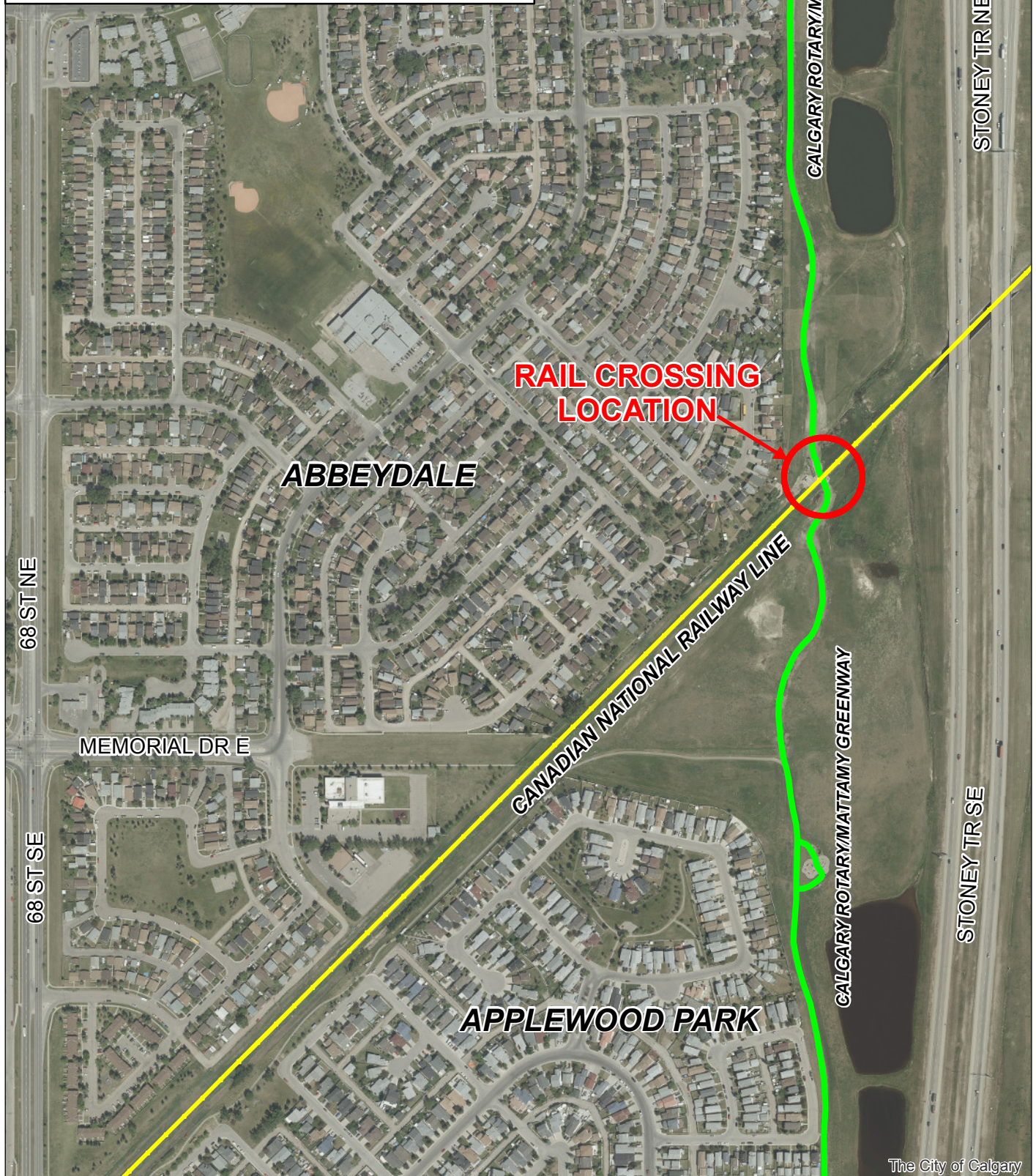
(Mile 121.30 of the CN Three Hills subdivision)

SCALE
0 20 40 80 120 160 200
Meters

DATE OF AERIAL PHOTO: MAY/JUNE 2017
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MARCH 28, 2018
(File No: 2018-044)





Abbeydale-Applewood Park Train Crossing - March 28, 2018

Item #8.1, Calgary Planning Commission – Resignation and Appointment, PFC2018-0241, was moved to the Closed Meeting Section as Item #12.2.7, and is to be held confidential subject to Sections 17 and 19 of the *Freedom of Information and Protection of Privacy Act*.

POSTPONED REPORT

Olympic Bid Proposed Public Engagement Approach, PFC2018-0366

Background: This Report was scheduled for the 2018 April 10 Priorities and Finance Committee Meeting and was forwarded to the 2018 April 16 Regular Public Hearing Meeting of Council as an item of Urgent Business. At the 2018 April 16 Regular Public Hearing Meeting, Council passed the following motion, and postponed the Report to the 2018 April 23 Regular Meeting of Council:

“That with respect to Report PFC2018-0366, the following be adopted, as amended:

1. That Council reaffirm its support for the investigation of a bid by Calgary for the 2026 Olympic and Paralympic Winter Games.
2. And further resolve, that Council strike a subcommittee, consisting of four Councillors plus the Mayor, to oversee the Olympic process. Further, that Administration be directed to draft the terms of reference for this committee and that the City Clerk’s Office be directed to solicit Councillor interest in serving on the committee, returning directly to Council on 2018 April 23.”

Excerpts from the Minutes of the Regular Public Hearing Meeting of Council, 2018 April 16-17:

“Moved by Councillor Jones

Seconded by Councillor Davison

That with respect to Report PFC2018-0366, the following be adopted:

1. Resolve that Council reaffirm its support for the investigation of a bid by Calgary for the 2026 Olympic and Paralympic Winter Games.

RECORDED VOTE

For: (9): Mayor Nenshi, Councillor Carra, Councillor Chahal, Councillor Colley-Urquhart, Councillor Davison, Councillor Jones, Councillor Keating, and Councillor Sutherland

Against: (6): Councillor Chu, Councillor Demong, Councillor Farkas, Councillor Farrell, Councillor Gondek, and Councillor Magliocca

MOTION CARRIED”

“Moved by Councillor Jones

Seconded by Councillor Davison

That with respect to Report PFC2018-0366, the following be adopted, **as amended:**

2. And further resolve, that Council strike a subcommittee, consisting of four Councillors plus the Mayor, to oversee the Olympic process. Further, that Administration be directed to draft the terms of reference for this committee and that the City Clerk's Office be directed to solicit Councillor interest in serving on the committee, returning directly to Council on 2018 April 23.

Against: Councillor Farkas and Councillor Magliocca

MOTION CARRIED"

"Moved by Councillor Farrell

Seconded by Councillor Keating

That Council postpone Reports PFC2018-0366 and PFC2018-0373 to the 2018 April 23 Regular Meeting of Council.

MOTION CARRIED"

**Community Services Report to
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2018 April 10**

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Olympic Bid Proposed Public Engagement Approach

EXECUTIVE SUMMARY

On 2018 March 29, The City of Calgary received confirmation from the Government of Canada (GoC) and Government of Alberta (GoA) that they would commit funding to the Calgary 2026 Olympic and Paralympic Winter Games (OPWG) Bid Corporation (BidCo). The funding from GoA is contingent upon several conditions including The City's agreement to hold a plebiscite at a time when there is enough information for Calgarians to make an informed decision on the costs and benefits of hosting the 2026 OPWG. As directed by Council, this report includes a proposed 2026 OPWG Public Engagement Approach. In addition, a potential timeframe to hold a plebiscite has been included but is subject to further discussion with the other orders of government.

The Public Engagement Approach outlined in this report (Attachment 1) includes two distinct components: an engagement program and a plebiscite. While both of these components are part of a comprehensive public engagement approach, their oversight would be independently managed.

Given the tight timelines (potential Bid Book submission due in January 2019 with a draft projected to be completed in 2018 Q4), Administration is recommending implementing the Public Engagement Approach as soon as possible. Information gained through the engagement process and a plebiscite, if approved, can be used to inform Council's decision to either proceed with submitting a bid or not, and can also be used to inform Council and Administration of Calgarians' priorities. Once a BidCo is capable of undertaking this work, the engagement program activities would transition under the oversight of BidCo. The plebiscite would remain the responsibility of the Returning Officer.

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Olympic Bid Proposed Public Engagement Approach

ADMINISTRATION RECOMMENDATION:

That the Priorities and Finance Committee recommend that Council:

1. Approve the Public Engagement Approach (Attachment 1) and direct Administration to incorporate comments received through PFC and Council;
2. Forward this report as urgent business directly to the 2018 April 16 Public Hearing Meeting of Council.

**RECOMMENDATION OF THE PRIORITIES AND FINANCE COMMITTEE, DATED
2018 APRIL 10:**

That Council:

1. Reaffirm Council's support prior to proceeding with further work on a potential Olympic Bid through a resolution to be dealt with prior to these recommendations;
2. Contingent upon the reaffirmation of support by Council with respect to Recommendation 1:
 - a) Postpone the Public Engagement Approach (Attachment 1), dependent on the outcome of Recommendation 1, until further direction is provided by Council;
 - b) Direct Administration to draft a new Terms of Reference (encompassing the Guiding Principles) for the Engagement Advisory Panel, in consultation with Members of Council, and report back directly to Council no later than June 2018, and further direct Administration to incorporate comments received through PFC and Council; and
 - c) Hold a non-statutory public hearing.

Excerpts of the Minutes of the Priorities and Finance Committee, held 2018 April 10:

Opposition(s) to Recommendation 1:

“RECORDED VOTE

For: (9): Councillor Chu, Councillor Colley-Urquhart, Councillor Keating, Councillor Magliocca, Councillor Sutherland, Councillor Demong, Councillor Farkas, Councillor Farrell, and Councillor Gondek

Against: (1): Councillor Chahal

MOTION CARRIED

The following Clerical Corrections were noted to Report PFC2018-0366:

- to page 5 of 9 of the Cover Report, under the heading "Engagement Principles and Program Streams", by adding a new bullet with the word "Neutrality"; and
- to page 5 of 13 of Attachment 1, under the heading "1.7 Guiding Principles", by adding a new bullet with the word "Neutrality" along with a descriptor aligned with the other guiding principles indicated.

And further, that this report be forwarded as an item of urgent business to the 2018 April 16 Public Hearing Meeting of Council.”

Approval(s): Kurt Hanson/Brad Stevens concurs with this report. Author: Karen Sveinunggaard
City Clerk's: **Julien Lord Charest**

Olympic Bid Proposed Public Engagement Approach

PREVIOUS COUNCIL DIRECTION / POLICY

Council approved the following Motion at the 2018 March 19-20 Combined Meeting of Council:

That with respect to Report C2018-0266, the following be adopted, after amendment:

“That to allow Administration to continue its work, Council approve in principle the recommendations outlined below and, upon Administration advising Council in writing that it has secured financial commitments from the Government of Alberta and the Government of Canada, for continuing to fund the Olympic bid exploration process:

1. Authorize The City of Calgary to become a member of, elect directors, and incorporate a Bid Corporation (BidCo) to continue the exploration of a bid for the 2026 Olympic and Paralympic Winter Games (OPWG);
2. Approve the Deputy City Manager as having the authority to exercise all the powers and voting rights associated with The City’s membership interest in BidCo, subject to the Deputy City Manager first seeking Council direction regarding matters that materially affect the legal, business or financial risk for The City;
3. Authorize the Mayor to execute on behalf of The City all BidCo resolutions and related documents required to establish the appropriate membership and governance structure of BidCo substantially in the form described in the report, such documents to be satisfactory in content and form to the Deputy City Manager and the City Solicitor and General Counsel respectively;
4. Release an additional \$1 million (of the \$2 million) of Fiscal Stability Reserve funds that Council approved on 2017 November 20 (C2017-1181);
5. Approve a one-time increase in 2018 to operating budget program #426 of \$2.5 million from the Fiscal Stability Reserve, to complete The City’s required \$9.5 million total funding commitment to the BidCo;
6. Return to Council through PFC at its April 10 meeting with an update, including a robust public engagement plan and a proposed reporting structure from BidCo to Council; and
7. Direct that the Closed Meeting discussions remain confidential subject to Sections 21 and 23 of the *Freedom of Information and Protection of Privacy Act*.”

On 2018 March 21 Council approved the following Motion Arising:

“That with respect to Report C2018-0266, Council refer the following proposed Motion Arising to the 2018 April 10 Regular Meeting of the Priorities and Finance Committee, to be considered following the Olympic Public Engagement Report and the Returning Officer’s report on Vote of Electors:

“That with respect to Report C2018-0266, the following Motion Arising be adopted:

That Council:

1. Direct Administration to inquire into the feasibility of the International Olympic Committee providing a bid deadline extension of six (6) months;

Olympic Bid Proposed Public Engagement Approach

2. Direct Administration to conduct a city wide 'Vote of the Electors' on whether electors are in favour of their Council submitting this bid; and
3. Postpone its decision to bid on the 2026 Olympic and Paralympic Winter Games until after the City Clerk reports back with the outcome of the 'Vote of the Electors'."

See Attachment 2 for additional Previous Council Direction.

BACKGROUND

Engagement activities associated with The City's bid exploration have been occurring since the fall of 2016. Below is a summary of engagement activities to date.

February – March 2017: Summary of Calgary Bid Exploration Committee's (CBEC) engagement plan

CBEC contracted the research consulting firm of Stone-Olafson to undertake three different public engagement activities: a quantitative survey, interviews with key stakeholders, and an online questionnaire (see Attachment 3 for a public engagement summary).

The goal of this survey was to move beyond a simple yes or no answer as to whether Calgarians support an Olympic bid. More importantly, the focus was to understand what factors would play a role in Calgarians supporting or objecting to an Olympic bid and potentially hosting the 2026 OPWG. The interview portion of the research included interviewing approximately 100 key stakeholders (including Indigenous representation) and focused on the perceived impact to the community from an economic, social/cultural or environmental perspective. To provide all Calgarians and residents of the Bow Valley Corridor with an opportunity to offer their opinions, CBEC launched an online questionnaire.

Research conducted by CBEC showed that a majority of respondents are in favour of moving forward with a bid for the 2026 OPWG, but the support is conditional on a bid and final hosting plan being Calgary-focused and economically viable. Feedback suggested that a broad coalition of support existed from residents of Calgary and the Bow Valley Corridor as well as from key stakeholders from community organizations and from national sport organizations.

August 2017 to February 2018: Stakeholder Engagement

Upon the submission of the CBEC final report in August 2017, The City's 2026 OPWG Project Team has continued to engage with venue operators and key government and community stakeholders. Communication continues with the GoC, the GoA, Town of Canmore, the International Olympic Committee (IOC), the International Paralympic Committee (IPC), the Canadian Olympic Committee (COC), and the Canadian Paralympic Committee (CPC), including The City's participation in the IOC's Observer Program at the 2018 Olympic Winter Games and Paralympic Games in PyeongChang, South Korea.

The Project Team has also met with its Advisory Panel, which is comprised of a number of former CBEC board members and community leaders. This Advisory Panel helps inform the Project Team's work, ensuring that a wide variety of impacts and benefits of hosting the 2026 OPWG are understood and considered.

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A City Administrative Steering Committee has been established to leverage specialized expertise across The City and to provide weekly monitoring of project activities. The City's Administrative Leadership Team is also engaged on a regular basis.

An environmental scan was launched in February 2018, prior to the 2018 Winter Olympic Games, to The City's Citizen View panel which consists of 3,277 panel members. A total of 1,235 panelists completed the survey and some highlights include: 95 per cent of Calgarians are aware that The City is exploring a potential 2026 OPWG bid; and, 70 per cent of Calgarians have recalled information that is a mix of positive and negative. The top three topics citizens want more information about are financially focused and include:

1. Project cost;
2. Information about funding; and,
3. Economic impacts.

The Citizen View Panel was considered part of a three-pronged approach (citizen view panel, traditional media monitoring and social listening) to help inform the engagement and communications strategy and tactics going forward.

INVESTIGATION: ALTERNATIVES AND ANALYSIS

The 2026 OPWG Project Team has continued to gather information and undertake analysis related to whether it is prudent for The City to move forward with the submission of a bid for the 2026 OPWG. An important consideration that needs to be added into the analysis is direct feedback from Calgarians. Calgarians require information that is fair, balanced and informative, and an engagement process that respects Calgarians' questions and enquiries on all aspects of the OPWG. A comprehensive public engagement plan has always been identified as a critical component of the bid exploration, however this work had been planned to occur under the umbrella of a BidCo.

On 2018 March 29 the GoC and the GoA announced support for the creation of a BidCo. The GoA conditioned their funding support on The City holding a plebiscite to determine the public's views on hosting the 2026 OPWG.

Public Engagement Approach

This Public Engagement Approach responds to Council's 2018 March 19-20 direction to deliver a report to the Priorities and Finance Committee on 2018 April 10 with a robust public engagement plan. The Public Engagement Approach is subject to amendment based on input from Council.

The public engagement approach outlined in this report (Attachment 1) includes two distinct components: an engagement program and a plebiscite. While both of these components are part of a comprehensive public engagement approach, their oversight would be independently managed.

Part A: Engagement Program

The City defines engagement as: purposeful dialogue between The City and stakeholders to gather information to influence decision making. The City's commitment to transparent and inclusive engagement processes is outlined in the Engage Policy (CS009). Engagement

Olympic Bid Proposed Public Engagement Approach

activities happen on a spectrum of strategies and promises. The level at which a project happens in the engagement spectrum depends on the project, stakeholder group, and stage of the process, and can change throughout a process determined by project need. The Engage Policy was used as the foundation for the proposed Engagement Program.

Engagement Objectives

Determining whether to bid for the 2026 OPWG requires The City to engage Calgarians and key stakeholders in a series of conversations around the social, economic and environmental benefits, opportunities, and risks associated with hosting a large international event. The Engagement Program also allows Council and Administration to seek input from Calgarians regarding their priorities. Citizens have a right to be provided with comprehensive information and with opportunities to participate in integrated and robust engagement activities that allows them to make informed decisions.

The public engagement feedback gathered by CBEC in 2017 and through the March 2018 Citizen View Panel survey highlighted the need to provide Calgarians with the appropriate level of information related to costs, benefits, risk, and impact of both pursuing a bid and potentially hosting an Olympic Games. These engagement activities also confirmed the desire of Calgarians to participate in ongoing conversations around the OPWG, and the need to ensure all voices are heard and included.

The proposed Engagement Program addresses three purposes:

- Inform and educate the public about the Bid process;
- Seek Public input into whether or not Calgary should submit a Bid; and
- Identify issues, concerns, and opportunities for stakeholders of a potential Bid, and respond to questions

It is important that The City share all relevant information with Calgarians about the Olympic bidding process, and that this information is publicly available in various formats to enable informed public input. Calgarians need to understand the roles and level of commitment of various orders of government, the roles of the IOC, COC, and CPC, what it means to be a host city for the OPWG, the proposed location of various venues and the role of local municipalities, the costs and projected revenues, the role of volunteers and local businesses, and the proposed legacy of the OPWG. All of this needs to be understood within the economic realities and existing priorities of The City.

It is equally important that The City understands ongoing public sentiment and tracks any changes over time. Understanding 'why' citizens do or do not support an Olympic bid helps Administration respond to the challenges and concerns while considering opportunities and benefits; weighing both to determine the best course of action.

Engagement Principles and Program Streams

The Engagement Program has been designed to reflect the diverse and varied interests of key stakeholders and will be guided by the following principles:

Approval(s): Kurt Hanson/Brad Stevens concurs with this report. Author: Karen Sveinunggaard
City Clerk's: **Julien Lord Charest**

Olympic Bid Proposed Public Engagement Approach

- Accountable;
- Citizen-centric;
- Inclusive and authentic;
- Mutual benefit;
- Respect;
- Responsiveness;
- Timeliness;
- Transparency (open and honest); and
- **Neutrality**

These principles build upon those outlined in The City's Engage Policy.

Three major streams frame the Engagement Program: (1) Public Involvement; (2) Strategic Engagement; and, (3) Communications, which have been further broken out into a detailed work program.

Timing

Engagement is a component of work normally overseen by a BidCo. However, it is anticipated that BidCo will not be fully-staffed and functioning right away. Given the tight timelines (potential Bid Book submission due in January 2019 with a draft projected to be completed by 2018 Q4), Administration is recommending engaging the public and key stakeholders as soon as possible, as BidCo will not yet be capable of undertaking this work. Information gained through the engagement process, including the proposed plebiscite, can be used to inform Council's decision to either proceed with submitting a bid or not, and can also be used to inform Council and Administration of Calgarians' priorities. Once a BidCo is capable of undertaking this work, all engagement related activities would transition under the oversight of BidCo.

Engagement Program Oversight & Execution

To increase the transparency and neutrality of all engagement activities, Administration is recommending that the oversight and implementation of the Engagement Program be moved out from under The City's 2026 OPWG Project Team to be overseen by a sub committee of the project's external Advisory Panel. The sub committee would consist of:

- Susan Veres (Senior VP, Strategy and Business Development, Calgary Municipal Land Corporation), Chair
- Mary Moran (CEO, Calgary Economic Development);
- Cindy Ady (CEO, Tourism Calgary); and,
- Patti Pon (CEO, Calgary Arts Development);

The Advisory Panel sub committee will be responsible for providing regular monthly progress updates to the Administration until BidCo is fully operational. A progress report will be provided to Council in June 2018 and in October 2018.

As is typical for many large-scale City of Calgary projects, Administration is recommending that an outside consulting firm be secured to further refine and execute the Engagement Program. Existing public engagement data will be provided to the successful proponent to ensure a comprehensive understanding of public sentiment is developed over time.

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Part B: Plebiscite (Vote of Electors)

Following public engagement, a plebiscite would provide feedback regarding whether Calgarians are “for” or “against” bidding on the 2026 OPWG. Ensuring that Calgarians are able to make an informed decision will require thorough engagement activities that outline the economic, social, financial and environment benefits, risks, opportunities and impacts of bidding and potentially hosting an OPWG. Voter turnout is driven by two components: opportunities to vote and voter engagement. The strength of the public discourse around the subject of the vote is directly related to the latter.

Timing of a plebiscite

The timing of the plebiscite is to be subject to the mutual agreement of The City, the GoA and the GoC; after the Multi-Party Agreement is signed and the Bid Book is published.

As outlined in the Returning Officer’s report on Public Engagement and Vote of Electors (PFC2018-0373) an informed vote requires a voter who is knowledgeable about the issues and who is able to vote without interference. The shortest time frame required to conduct a vote according to the *Local Authorities Election Act* (LAEA) would be 120 days for a by-election. Given the complexities of conducting an election in Calgary, a geographically expansive city with an estimated 670,000 eligible voters, 6 months is the recommended time frame, at a cost of approximately \$1.96 million.

The recommendation outlined above suggests that October 2018 would be the earliest a plebiscite could be held. However, the plebiscite conditions outlined by the GoA funding indicate that a plebiscite should be held after the Multi-Party Agreement has been signed and the Bid Book published. Based on both the recommendations of the Returning Officer and the requirements of the GoA, Attachment 4 outlines the possibility of holding a plebiscite between October 2018 to February 2019. The timing of the plebiscite, and the pros and cons of an earlier versus later plebiscite date will continue to be discussed with all orders of government in order to reach agreement on a recommended date. Should these discussions result in an agreement, Administration will return to council with a recommended plebiscite date for approval.

Plebiscite Oversight and Execution

The Returning Officer conducts the vote of the electors. Rules for a Council initiated vote of the electors are governed by section 236 of the *Municipal Government Act* (“MGA”). A vote of the electors is conducted in accordance with the *Local Authorities Election Act* (“LAEA”).

Stakeholder Engagement, Research and Communication

The Engagement Program has been developed in consultation with Customer Services and Communications (Communications, Engage, and Corporate Research), the 2026 OPWG project Advisory Panel sub committee, the Project Executive Steering Committee and with subject matter experts in the field of major events engagement. The execution of the Engagement Plan will be aligned with the public engagement activities currently underway in Canmore, Alberta.

The recommendations to proceed with the development of a robust engagement program and the holding of a plebiscite is aligned with funding requirements from the GoA.

Olympic Bid Proposed Public Engagement Approach

Strategic Alignment

This report aligns with the Municipal Development Plan, the corporate Engage Policy, Council direction as outlined in the 2015-2018 Action Plan, and the Leadership Strategic Plan.

Social, Environmental, Economic (External)

Extensive community consultation has been built into The City's existing plans and policies. The 2026 OPWG Bid Exploration utilized these strategic plans as a foundation and as a result citizen's social, environmental and economic priorities will be reflected in the initial draft 2026 OPWG vision, mission, benefits and legacy plans. Should Calgary choose to, and receive IOC endorsement to, proceed to the Candidature Stage, these statements will be further refined with public input by the BidCo and other key stakeholders prior to their inclusion in a formal Bid Book.

Financial Capacity

Current and Future Operating Budget:

The Engagement Program is typically the work of a BidCo, and therefore is considered a bid cost and has already been included in the BidCo budget. As a result, the three government core Members of the BidCo (GoC, GoA, and The City) have agreed that the costs associated with the Engagement Program be funded by BidCo out of their contributions as well as any private revenues generated by BidCo.

The Engagement Program, if approved, will go to Request for Proposal immediately. The City's portion of funding for the Engagement Program is place in Program 426, having been sourced from the Fiscal Stability Reserve through Council's previous direction. The actual cost of the Engagement Program will be solidified once the successful proponent has been chosen.

The cost of a plebiscite has not been included in above estimates.

Current and Future Capital Budget:

No capital budget impacts as a result of this report.

Risk Assessment

There are few identifiable risks associated with the recommendation in this report, however, the risks set out below will need to be managed throughout the proposed Public Engagement Approach.

Perceived Transparency and Neutrality: Public perception around transparency of The City's exploration of 2026 OPWG bid may have been negatively impacted by a perceived lack of detailed information shared with the public up until now. Concerted efforts will be required to maintain transparency and offer balanced and neutral information.

Access to timely information: Detailed information on all aspects of the bid process is required to share with Calgarians. However, much of this information is still in the process of being developed and will not be completed until into Q3 2018. Information will need to be shared as soon as it becomes available.

Olympic Bid Proposed Public Engagement Approach

Managing expectations of multiple stakeholders: Stakeholders associated with this project are diverse and varied including all Calgarians, Indigenous groups, national and local sport organizations, athletes, Bow Valley Corridor residents, all orders of government, media, COC, and IOC. Managing diverse expectations will require focused effort and appropriate communication and engage resources.

Balancing cost and results: While it is critical to inform large public sector decisions of this nature, engagement activities are costly. Strategies and approaches will need to balance costs with anticipated results. Failure to appropriately engage however will impact Calgarians ability to make an informed decision during a plebiscite.

Ability to reach all Calgarians: Appropriate and accessible communication and engagement tactics will be required to ensure that all Calgarians' voices are heard and included in the dialogue.

REASON(S) FOR RECOMMENDATION(S):

The City has a responsibility to inform and engage Calgarians in the allocation of public funds and in significant initiatives that shape the future of the city. This report is specific to the public engagement activities associated with the 2026 OPWG bid dialogue stage. Both Part A and Part B of the Public Engagement Approach are necessary to proceed with a Bid.

ATTACHMENT(S)

1. Public Engagement Approach
2. Previous Council direction
3. CBEC Public Engagement summary
4. Potential Plebiscite Timeline

**PUBLIC ENGAGEMENT APPROACH
Related to the Potential Bid for the
2026 Olympic and Paralympic Winter Games**

INTRODUCTION

This Public Engagement Approach responds to Council's 2018 March 19-20 direction to deliver a report to the Priorities and Finance Committee on 2018 April 10 with a robust public engagement plan. The Public Engagement Approach is subject to amendment based on input from Council, the Government of Canada and the Government of Alberta.

The public engagement approach includes two distinct components: an engagement program and a plebiscite. While both of these components are considered part of a comprehensive public engagement approach, their oversight would be independently managed.

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1.0 PART A: ENGAGEMENT PROGRAM

1.1 Background

The City of Calgary, along with the Government of Alberta (GoA) and the Government of Canada (GoC), is in the process of determining if a Bid for the 2026 Olympic and Paralympic Winter Games (OPWG) should be pursued. In light of a renewed focus on corporate responsibility and the call for transparency and public accountability, the City of Calgary and its partner organizations must deeply engage with the public, community and affected stakeholders. Thorough and robust public engagement is required to gain a comprehensive understanding of community sentiment for bidding.

The Engagement Program responds to the direction from the March 19, 2018 Joint Meeting of City of Calgary Council where Administration was directed to report back to the Priorities and Finance Committee on April 10, 2018 with a robust public engagement plan related to the City's exploration of the potential bid for the 2026 Olympic and Paralympic Winter Games. The Engagement Program also responds to the request from the GoA and GoC for a comprehensive and independent engagement program.

There is significant value to the City of Calgary, along with the GoA and the GoC, in providing the best, inclusive and unbiased stakeholder engagement and communications program possible. In addition, the feedback gathered could inform other City-wide strategies.

This document provides an overview of the Engagement Program and will change as required to ensure the successful delivery of the Engagement Program along with its adherence to the Guiding Principles. In addition, there will be a monthly report to each of the members of the Bid Corporation (BidCo) on the progress of the program.

The Engagement Program has been developed in collaboration with the volunteer Engagement Advisory Panel, which is recommending and will oversee the start-up and implementation of the program. In addition, two concurrent engagement programs are in progress and all three programs will be coordinated by the Engagement Teams:

- (1) Indigenous Engagement Program, which is being led by other members of the volunteer advisory group
- (2) Canmore Corridor Engagement Program, led by the Town of Canmore

A third-party firm will be contracted to implement the program under the guidance of the Engagement Advisory Panel and through Calgary Municipal Land Corporation (CMLC) procurement process. The firm will be supervised by the Engagement Advisory Panel, which will also oversee any interim engagement and communications activities undertaken by City resources until the firm is contracted.

1.2 Overview of Engagement Program

The Engagement Program will build on the work the Calgary Bid Exploration Committee (CBEC) undertook in early 2017 and the work undertaken by the City of Calgary to date. The program will be designed to take into account unique and diverse stakeholders and will be responsive and adaptive to the feedback received through the various stages of the program.

The program also shares timely information with stakeholders to keep them informed throughout the process. In addition to information on the Project, the program will provide information on how stakeholders can provide comments/feedback on the potential Bid.

The feedback received will be incorporated into the program and will inform its ongoing design. The program seeks meaningful input from stakeholders regarding the potential Bid, environmental effects, and socio-economic effects and benefits and more.

1.3 Purpose

The purpose of the Engagement Program is to:

- Inform and educate the public about the Bid process;
- Seek Public input into whether or not Calgary should submit a Bid; and
- Identify issues, concerns and opportunities for stakeholders of a potential Bid, and respond to questions

There is a need for the City of Calgary to communicate about the International Olympic Committee (IOC) bidding process in order to make facts publicly available to further inform public input. There is a need to educate Calgarians about what it means for Calgary to potentially bid, what should go into a potential bid (recommendations, ideas, events, etc.) and hear from citizens about why they think bidding is either a positive or negative idea. In addition, as new information and analysis is developed it will be shared.

The City of Calgary, along with the GoA and the GoC, as the Funding Parties, need to understand why residents support or do not support a potential Bid. Getting to the 'why' helps the City understand all of the challenges and benefits, the vision and the legacy Calgarians want to see as well as their fears and/or hesitations. By getting this information, the Funding Parties understand not just what Calgarians want and why, but also their vision – what should be included, their concerns and aspirations. The engagement will target a wide variety of stakeholders, including those who do not traditionally participate in voting or engagement.

The Engagement Advisory Panel will consider related public engagement programs and best in practice. The panel has engaged a Public Engagement Strategic Expert who also worked on the Vancouver 2010 Bid and Winter Games, and who currently leads the stakeholder engagement and communications program for Kinder Morgan Canada's Trans Mountain Expansion Project.

1.4 Timeline

The timeline of the Engagement Program is from April 2018 to September 1, 2018. The Engagement Program will be funded by BidCo.

This report makes the assumption a potential BidCo will be functional by September 2018 and will develop the programs for the potential BidCo phase and the strategic approach for engagement and communications.

As the Engagement Advisory Panel navigates through this initial phase of the Engagement Program, consideration will be given to the implications of a potential future plebiscite.

1.5 Engagement Advisory Panel

The Engagement Advisory Panel is a sub-committee of the overall volunteer Advisory Panel established by the City to provide advice to City staff on Bid exploration activities. It comprises four volunteers; Susan Veres, Mary Moran, Cindy Ady and Patti Pon.

1.6 Engage Spectrum

At the City of Calgary engagement means: purposeful dialogue between the City and stakeholders to gather information to influence decision making.

The City's commitment to transparent and inclusive engagement processes is outlined in the Engage Policy (CS009). Engagement activities happen on a spectrum of strategies and promises. The level at which a project happens in the engagement spectrum depends on the project, stakeholder group and stage of the process. The level can change throughout a process and is always determined by the engagement planner in collaboration with the project team, which is based on project needs and scope.

1.7 Guiding Principles

The Engagement Program will be designed to reflect the diverse and varied interests of Calgarians and key stakeholders. The following principles have been and will continue to be used to guide the development and execution of the Engagement Program:

- **Accountable** – Upholding the commitments the City makes to its citizens and stakeholders by demonstrating that the results and outcomes of the engagement processes are consistent with the approved plans for engagement.
- **Citizen-centric** – Focusing on hearing the needs and voices of both directly impacted and indirectly impacted citizens.
- **Inclusive and authentic** – Facilitate the involvement of all stakeholders; listen and gather input, and work collaboratively to resolve concerns. Be fair, open and unbiased, and be more than a checklist. It is important that the consultation program supports an outcome of public acceptance.
- **Respect** – Respect individual values, recognize the legitimacy of concerns and value stakeholder input. Where required, reframe the discussion and customize the approach to the stakeholder.
- **Responsive and Committed** – Use input and where feasible, provide timely feedback to stakeholders on how their input has affected plans and decisions.
- **Timeliness** – Initiate engagement and communications as early as possible to provide adequate time for stakeholders to assess information and provide input.
- **Transparency (open and honest)** – Commitments made to stakeholders will be documented and carried out. When the Project is unable to act on input, an explanation will be provided. Be clear as to how we respond to and deal with issues – what we own vs. influence, what we need to be involved in, what others need to respond to, etc.
- **Neutrality** – Information shared with the public and stakeholders will be factual and neutral. The engagement program does not take one side over the other, will not be a 'cheerleader' for the Olympics and will focus on providing all stakeholders with pertinent, factual, neutral information (both positive and negative), as it pertains to Calgary potentially hosting the Games.

1.8 General Approach

The approach to engagement will be adaptable to address unique circumstances or issues specific of a potential Bid. It must be flexible to the prevailing local environment while taking into account the evolving consultation expectations. The approach has been designed to be fit-for-purpose and iterative and would evolve in response to the unique interests and objectives of stakeholder groups, within the context of the broader milestones for the potential Bid.

The Engagement Program will be designed to foster participation from the public who have an interest in understanding the scope and activities of a potential Bid. The strategy will seek meaningful input from stakeholders regarding the potential Bid; environmental effects and socio-economic effects and benefits. The program also ensures timely information with stakeholders to keep them informed throughout the process. In addition to communicating information about the potential Bid, stakeholders will be provided information on how they can provide feedback.

Engagement tactics will continuously be assessed and modified accordingly, based on input from the consultation process as well as continuous environmental, stakeholder and media scans to identify potential issues, trends and risks emerging.

Facilitation of best practice provides opportunities for every stakeholder to provide feedback. At times that may mean providing opportunities for vocal or disruptive opposition as well as those who are most interested in factual information sharing. Facilitation planning for each public consultation opportunity will identify the engagement format that best supports the desired outcome.

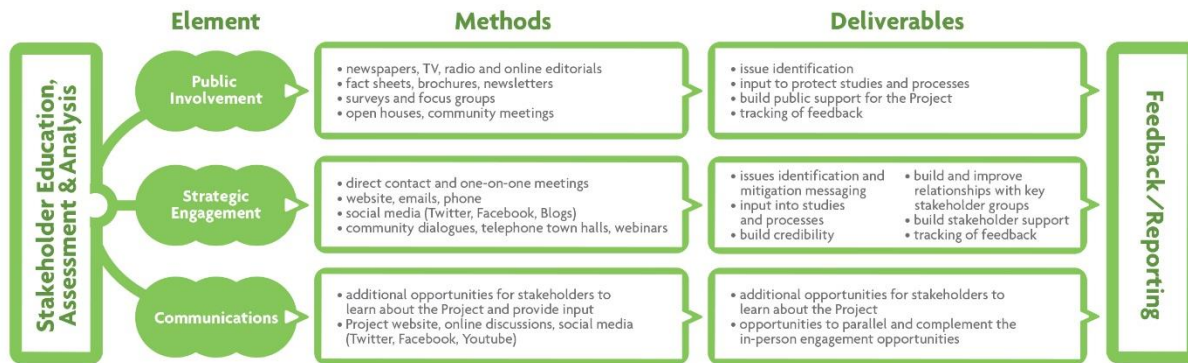
New digital technologies, including online and social media, have the potential to strengthen both the quantity and quality of public participation while creating additional opportunities to gauge and measure stakeholder feedback. Digital media can increase information transparency and supports the rapid sharing of timely information.

1.9 Engagement Program Streams

The potential Bid will collaborate on three major streams of the Engagement Program, with the stakeholder assessment/validation and a gap analysis in the beginning, and a feedback loop to stakeholders at the end. This will ensure stakeholders can clearly see where their input has been incorporated. These three streams are:

1. Public involvement
2. Strategic engagement
3. Communications

Below is a visual depiction of the approaches to be used in conducting each stream and the associated deliverables.



1.10 Stakeholder Assessment/Validation & Gap Analysis

To ensure the team fully understands who the stakeholders are, a stakeholder assessment will be undertaken and is outlined below, before engagement and education commences. Need to identify stakeholders at all levels, including:

- Their issues and their priority level
- Their circles of influence
- How they want to be engaged
- Consider their desires and requirements

This can be accomplished by:

- Validating stakeholders, their issues/concerns and their priority/influence. This includes stakeholders who are supportive and those who are not.
- Ensuring initial communication material addresses preliminary issues
- Reviewing and analyzing existing engagement materials and undertaking a “gap analysis.” The gap analysis will determine if there are stakeholders that have been missed, appear dissatisfied with the level of engagement to date or identify any gross misconceptions or misinformation that has affected the objectivity of any particular stakeholder.
- Identifying any risks to be addressed before consultation commences

1.11 Public Involvement

The Public Involvement stream would lay the foundation for the entire Engagement Program. The target audience for this stream will be the Calgarians, the public and other affected stakeholders deemed necessary to meet the engagement objectives. The focus of this stream will be to build awareness and understanding, to identify stakeholder concerns and issues, and to gather broad public input.

This stream will use various modes of engagement and communications including:

- Local newspaper, direct mail and digital notices
- Editorial content in print, television, radio and online media
- Fact sheets, brochures and newsletters (electronic)
- Surveys, research/polling and focus groups
- Open houses and community meetings
- Speakers series

- Project website, email and phone lines
- Telephone town halls and webinars
- Social media channels including Twitter and Facebook
- Online engagement including forums and feedback mechanisms

1.12 Strategic Engagement

The Strategic Engagement stream will be designed as a means through which highly interested and informed stakeholders can engage in more focused discussions with potential Bid representatives to inform the development of detailed potential Bid development, studies, plans and design. The target audience for this stream will include representatives from local governments, community organizations, recreational groups, athletes, not-for-profit/interest groups and other affected parties.

The focus of this stream will be to build a strong dialogue, identify stakeholder concerns and issues, to identify and develop mitigation measures, and to gather informed input.

This stream will use various tactics of engagement including:

- Direct contact and one-on-one meetings with groups
- Establishment of workshops
- Discussions and two-way dialogue

1.13 Communications

To broaden the reach of the Engagement Program, the communications stream offers a range of sources of information and platforms:

- Encourage discussion and education
- Provide a balance of information

Engagement and communications opportunities in this stream run parallel to and complement the in-person engagement opportunities.

Communications efforts will also assist with providing the broader public and other stakeholders who may not be able to or wish to get involved with engagement opportunities with accurate and timely information. The objective is to:

- Fill the void of information
- Combat misinformation
- Break the silence
- Be the source of accurate and timely potential Bid knowledge

The online platforms will:

- Provide an information resource, which describes the potential Bid and the process
- Provide relevant contact details and answers to frequently asked question.
- Aim to be an easy-to-update resource that will house key pieces of public information that will be updated frequently
- Have analytics that will help evaluate the potential Bid interest and what topics are the most relevant to the public

This stream will use various modes of communications including:

- Online engagement
- Twitter
- Facebook
- SoundCloud
- YouTube
- Telephone town halls
- Website (question-and-answer forum; geotargeting/map-based commenting)
- Various forums for stakeholders to ask questions (e.g., a toll-free phone line and email)
- Content management for enewsletters, blogs and webinars
- Media relations, including a dedicated media toll-free phone line
- Advertising campaign (modest) aimed at notifying people about ways they can engage in-person or online

1.14 Feedback Loop

Feedback collected will help shape aspects of the potential Bid. Key topics and issues will be relayed to the appropriate team representative to be considered and incorporated in the process and potential Bid design where applicable. The feedback reports will be provided to stakeholders so they can see where their feedback has been incorporated; and where it has not, the rationale. In addition, there would be a monthly report back to each Funding Party with a progress update to City of Calgary Council in June 2018 and the report in October 2018.

2.0 Proposed Engagement Program Workplan

The Engagement Program will deliver an appropriate mix of “traditional” consultation methodologies, while building in a variety of unique features, available technology and social media tools that better address the consultation and communications needs of all stakeholders and the public.

In addition, the program will leverage new media tools, for example, online forums, telephone Townhalls, at an appropriate level so all consultation materials can be made available online for on-demand access and engagement for anyone, at any time.

Once executed, these features will strengthen both the quality and quantity of engagement, while creating additional opportunities to gauge and measure stakeholder feedback and perceptions throughout the process.

The following table outlines key elements of the Engagement Program for the potential Bid. The activities list is not meant to be exhaustive and will change as required to ensure the successful delivery of the Engagement Program along with its adherence to the Guiding Principles.

Proposed Work Program for the Engagement Program

Task	Task Description	Activity	Timeline
1	Engagement Scope of Work	<ul style="list-style-type: none"> • Prepare scope of work for Engagement Program • Issue RFP for implementation of Engagement Program • Determine interim tasks and implement; including media monitoring (traditional and social), update City project page, develop messaging and commence content generation, communication planning to support engagement activities, etc. 	<ul style="list-style-type: none"> • Early April 2018
Strategy Development			
2	Development and Refinement of Strategy	<ul style="list-style-type: none"> • Refine Engagement Program in consultation with team • Review work undertaken to date and reports • Preliminary research and field reconnaissance with key stakeholders, where required 	<ul style="list-style-type: none"> • May 2018
3	Stakeholder and Issues Identification, and Project Introduction and Education	<ul style="list-style-type: none"> • Undertake gap analysis and stakeholder assessment • Identify stakeholders and potential issues • Initial meetings – ask how communities/stakeholders want to be engaged and who key stakeholders are • Follow up on any actions • Launch website (provides an overview, potential Bid process information, identifies communication methods, ways to be involved, etc.) • Launch toll-free line and an email address • Secure social media channels including Twitter handle, Facebook, YouTube, Instagram • Develop internal FAQ for responding to stakeholders and the media • Establish a media toll-free number and an email address • Develop social media strategy • Commence development of master calendar of events 	<ul style="list-style-type: none"> • April – May 2018; ongoing
Program Delivery			
4	Public Information, Education & Input Gathering	<ul style="list-style-type: none"> • Develop engagement tools and initiatives based on experience and local knowledge of issues and concerns • Identify appropriate engagement methods by listening to stakeholders and determining how they want to be consulted with going forward • Continue to research and identify stakeholders, their issues and concerns • Followup to letters/phone calls to key stakeholders – offer to meet, answer any questions, etc. • Review feedback to determine initial information needs • Development of key messaging to support all aspects of the Engagement Program • Drafting content, layout and design of communication materials to support all aspects of engagement programs • Provide accurate information and correct any misinformation about the potential Bid • Monitor social media for issues and misinformation and address • One-on-one meetings, where required, with key stakeholders and influencers • Develop media relations protocol and proactive media relations strategy • Develop issues sheet and briefing note templates 	<ul style="list-style-type: none"> • May 2018

Proposed Work Program for the Engagement Program

Task	Task Description	Activity	Timeline
	Ensure accurate and timely information about the potential Bid	<ul style="list-style-type: none"> Continue to implement Engagement Program Continue with stakeholder identification Continue to meet with key influencers such as not-for-profits, governments and key stakeholders to determine the “value proposition” the potential Bid presents Athletes Program Continue to build key messaging to support all aspects of the Engagement Program Drafting content, layout and design of communication materials to support all aspects of Engagement Program Continue to build-out website and social media channels E-newsletter to stakeholders; start with a monthly e-newsletter Continue to monitor media, correct misinformation and meet with stakeholders Undertake focus groups on messaging, polling and research to set a base line to measure against going forward 	<ul style="list-style-type: none"> May 2018
5	Focused Dialogues	<ul style="list-style-type: none"> Continue to meet with key influencers such as not-for-profit, governments and key stakeholders to determine the “value proposition” the potential Bid presents Form a stakeholder working group to review key elements of potential Bid and identify interests and work with stakeholders to set out the process and approach Establish a list of community-specific benefits beyond direct economic impacts to bring forward as part of broader stakeholder engagement and communications process Understand the unique social conscience and political power of the constituency and make sure the Funding Parties representatives have a strong and active voice in public discussion Develop materials and plan for open houses, telephone town halls (post recordings on SoundCloud) and other online forums Continue to develop website and implement a social media strategy Topic-specific engagement (e.g., environmental and socio-economic approach, routing options, marine issues and economic and community benefits) – through webinars Development of future phases of engagement and communications Development of reports Coordinate and facilitate open houses and community meetings Editorials Proactive media relations Development and circulation of fact sheets, brochures and newsletters Manage the website, email and phone lines Management and monitoring of social media 	<ul style="list-style-type: none"> June 2018

Proposed Work Program for the Engagement Program		
Task	Task Description	Timeline
6	Engagement Program	<ul style="list-style-type: none"> Ongoing
	Data Management	
	<ul style="list-style-type: none"> Customization and hosting of database system to track all activities Management of data input and data integrity Coordination of reporting to support feedback loop, Project planning and Engagement Program 	
7	Reporting	<ul style="list-style-type: none"> Determine reporting requirements Ongoing

3.0 PART B: PLEBISCITE (Vote of Electors)

Following public engagement, a plebiscite would provide feedback regarding whether Calgarians are “for” or “against” bidding on the 2026 OPWG. Ensuring that Calgarians are able to make an informed decision will require thorough engagement activities that outline the economic, social, financial and environment benefits, risks, opportunities and impacts of bidding and potentially hosting an OPWG. Voter turnout is driven by two components: opportunities to vote and voter engagement. The strength of the public discourse around the subject of the vote is directly related to the latter.

Timing of a plebiscite

The timing of the plebiscite is subject to the mutual agreement of The City, the GoA and the GoC; after the Multi-Party Agreement is signed and the Bid Book is published.

As outlined in the Returning Officer’s report on Public Engagement and Vote of Electors (PFC2018-0373) an informed vote requires a voter who is knowledgeable about the issues and who is able to vote without interference. The shortest time frame required to conduct a vote according to the *Local Authorities Election Act* (LAEA) would be 120 days for a by-election. Given the complexities of conducting an election in Calgary, a geographically expansive city with an estimated 670,000 eligible voters, 6 months is the recommended time frame, at a cost of approximately \$1.96 million.

The recommendation outlined above suggests that October 2018 would be the earliest a plebiscite could be held. The plebiscite conditions outlined by the GoA funding indicate that a plebiscite should be held after the Multi-Party Agreement has been signed and the Bid Book published. Based on both the recommendations of the Returning Officer and the requirements of the GoA, Attachment 4 outlines the possibility of holding a plebiscite between October 2018 to February 2019. The timing of the plebiscite, and the pros and cons of an earlier vs later plebiscite date will continue to be discussed with all orders of government. Administration will return with a recommended plebiscite date.

Plebiscite Oversight and Execution

The Returning Officer conducts the vote of the electors. Rules for a Council initiated vote of the electors are governed by section 236 of the *Municipal Government Act* (“MGA”). A vote of the electors is conducted in accordance with the *Local Authorities Election Act* (“LAEA”).

Council approved the following Motion at the 2018 March 19-20 Combined Meeting of Council:

That with respect to Report C2018-0266, the following be adopted, after amendment:

"That to allow Administration to continue its work, Council approve in principle the recommendations outlined below and, upon Administration advising Council in writing that it has secured financial commitments from the Government of Alberta and the Government of Canada, for continuing to fund the Olympic bid exploration process:

1. Authorize The City of Calgary to become a member of, elect directors, and incorporate a Bid Corporation (BidCo) to continue the exploration of a bid for the 2026 Olympic and Paralympic Winter Games (OPWG);
2. Approve the Deputy City Manager as having the authority to exercise all the powers and voting rights associated with The City's membership interest in BidCo, subject to the Deputy City Manager first seeking Council direction regarding matters that materially affect the legal, business or financial risk for The City;
3. Authorize the Mayor to execute on behalf of The City all BidCo resolutions and related documents required to establish the appropriate membership and governance structure of BidCo substantially in the form described in the report, such documents to be satisfactory in content and form to the Deputy City Manager and the City Solicitor and General Counsel respectively;
4. Release an additional \$1 million (of the \$2 million) of Fiscal Stability Reserve funds that Council approved on 2017 November 20 (C2017-1181);
5. Approve a one-time increase in 2018 to operating budget program #426 of \$2.5 million from the Fiscal Stability Reserve, to complete The City's required \$9.5 million total funding commitment to the BidCo;
6. Return to Council through PFC at its April 10 meeting with an update, including a robust public engagement plan and a proposed reporting structure from BidCo to Council; and
7. Direct that the Closed Meeting discussions remain confidential subject to Sections 21 and 23 of the *Freedom of Information and Protection of Privacy Act*."

On 2018 March 21 Council approved the following Motion Arising:

"That with respect to Report C2018-0266, Council refer the following proposed Motion Arising to the 2018 April 10 Regular Meeting of the Priorities and Finance Committee, to be considered following the Olympic Public Engagement Report and the Returning Officer's report on Vote of Electors:

That with respect to Report C2018-0266, the following Motion Arising be adopted:

That Council:

1. Direct Administration to inquire into the feasibility of the International Olympic Committee providing a bid deadline extension of six (6) months;
2. Direct Administration to conduct a city wide 'Vote of the Electors' on whether electors are in favour of their Council submitting this bid; and
3. Postpone its decision to bid on the 2026 Olympic and Paralympic Winter Games until after the City Clerk reports back with the outcome of the 'Vote of the Electors'."

On 2018 January 29, Administration delivered a verbal report to Council. City Council received the verbal report for information and directed Administration to return to Council with an update on the financial commitment towards a Bid Corporation by the other orders of government and a debrief regarding the PyeongChang Observer Program no later than 2018 March.

On 2017 November 20 (C2017-1181), City Council directed Administration to continue to seek financial participation from the other orders of government in the Bid Corporation. Council also approved a one-time increase in funding in 2018 of up to \$2 million from the Fiscal Stability Reserve. In addition, Council directed Administration to move beyond the Calgary Bid Exploration Committee mandate to specifically explore venues outside of Calgary as part of an updated Master Facilities Plan to reduce the costs of hosting the 2026 OPWG, and incorporate the work on the five principles into the BidCo work where possible and seek any commensurate savings.

On 2017 November 13 (C2017-1162), Council supported Administration's recommendation to receive this report for information, and directed Administration to report back to Council 2017 November 20, with a formal funding request to deliver on the additional work required for the Dialogue Stage. In addition, Council made an amendment to recommendation 3 which directs Administration to seek confirmation from the other orders of government to ascertain their funding commitment on the bid.

On 2017 July 31 (C2017-0616), Council supported Administration's recommendation that The City transition from an Exploration Phase to an Invitation Phase, and address the Council endorsed five Principles (C2017-0616, Attachment 4).

On 2017 July 24 (C2017-0599), CBEC presented their recommendations regarding the Olympic Bid Exploration to Council for information.

On 2017 June 19 (C2017-0541), Administration and CBEC provided Council with a report that provided an update on the Olympic Bid Exploration work CBEC and Administration had done to date. Council received this report for information.

On 2017 January 23 (C2017-0097), Council endorsed Administration's Feasibility Assessment, gave authority to the General Manager of Community Services and the Deputy City Manager to make content changes, unless they are material in nature, and received for information Administration's project governance structure and CBEC's updates including a refined funding agreement and CBEC's report delivery milestones.

On 2016 October 3 (C2016-0810), Council adopted Administration's recommendations: 1) that The City of Calgary assume a controlling interest in CBEC; 2) Authorize the General Manager , Community Services to exercise all the powers and voting rights of The City as a shareholder of Calgary Bid Exploration Committee when such action is required subject to the General Manager; and 3) Authorize the Mayor to execute on behalf of The City all company resolutions and related documents, including a unanimous members' agreement, required to establish the appropriate shareholder and governance structure of Calgary Bid Exploration Committee.

On 2016 September 26 (C2016-0738), Council adopted the amended deliverables, milestones and timelines and authorized the General Manager, Community Services to make such further amendments

to the deliverables, milestones and timelines as he deems required once the same have been discussed with the Board of Directors for the Calgary Bid Exploration Committee.

On 2016 June 20 (C2016-0537), Council approved "CSTA Update" which endorsed a Bid Exploration for the 2026 OPWG. Council approved the formation and funding for BIDEXCO (\$4.7 million for BIDEXCO work and \$0.3 million for Administration support), for the purpose of carrying out the bid exploration to determine a recommendation regarding the notice of intent to bid for the 2026 OPWG and the General Manager of Community Services has the authority to negotiate and execute the Funding Agreement.

For full details on the public engagement activities undertaken by CBEC, please refer to pages 31 – 78 in the [CBEC Full Report](#).

The CBEC contracted the research consulting firm of Stone-Olafson to undertake three different public engagement activities between February and March 2017: a quantitative survey, interviews with key stakeholders, and an online questionnaire.

The quantitative survey used a dual methodology with both online and telephone sampling. A total of 1,949 surveys were completed: 789 online (primarily Calgary census metropolitan area residents) and 1,160 telephone surveys (Calgary and the Bow Valley Corridor including Banff, Canmore and Cochrane). This scientifically valid survey tested respondents' sentiment to a prospective bid through the lens of the City's Triple Bottom Line Policy by examining economic, social/cultural and environmental motivations. The goal of this survey was to move beyond a simple yes or no answer as to whether Calgarians support an Olympic bid. More importantly, the focus was to understand what factors would play a role in Calgarians supporting or objecting to an Olympic bid and potentially hosting the 2026 OPWG.

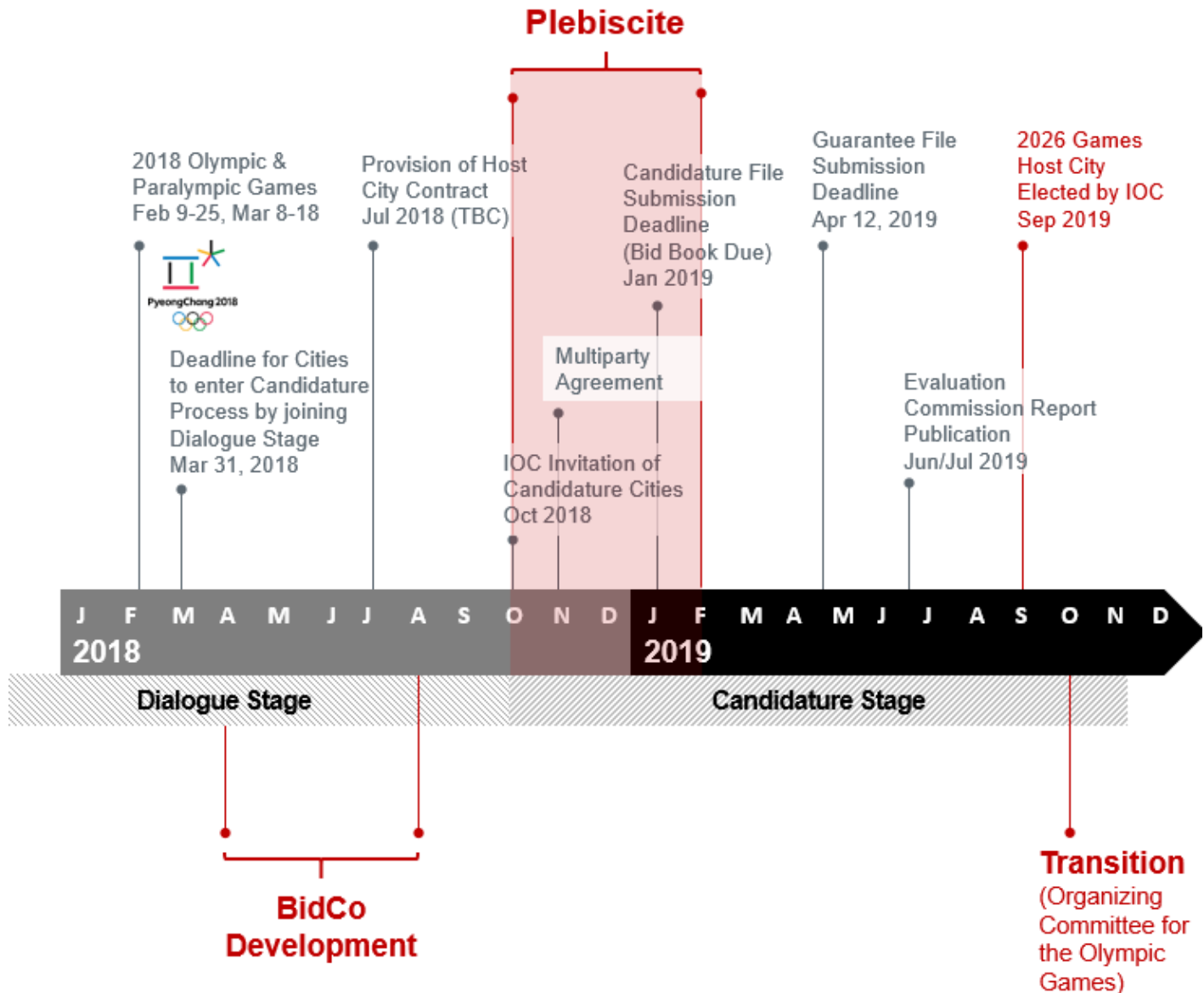
The interview portion of the research included interviewing approximately 100 key stakeholders (including Indigenous representation) which focused on the perceived impact to the community from an economic, social/cultural or environmental perspective. Organizations representing all three of the Triple Bottom line lens were included in this segment of the research. Both the perceived positive and negative impacts that a prospective bid could have on the city were gathered along with respondents' vision of Calgary for the future to assess if bidding on and potentially hosting the 2026 OPWG would advance that vision or not.

To provide all Calgarians and residents of the Bow Valley Corridor with an opportunity to offer their opinions, CBEC launched an online questionnaire at www.shouldcalgarybid.com. The tool presented participants with both potential positive and negative impacts associated with hosting an Olympic Games drawn from academic literature. It then asked the participant if they would support or oppose an Olympic bid with that information in mind and provided an opportunity for open feedback.

Research conducted by CBEC showed that a majority of respondents are in favour of moving forward with a bid for the 2026 OPWG, but the support is conditional on a bid and final hosting plan being Calgary-focused and economically viable. Feedback suggested that a broad coalition of support existed from residents of Calgary and the Bow River Corridor as well as from key stakeholders from community organizations aligning to the Triple Bottom Line policy and from national sport organizations.

A number of citizens provided neutral or conditional answers as they felt they lacked the necessary facts to make an informed choice. Prominent matters of interest and concern that arose throughout the research included new or renewed infrastructure, the economic health of the Calgary region, and the impact that hosting a Games may have on government finances.

Potential Plebiscite Timeline



POSTPONED REPORT

Vote of the Electors (Plebiscite), PFC2018-0373

Background: This Report was scheduled for the 2018 April 10 Priorities and Finance Committee Meeting and was forwarded to the 2018 April 16 Regular Public Hearing Meeting of Council as an item of Urgent Business. At the 2018 April 16 Regular Public Hearing Meeting postponed the Report to the 2018 April 23 Regular Meeting of Council:

Excerpt from the Minutes of the Regular Public Hearing Meeting of Council, 2018 April 16-17:

“Moved by Councillor Farrell

Seconded by Councillor Keating

That Council postpone Reports PFC2018-0366 and PFC2018-0373 to the 2018 April 23 Regular Meeting of Council.

MOTION CARRIED”

Returning Officer's Report to
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2018 April 10

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Vote of the Electors (Plebiscite)

EXECUTIVE SUMMARY

This report presents legislative requirements to hold a vote of the electors and the Returning Officer's analysis with respect to timing, necessary resources and associated costs.

ADMINISTRATION RECOMMENDATION:

That Priorities and Finance Committee recommend that Council receive this report for information.

RECOMMENDATION OF THE PRIORITIES AND FINANCE COMMITTEE, DATED 2018 APRIL 10

That the Administration Recommendation contained in Report PFC2018-0373 be approved.

Opposition to the Recommendation: Councillor Gondek

Excerpts from the Minutes of the Regular Meeting of the Priorities and Finance Committee, Held 2018 April 10:

"And further, that this Report be forwarded as an Item of Urgent Business to the 2018 April 16 Public Hearing of Council."

PREVIOUS COUNCIL DIRECTION / POLICY

At the Strategic Council Meeting on March 21, 2018

Motion Arising with Respect to Olympic Bid Dialogue Stage Update, C2018-0266

That with respect to Report C2018-0266, Council refer the following proposed Motion Arising to the 2018 April 10 Regular Meeting of the Priorities and Finance Committee, to be considered following the Olympic Public Engagement Report and the Returning Officer's report on a Vote of the Electors:

"Moved by Councillor Chu Seconded by Councillor Farkas

That with respect to Report C2018-0266, the following Motion Arising be adopted:

That Council:

- 1. Direct Administration to inquire into the feasibility of the International Olympic Committee providing a bid deadline extension of six (6) months;*
- 2. Direct Administration to conduct a city wide 'Vote of the Electors' on whether electors are in favour of their Council submitting this bid; and*
- 3. Postpone its decision to bid on the 2026 Olympic and Paralympic Winter Games until after the City Clerk reports back with the outcome of the 'Vote of the Electors'."*

**Returning Officer's Report to
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Vote of the Electors (Plebiscite)

BACKGROUND

Rules for a Council initiated vote of the electors are governed by section 236 of the *Municipal Government Act* ("MGA"). The MGA provides that a Council may conduct a vote of the electors, however, the legislation specifically indicates that the result of the vote does not bind Council.

A vote of the electors is conducted in accordance with the *Local Authorities Election Act* ("LAEA"). Individuals eligible to vote are defined in the LAEA as electors or voters. Electors or voters must meet the LAEA requirement of being at least 18 years of age, a Canadian citizen, a resident of Alberta for 6 months before election day and a resident of Calgary on election day. Individuals who do not meet the legislated requirements are unable to vote.

The population of the City of Calgary is **1,246,337**, of which approximately **1,000,009** are over 18 years of age (2016 census). For the 2017 General Election there were 666,663 electors.

Voter turnout for the last five general elections, vote of the electors (* both were conducted at the same time as a general election) and two by-elections are as follows:

General Election	Vote of the Electors	By-Elections
2017 - 58% (387,583)	*1989 - 249,955 (fluoridation)	2005 - 19.7% 33,312 (Ward 10)
2013 - 39.4% (262,577)	*1989 - 215,907 (water meters)	2000 - 23% 38,102 (Ward13)
2010 - 53.4% (354,090)		
2007 - 33% (210,597)		
2004 - 19.8% (119,137)		

INVESTIGATION: ALTERNATIVES AND ANALYSIS

An informed vote requires a voter who is knowledgeable about the issues and who is able to vote without interference. The Returning Officer conducts the vote of the electors. When the decision to hold the vote is approved, the Elections Office would begin preparations for the vote, including booking locations, finding 3,000+ workers and associated LAEA advertising.

The shortest time frame required to conduct a vote according to the LAEA would be 120 days for a by-election. Given the complexities of conducting an election in Calgary, a geographically expansive city with an estimated 670,000 eligible voters, 6 months is the recommended time frame.

A vote of the electors requires that a question on the ballot and related explanations be provided. The Returning Officer would work with an outside consultant, within the 6 months of preparation for the vote, to develop a question and "for and against" explanations. The Returning Officer would provide the question and related explanations to City Council for approval.

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Vote of the Electors (Plebiscite)

Stakeholder Engagement, Research and Communication

Legislation requires the vote be conducted in English. By practise the Elections Office has provided instructions to voters in other languages. The question and explanations, as translated, are provided as a public service and do not have any legal standing. In my experience, translations can change the meaning of a question and related explanations. The Elections Office would use professional translations to minimize that impact.

Public education, legislated advertising and forms associated with this vote are limited to providing the wording of the question and related explanations. The Returning Officer and election team cannot provide additional commentary, explanations or details either before, during or after the vote. Any additional information such as economic, social or financial impacts related to the question are left to the voters to obtain through other channels such as open houses, social media, traditional news outlets or other engagement strategies.

To assist voters, as indicated in my response to the Administrative Inquiry (March 1, 2018), I would recommend early in the process encouraging representatives for the “for and against” campaigns to register with the Returning Officer. As noted above, the difficulty with this type of vote is there is no formal channel to obtain the additional information. The LAEA limits the number of registrations of scrutineers to only one representative for each side of the vote. These representatives would be the key individuals we would communicate with on legislated processes (voting opportunities and scrutineers) and direct the public to obtain more information from.

Strategic Alignment

A vote of the electors can occur and aligns with the City's principle of a “well run City”.

Financial Capacity

Current and Future Operating Budget:

To conduct a city-wide election, the anticipated cost would be approximately \$1.96 million. These costs would include the following:

- hiring and training 3,000 workers for the various vote opportunities (\$1,000,000),
- rental of locations (\$80,000),
- purchasing and distribution of supplies (\$80,000),
- technology and related support (\$200,000),
- printing of ballots and legislated forms (\$100,000),
- legislative advertisement and public education information, household voter card and postage (\$400,000), and
- contingency (consultant to develop a question and explanations in English and other languages) (\$100,000).

Risk Assessment

The question posed by a member of Council was: “What are the pros and cons of conducting a vote of the electors in October, 2018?” From the perspective of the Returning Officer my responses are as follows:

**Returning Officer's Report to
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Vote of the Electors (Plebiscite)

Pros –

1. October 2018 vote could be conducted.
2. Professionally developed questions and explanations in English and other languages could be prepared and used to inform electors on the vote.
3. Where to vote and legal advertising would provide voters the question and explanations as approved by Council of what a “for and against” vote means. This information will provide the voter an understanding to help inform their vote
4. Calgary’s voter turnout in October, 2017 was over 58%.
5. Council may submit additional questions on other topics to a vote of the electors.

Cons –

1. Given the short time frame some aspects of the traditional election would not be undertaken such as drive up voting and additional voting opportunities. Outreach would be limited to providing the question and explanations and information about where, when and who can vote.
2. Lack of clarity on the question or explanations could be used by campaigns that could result in a lower voter turnout.
3. Economic, social, financial or responsive information is provided by the “for and against” representatives. Thorough engagement strategies need to be developed which takes time to ensure completeness of the strategies.
4. Voter turnout is driven by two components - opportunities to vote and voter engagement. The strength of the public discourse around the subject of the vote is directly related to the latter.
5. Additional questions on the Olympic Bid could result in contrary and confusing results.

REASON(S) FOR RECOMMENDATION(S):

City Council has the legislated authority to provide for a vote of the electors. The result of the vote of the electors does not bind Council.

Attachment for Information – Response to Administrative Inquiry – Plebiscite – March 21, 2018
Strategic Council.



Memo

2018 March 1

To: Mayor and Councillors

From: Laura M. Kennedy, City Clerk

RE: Response to Administrative Inquiry
2018 February 20 Council Meeting – Plebiscite
Submitted by Councillors Demong, Farkas, Chu and Magliocca

Administrative Inquiry:

"This would be a general inquiry as to the costs, timing and processes that would be required to put forward a plebiscite/referendum on an Olympic Bid."

Legislation

Rules for a plebiscite/referendum, referred to the municipal context as a vote by electors, are governed by section 236 of the *Municipal Government Act* ("MGA") and the conduct of this type of vote is governed by the *Local Authorities Election Act* ("LAEA"). The MGA provides that a municipality may conduct a vote of the electors, however, the legislation specifically indicates that the result of the vote does not bind Council.

Timing

Timelines to conduct this type of vote would ideally be a minimum of 6 months from Council's decision to commence. This timing would allow adequate time for Administration to find various locations across the City, complete hiring and training of 3000 workers and complete all legislated processes. The LAEA does not define a timeline for completion of this type of vote. It is my recommendation that the optimum time would be sometime in October as Calgarians are familiar with this month as the general election is held in that month.

Page Two

RE: Response to Administrative Inquiry
February 20, 2018 Council Meeting – Plebiscite
Submitted by Councillors Demong, Farkas, Chu and Magliocca

Processes to be Completed within the 6 months

- *Development of the Question and Summary of a “for and against” vote - 1+ month.* The LAEA s. 44 requires that Council formally determine the wording to be used on the ballot. The LAEA s. 35 (3) also requires that a reasonably complete summary of the question be accepted. The summary will be used to explain to a voter what a “for or against” vote means. In my experience, the question and summary is drafted by an external consultant who specializes in ensuring clarity of the question and summary. This helps mitigate a challenge to the results based on ambiguity.
- *Registration of scrutineers for the “for or against” campaigns - 1+ month.* The difficulty with this type of vote, is there is no formal nomination process. In my experience, it is advisable to have the Returning Officer accept registrations of scrutineers early in the process. The scrutineers would be the key individuals we would communicate with on legislated processes and direct the public to obtain more information from.
- *Vote preparation - 6 months.* This will ensure we can hire and train staff, find locations to hold the vote, supply preparation and distribution, develop communications (public education and legislated advertisements), and hold advance and election day votes.

Costs

To conduct a city-wide vote, the anticipated cost would be approximately \$1.96 million. These costs would include the following:

- hiring and training 3,000 workers for the various vote opportunities (\$1,000,000),
- rental of locations (\$80,000),
- purchasing and distribution of supplies (\$80,000),
- technology and related support (\$200,000),
- printing of ballots and legislated forms (\$100,000),
- legislative advertisement and public education information, household voter card and postage (\$400,000), and
- contingency (\$100,000).

Laura M. Kennedy
City Clerk

Indigenous Flags to be Displayed in Council Chamber

EXECUTIVE SUMMARY

Administration engaged with the member Nations of Treaty 7, the Métis Nation of Alberta Region 3 and the Calgary Aboriginal Urban Affairs Committee (CAUAC) to determine which flags would be appropriate to display in the Chamber. During this engagement, Administration received feedback from all Nations, and continues to work to refine a strategy and proposal for the display of these flags.

ADMINISTRATION RECOMMENDATION:

That Council direct Administration to continue its work with the member Nations of Treaty 7 and the Métis Nation of Alberta Region 3 to refine a strategy and proposal for the display of Indigenous flags in the Council Chamber.

PREVIOUS COUNCIL DIRECTION / POLICY

At the 2017 April 24 meeting of Council, a motion arising directed:

“that with respect to Report CPS2017-0306, that Council direct Administration to engage with the member nations of Treaty 7 (the Kainai Nation, the Piikani Nation, the Siksika Nation, the Tsuut’ina Nation, the Bearspaw Nation, the Chiniki Nation, and the Wesley Nation), to engage with the Métis Nation of Alberta Region 3 and to engage with Calgary Aboriginal Urban Affairs Committee (“CAUAC”) and seek their advice to determine which flags would be appropriate to display in Council Chambers to recognize and honour our Indigenous neighbours and further the City’s efforts on the journey towards reconciliation. Administration is to report back no later than September 11, 2017 with a recommendation of additional flags to be displayed in Council Chambers”.

At the 2017 September 11 Council meeting, Administration was directed to return to Council with a recommendation on which Indigenous flags to display in the Chamber at the same time as further consideration of the Indigenous Policy Framework (scheduled for 2017 Q4). At the 2017 December 18 Council meeting, the recommendation was again deferred to Q1 2018, to allow for continued engagement.

BACKGROUND

Since receiving Council’s direction in 2017, Administration has worked to engage all member Nations of Treaty 7, the Métis Nation of Alberta Region 3, and CAUAC to develop a strategy and proposal for displaying Indigenous flags in the Council Chamber. All Indigenous neighbours and CAUAC have been contacted and valuable feedback has been received. There is overall support for this initiative, and Administration is seeking to refine the strategy and proposal to display the flags.

INVESTIGATION: ALTERNATIVES AND ANALYSIS

Stakeholder Engagement, Research and Communication

An initial engagement strategy was developed in consultation with the Engage unit of Customer Service and Communications, and Calgary Neighbourhoods. The strategy was designed to ensure an appropriate approach to gather information from our Indigenous neighbours.

Law and Legislative Services Report to
Regular Meeting of Council
2018 April 23

ISC: UNRESTRICTED
C2018-0130
Page 2 of 2

Indigenous Flags to be Displayed in Council Chamber

Strategic Alignment

This initiative aligns with Council's adoption of the recommendation made by CAUAC in their report *White Goose Flying*, which advised that adding the Treaty 7 flag would be an actionable initiative that would contribute to the call to 'reaffirm and renew Treaty relationships, and maintain them for the future'.

Social, Environmental, Economic (External)

N/A

Financial Capacity

Current and Future Operating Budget:

To be determined based on the agreed upon proposal.

Current and Future Capital Budget:

Not applicable

Risk Assessment

Not applicable

REASON FOR RECOMMENDATION:

Refining a strategy and proposal with Calgary's Indigenous neighbors furthers The City's efforts on the journey towards reconciliation.

Deputy City Manager's Office Report to
Regular Meeting of Council
2018 April 23

ISC: UNRESTRICTED
C2018-0505
Page 1 of 4

Updated Olympic Bid Proposed Public Engagement Approach

EXECUTIVE SUMMARY

This report is an update to the Public Engagement Approach report that was presented to the Priorities and Finance Committee on 2018 April 10 (PFC2018-0366).

The report includes updates to the Public Engagement Approach based on PFC and City Council feedback, along with a Terms of Reference for the Engagement Advisory sub-committee, as per Council's direction on 2018 April 16.

ADMINISTRATION RECOMMENDATION:

That Council:

1. Approve the updated Public Engagement Approach (Attachment 1);
2. Receive for information the Terms of Reference (Attachment 2) for the Engagement Advisory sub-committee;
3. Authorize Administration to refer all public engagement updates to newly-established Council Committee.

PREVIOUS COUNCIL DIRECTION / POLICY

See Attachment 3.

BACKGROUND

On 2018 March 19-20, City Council authorized Administration to become a member of, elect directors, and incorporate a Bid Corporation (BidCo) to continue the exploration of a bid for the 2026 Olympic and Paralympic Winter Games (OPWG). That direction was contingent upon The City of Calgary receiving confirmation from the Government of Canada (GoC) and Government of Alberta (GoA) to help fund the BidCo.

City Council was notified of the commitments made by the other orders of government to establish BidCo on 2018 March 29. At the 2018 March 19-20 Council meeting, Council also directed Administration to prepare a robust public engagement plan for the next meeting of the Priorities and Finance Committee (PFC) on 2018 April 10.

Administration presented the Public Engagement Approach, which consists of an engagement program and a plebiscite, to PFC on 2018 April 10. Councillors recommended several changes to the document and that feedback is represented in the new version being presented to City Council as attached to this report.

On 2018 April 16, Council directed Administration to develop a new Terms of Reference for the Engagement Advisory sub-committee, in consultation with Members of Council, and report back directly to Council no later than June 2018. The Terms of Reference for the Engagement Advisory sub-committee is presented in this report (Attachment 2).

The Engagement Advisory sub-committee will help facilitate effective stakeholder and expert input, in alignment and consultation with Council and Administration, and other relevant Olympic project work streams (Finance, Vision and Benefits, Venue, Security, Legacy, Sustainability, and Government Relations).

Updated Olympic Bid Proposed Public Engagement Approach

The goal for the Engagement Advisory sub-committee is to provide Calgarians with balanced, neutral and fact-based information and engagement opportunities related to a potential bid for the 2026 OPWG. This work will transition to BidCo once it is ready.

INVESTIGATION: ALTERNATIVES AND ANALYSIS

Administration has continued to gather feedback on its public engagement approach through PFC and City Council.

It was recommended at PFC that the oversight and implementation of the Engagement Program be moved out from under Administration to be overseen by a sub-committee of the project's external Advisory Panel.

The Advisory Panel, which is partially made up of former Calgary Bid Exploration Committee members, appointed the Engagement Advisory sub-committee members based on a combination of competencies and interests, including but not limited to:

- Proven track record of overseeing large-scale unbiased public engagement initiatives;
- Familiarity with major events like the Olympics;
- Experience in procurement processes and holding contracted vendors accountable;
- Experience in reaching diverse audiences through a number of communication and engagement tactics;
- Experience working on building and upgrading large private or public infrastructure projects;
- Experience/knowledge of Calgary recreational and cultural facilities;
- Experience hosting large scale events focused on stimulating the economy;
- Strong relationship-building competencies with ties to a diverse community-based network; and,
- Experienced at Government Relations

It is recommended that the Engagement Advisory sub-committee provide reports to the Administration who will bring them to the newly formed Council Committee. The Engagement Advisory sub-committee will provide regular progress updates for the Council Committee. Progress reports will be provided for Council in June and October 2018.

Administration is working on final recommendations for membership in the Engagement Advisory sub-committee. However, those recommendations were not available at the time this report was published.

Terms of Reference – Engagement Advisory sub-committee

The mandate of the Engagement Advisory sub-committee is to guide and oversee the development and implementation of a robust engagement program, which meets the engagement and communications needs of a potential bid to stage the 2026 OPWG. The Engagement Advisory sub-committee is being struck as an interim body to oversee engagement activities until such time as a BidCo is in place. At that time, all engagement activities will transition under the umbrella of BidCo, and the role of the Engagement Advisory sub-committee may be re-visited.

The Engagement Advisory sub-committee will be responsible for:

- Approving changes to scope, budget and schedule;

Updated Olympic Bid Proposed Public Engagement Approach

- Providing leadership and support to the execution of the program;
- Resolving issues and addressing risks as they emerge;
- Developing and executing a Request for Proposal;
- Selecting and holding accountable a consulting firm to execute on the work;
- Managing progress reporting as appropriate

Updates to Public Engagement Approach

As per PFC2018-0366, the public engagement approach includes two distinct components: an engagement program and a plebiscite. While both of these components are part of a comprehensive public engagement approach, their oversight would be independently managed.

The guiding principles were adjusted based on PFC and Council feedback. Below is an updated list of guiding principles for the Engagement Program:

- Accountable
- Citizen-centric
- Diversity
- Inclusive and authentic
- Neutrality
- Mutual benefit
- Respect
- Responsive and Committed
- Timeliness
- Transparency (open and honest)

Stakeholder Engagement, Research and Communication

The Engagement Approach was presented to PFC and was also circulated to all City Councillors for their review and feedback. That feedback was collected and informed the updated Engagement Approach.

Strategic Alignment

This report aligns with the Municipal Development Plan, the corporate Engage Policy, Council direction as outlined in the 2015-2018 Action Plan, and the Leadership Strategic Plan.

Social, Environmental, Economic (External)

Extensive community consultation has been built into The City's existing plans and policies. The 2026 OPWG Bid Exploration utilized these strategic plans as a foundation and as a result citizen's social, environmental and economic priorities will be reflected in the initial draft 2026 OPWG vision, mission, benefits and legacy plans. Should Calgary choose to, and receive IOC endorsement to, proceed to the Candidature Stage, these statements will be further refined with public input by the BidCo and other key stakeholders prior to their inclusion in a formal Bid Book.

Financial Capacity

Current and Future Operating Budget:

See report PFC2018-0366

Updated Olympic Bid Proposed Public Engagement Approach

Current and Future Capital Budget:

See report PFC2018-0366

Risk Assessment

The list of risks below is an update to those represented in PFC2018-0366 and represent the risks associated with a Public Engagement plan. The Project Team maintains and manages an extensive risk register for the overall Olympic bid dialogue stage.

Clarity on roles and responsibilities: There are several committees and working groups that help support the process on this project and it's important to ensure clarity on the role and responsibility of each of those groups.

Managing expectations of multiple stakeholders: Stakeholders associated with this project are diverse and varied including all Calgarians, Indigenous groups, national and local sport organizations, athletes, Bow Valley Corridor residents, all orders of government, media, COC, and IOC. Managing diverse expectations will require focused effort and appropriate communication and engage resources. Engagement activities happen on a spectrum of strategies and promises. The level at which a project happens in the engagement spectrum depends on the project, participant(s) and stage of the process. The level can change throughout a process and is always determined by the engagement planner in collaboration with the project team, which is based on project needs and scope.

Access to timely information: Detailed information on all aspects of the bid process is required to share with Calgarians. However, much of this information is still in the process of being developed and will not be completed until into Q3 2018. Information will need to be shared as soon as it becomes available.

Balancing cost and results: While it is critical to inform large public sector decisions of this nature, engagement activities are costly. Strategies and approaches will need to balance costs with anticipated results. Failure to appropriately engage however will impact Calgarians ability to make an informed decision during a plebiscite.

Ability to reach all Calgarians: Appropriate and accessible communication and engagement tactics will be required to ensure that all Calgarians' voices are heard and included in the dialogue.

REASON(S) FOR RECOMMENDATION(S):

Administration has taken feedback from PFC and Council and updated the Engagement Approach for the 2026 OPWG bid dialogue stage. In addition, Administration has finalized a Terms of Reference for the Engagement Advisory sub-committee. Upon Council approval of the Engagement Approach, Administration can release a Request for Proposal for the Engagement Program.

ATTACHMENT(S)

1. Updated Public Engagement Approach (highlighting changes)
2. Engagement Advisory sub-committee Terms of Reference
3. Previous Council Direction

**PUBLIC ENGAGEMENT APPROACH
Related to the Potential Bid for the
2026 Olympic and Paralympic Winter Games**

INTRODUCTION

This Public Engagement Approach responds to Council's 2018 March 19-20 direction to deliver a report to the Priorities and Finance Committee on 2018 April 10 with a robust public engagement plan. The Public Engagement Approach is subject to amendment based on input from Council, the Government of Canada and the Government of Alberta.

The public engagement approach includes two distinct components: an engagement program and a plebiscite. While both of these components are considered part of a comprehensive public engagement approach, their oversight would be independently managed.

The document has been updated based on feedback received at the April 10, 2018 Priorities and Finance Committee meeting.

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1.0 PART A: ENGAGEMENT PROGRAM

1.1 Background

The City of Calgary, along with the Government of Alberta (GoA) and the Government of Canada (GoC), is in the process of determining if a Bid for the 2026 Olympic and Paralympic Winter Games (OPWG) should be pursued. In light of a renewed focus on corporate responsibility and the call for transparency and public accountability, The City of Calgary and its partner organizations must deeply engage with Calgarians, their community and affected stakeholders. Thorough and robust public engagement is required to gain a comprehensive understanding of community sentiment for bidding.

The Engagement Program responds to the direction from the March 19, 2018 meeting of City of Calgary Council, where Administration was directed to report back to the Priorities and Finance Committee on April 10, 2018, with a robust public engagement plan related to The City's exploration of the potential bid for the 2026 Olympic and Paralympic Winter Games. The Engagement Program also responds to the request from the GoA and GoC for a comprehensive and independent engagement program.

There is significant value to The City of Calgary, along with the GoA and the GoC, in providing the best, inclusive and unbiased stakeholder engagement and communications program possible. In addition, the feedback gathered could inform other City-wide strategies.

This document provides a general overview of the Engagement Program and may be adjusted as required to ensure the successful delivery of the Engagement Program, along with its adherence to the Guiding Principles. In addition, there will be a monthly report to each of the members of the Bid Corporation (BidCo) on the progress of the program.

The Engagement Program has been developed in collaboration with the volunteer Engagement Advisory sub-committee, which is recommending and will oversee the start-up and implementation of the program. In addition, two concurrent engagement programs are in progress and all three programs will be coordinated by the Engagement Teams:

- (1) Indigenous Engagement Program, which is being led by other members of the volunteer advisory group
- (2) Canmore Corridor Engagement Program, led by the Town of Canmore

A third-party firm will be contracted through a Request for Proposal process to implement the program under the guidance of the Engagement Advisory sub-committee and through Calgary Municipal Land Corporation (CMLC) procurement process. The firm will be supervised by the Engagement Advisory sub-committee, which will also oversee any interim engagement and communications activities undertaken by City resources, until a BidCo is ready to take over the public engagement.

1.2 Overview of Engagement Program

The Engagement Program will build on the work that the Calgary Bid Exploration Committee (CBEC) undertook in early 2017 and the work undertaken by The City of Calgary to date. The program will be designed to take into account unique and diverse stakeholders and will be responsive and adaptive to the feedback received through the various stages of the program.

The program **will also share** timely information with stakeholders to keep them informed throughout the process. In addition to information on the Project, the program will provide information on how participants can provide comments/feedback on the potential Bid.

The feedback received will be incorporated into the program and will inform its ongoing design. The program seeks meaningful input from participants regarding the potential Bid, environmental effects, socio-economic effects, and benefits and risks. **The program will incorporate all feedback – positive and negative – and will also provide factual information on both the pros and cons of Calgary’s potential bid for the Olympic and Paralympic Winter Games. As outlined in the guiding principles below, the program highlights ‘neutrality’ as an important principle in the Engagement Program.**

1.3 Purpose

The purpose of the Engagement Program:

- Inform and educate the public about the Bid process
- Seek Public input into whether or not Calgary should submit a Bid
- Identify issues, concerns and opportunities of a potential Bid, and respond to questions

There is a need for The City of Calgary to inform citizens about the International Olympic Committee (IOC) bidding process. **There is a need to educate Calgarians about what it means for Calgary to potentially bid and hear from engagement participants about why they think bidding is either a positive or negative idea.** In addition, as new information and analysis is developed, it will be shared.

The City of Calgary, along with the GoA and the GoC, as the Funding Parties, need to understand why **participants** support or do not support a potential Bid. Getting to the ‘why’ helps The City understand all the challenges and benefits, the vision and the legacy that Calgarians want to see, as well as their fears and/or hesitations. **By getting this information, the Funding Parties understand not just what Calgarians want and why, but also what additional information should be included as part of the engagement program. The engagement will target a wide variety of stakeholders, including those who do not traditionally participate in voting or engagement, such as youth and newcomers.**

The Engagement Advisory sub-committee will consider related public engagement programs and **best practices. The Sub-committee and City Administration, in the development of this program,** has consulted with a Public Engagement Strategic Expert who also worked on the Vancouver 2010 Bid and Winter Games, and who currently leads the stakeholder engagement and communications program for Kinder Morgan Canada’s Trans Mountain Expansion Project.

1.4 Timeline

The proposed timeline of the Engagement Program is from April 2018 to September 1, 2018 subject to change based on when BidCo is operational. The Engagement Program will be funded by BidCo. This report makes the assumption that the engagement activities will be taken over by BidCo once it is ready to do so.

As the Engagement Advisory sub-committee navigates through this initial phase of the Engagement Program, consideration will be given to the implications of a potential future plebiscite.

1.5 Engagement Advisory Sub-committee

The Engagement Advisory sub-committee is a sub-committee of the overall volunteer Advisory Panel established by The City to provide advice to City staff on Bid exploration activities. It will be comprised of community volunteer advisors, endorsed by Council.

1.6 Engage Spectrum

At The City of Calgary, engagement means: purposeful dialogue between the City and participants to gather information to influence decision making.

The City's commitment to transparent and inclusive engagement processes is outlined in the Engage Policy (CS009). Engagement activities happen on a spectrum of strategies and promises. The level at which a project happens in the engagement spectrum depends on the project, participant(s) and stage of the process. The level can change throughout a process and is always determined by the engagement planner in collaboration with the project team, which is based on project needs and scope. The engage promise (level), as per the Engage Policy, will be determined as the Engagement Program is confirmed.

1.7 Guiding Principles

The Engagement Program will be designed to reflect the diverse and varied interests of Calgarians and key stakeholders. The following principles have been and will continue to be used to guide the development and execution of the Engagement Program:

- **Accountable** – Upholding the commitments The City makes to its citizens and stakeholders by demonstrating the results and outcomes of the engagement processes are consistent with the approved plans for engagement.
- **Citizen-centric** – Focus on hearing the needs and voices of both directly impacted and indirectly impacted citizens.
- **Diversity** – Focus on getting input from a wide range of Calgarians from different backgrounds and demographics: Seniors, youth, men, women, LGBTQS2, Indigenous, newcomers, etc.
- **Inclusive and authentic** – Facilitate the involvement of all citizens; listen and gather input, and work collaboratively to address concerns. Be fair, open and unbiased, and be more than a checklist.
- **Neutrality** – Information shared with the public and stakeholders will be factual and neutral. The engagement program does not take one side over the other, will not be a 'cheerleader' for the Olympics and will focus on providing all stakeholders with pertinent, factual, neutral information (both positive and negative) as it pertains to Calgary potentially hosting the Games.
- **Respect** – Respect individual values, recognize the legitimacy of concerns and value participant input. Where required, customize the engagement approach based on the participant group.

- **Responsive and Committed** – Use input and, where feasible, provide timely feedback to participants on how their input has affected plans and decisions.
- **Timeliness** – Initiate engagement and communications as early as possible to provide adequate time for citizens to assess information and provide input.
- **Transparency (open and honest)** – Commitments made to participants will be documented and carried out. When the Project is unable to act on input, an explanation will be provided. Be clear as to how we respond to and deal with issues – what we own vs. influence, what we need to be involved in, what others need to respond to, etc.

1.8 General Approach

The approach to engagement will be adaptable to address unique circumstances or issues specific of a potential Bid. It must be flexible to the prevailing local environment while taking into account the evolving consultation expectations. The approach has been designed to ensure maximum participation for a diverse audience and would evolve in response to the unique interests and objectives of these participants.

The Engagement Program will be designed to foster participation from the public who have an interest in understanding the scope and activities of a potential Bid. The strategy will seek meaningful input from participants regarding the potential Bid; environmental effects, socio economic effects, and benefits and risks. The program also ensures timely information with citizens to keep them informed throughout the process. In addition to communicating information about the potential Bid, citizens will be provided information on how they can provide feedback.

Engagement tactics will continuously be assessed and modified accordingly, based on input from the consultation process; as well as continuous environmental, stakeholder and media scans to identify potential issues, trends and risks emerging.

Facilitation of best practice provides opportunities for citizens to provide feedback. That means providing opportunities for people who are proponents and opponents to share their perspectives and engage in a two-way conversation. As well, allow people to participate who are most interested in factual information sharing. Facilitation planning for each public consultation opportunity will identify the engagement format that best supports the participants.

New digital technologies, including online and social media, have the potential to strengthen both the quantity and quality of public participation while creating additional opportunities to gauge and measure participant feedback. Digital media can increase information transparency and supports the rapid sharing of timely information.

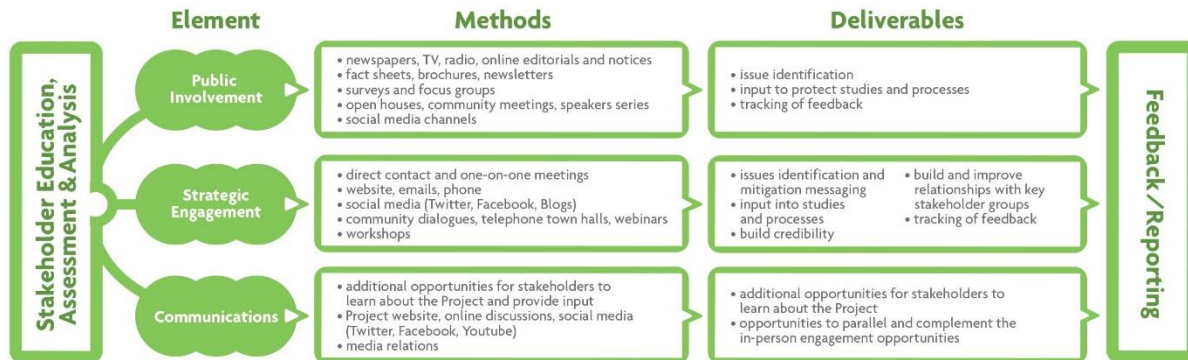
1.9 Engagement Program Streams

There are three major streams of the Engagement Program, with the stakeholder assessment/validation and a gap analysis in the beginning, and a feedback loop to citizens at the end. This will ensure participants can clearly see where their input has been incorporated. These three streams are:

1. Public involvement

2. Strategic engagement
3. Communications

Below is a visual depiction of the approaches to be used in conducting each stream and the associated deliverables. **The information provided will be factual and balanced.**



1.10 Stakeholder Assessment/Validation & Gap Analysis

To ensure the team fully understands who the stakeholders are, a stakeholder assessment will be undertaken, **building on the work already done to** date and is outlined below. Need to identify stakeholders at all levels, including:

- Their issues and their priority level
- Their circles of influence
- How they want to be engaged
- Consider their desires and requirements

This can be accomplished by:

- **Building on the stakeholder identification work undertaken to date**
- Validating stakeholders, their issues/concerns and their priority/influence. This includes stakeholders who are supportive, those who are not, and those who wish to learn more
- Ensuring initial communication material addresses preliminary issues
- Reviewing and analyzing existing engagement materials and undertaking a “gap analysis.” The gap analysis will determine if there are stakeholders that have been missed, appear dissatisfied with the level of engagement to date or identify any gross misconceptions or misinformation that has affected the objectivity of any particular stakeholder.
- Identifying any risks to be addressed before consultation commences

1.11 Public Involvement

The Public Involvement stream would lay the foundation for the entire Engagement Program. The target audience for this stream will be **Calgarians, and** other affected stakeholders deemed necessary to meet the engagement objectives. The focus of this stream will be to build awareness and understanding, to identify stakeholder concerns, issues, and perspective, resulting in a broad spectrum of input.

This stream will use various modes of engagement and communications, **which could include:**

- Local newspaper, direct mail and digital notices
- Editorial content in print, television, radio and online media
- Fact sheets, brochures and newsletters (electronic)
- Surveys, research/polling and focus groups
- Open houses and community meetings
- Speakers series
- Project website, email and phone lines
- Telephone town halls and webinars
- Social media channels including Twitter and Facebook
- Online engagement including forums and feedback mechanisms

1.12 Strategic Engagement

The Strategic Engagement stream will be designed to engage highly interested and informed stakeholders in more focused discussions. The target audience for this stream will include representatives from local governments, community organizations, recreational groups, athletes, not-for-profit, interest groups and other affected and interested parties.

The focus of this stream will be to build a strong dialogue, identify stakeholder concerns and issues, to identify and gather informed input.

This stream will use various tactics of engagement including:

- Direct contact and one-on-one meetings with groups
- Establishment of workshops
- Discussions and two-way dialogue

1.13 Communications

To broaden the reach of the Engagement Program, the communications stream offers a range of sources of information and platforms:

- Encourage discussion and education
- Provide a balance of information

Engagement and communications opportunities in this stream run parallel to and complement the in-person engagement opportunities.

Communications efforts will also assist with providing the broader public and other stakeholders who may not be able to or wish to get involved with engagement opportunities with accurate and timely information. The objective is to:

- Fill the void of information
- Combat misinformation
- Provide balanced and factual information
- Be the source of accurate and timely potential Bid knowledge

The online platforms will:

- Provide an information resource, which describes the potential Bid and the process
- Provide relevant contact details and answers to frequently asked question.

- Aim to be an easy-to-update resource that will house key pieces of public information that will be updated frequently
- Have analytics that will help evaluate the potential Bid interest and what topics are the most relevant to the public

This stream will use various modes of communications, which could include:

- Online engagement
- Twitter
- Facebook
- SoundCloud
- YouTube
- Telephone town halls
- Website (question-and-answer forum; geotargeting/map-based commenting)
- Various forums for stakeholders to ask questions (e.g., a toll-free phone line and email)
- Content management for e-newsletters, blogs and webinars
- Media relations, including a dedicated media toll-free phone line
- Engagement activity promotion aimed at notifying people about ways they can engage in-person or online

1.14 Feedback Loop

Feedback collected will help shape aspects of the potential BidCo's planning. Key topics and issues will be relayed to the appropriate team representative to be considered and incorporated in the process and potential Bid design where applicable. The feedback reports will be provided to stakeholders so they can see where their feedback has been incorporated; and where it has not, the rationale. In addition, there would be a monthly report back to each Funding Party with a progress update to City of Calgary Council in June 2018 and the report in October 2018. Administration will work with the Council Sub-committee to determine the format and frequency of the report back to City Council.

2.0 Proposed Engagement Program Workplan

The Engagement Program will deliver an appropriate mix of "traditional" consultation methodologies, while building in a variety of unique features, available technology and social media tools that better address the consultation and communications needs of all stakeholders and the public.

In addition, the program will leverage new media tools, for example, online forums, telephone Townhalls, at an appropriate level so all consultation materials can be made available online for on-demand access and engagement for anyone, at any time.

Once executed, these features will strengthen both the quality and quantity of engagement, while creating additional opportunities to gauge and measure stakeholder feedback and perceptions throughout the process.

The following table outlines key elements of the Engagement Program for the potential Bid. The activities list is not meant to be exhaustive and will change as required to ensure the successful delivery of the Engagement Program along with its adherence to the Guiding Principles.

Proposed Work Program for the Engagement Program			
Task	Task Description	Activity	Timeline
1	Engagement Scope of Work	<ul style="list-style-type: none"> • Prepare scope of work for Engagement Program • Issue RFP for implementation of Engagement Program • Determine interim tasks and implement; including media monitoring (traditional and social), update City project page, develop messaging and commence content generation, communication planning to support engagement activities, etc. 	<ul style="list-style-type: none"> • Early April 2018
Strategy Development			
2	Development and Refinement of Strategy	<ul style="list-style-type: none"> • Refine Engagement Program in consultation with team • Review work undertaken to date and reports • Preliminary research and field reconnaissance with key stakeholders, where required 	<ul style="list-style-type: none"> • May 2018
3	Stakeholder and Issues Identification, and Project Introduction and Education	<ul style="list-style-type: none"> • Undertake gap analysis and stakeholder assessment • Identify stakeholders and potential issues • Initial meetings – ask how communities/stakeholders want to be engaged and who key stakeholders are • Follow up on any actions • Launch website (provides an overview, potential Bid process information, identifies communication methods, ways to be involved, etc.) • Launch toll-free line and an email address • Secure social media channels including Twitter handle, Facebook, YouTube, Instagram • Develop internal FAQ for responding to stakeholders and the media • Establish a media toll-free number and an email address • Develop social media strategy • Commence development of master calendar of events 	<ul style="list-style-type: none"> • April – May 2018; ongoing
Program Delivery			
4	Public Information, Education & Input Gathering	<ul style="list-style-type: none"> • Develop engagement tools and initiatives based on experience and local knowledge of issues and concerns • Identify appropriate engagement methods by listening to stakeholders and determining how they want to be consulted with going forward • Continue to research and identify stakeholders, their issues and concerns • Followup to letters/phone calls to key stakeholders – offer to meet, answer any questions, etc. • Review feedback to determine initial information needs • Development of key messaging to support all aspects of the Engagement Program • Drafting content, layout and design of communication materials to support all aspects of engagement programs • Provide accurate information and correct any misinformation about the potential Bid • Monitor social media for issues and misinformation and address • One-on-one meetings, where required, with key stakeholders and influencers • Develop media relations protocol and proactive media relations strategy • Develop issues sheet and briefing note templates 	<ul style="list-style-type: none"> • May 2018

Proposed Work Program for the Engagement Program

Task	Task Description	Activity	Timeline
	Ensure accurate and timely information about the potential Bid	<ul style="list-style-type: none"> Continue to implement Engagement Program Continue with stakeholder identification Continue to meet with key influencers such as not-for-profits, governments and key stakeholders to determine the “value proposition” the potential Bid presents Athletes Program Continue to build key messaging to support all aspects of the Engagement Program Drafting content, layout and design of communication materials to support all aspects of Engagement Program Continue to build-out website and social media channels E-newsletter to stakeholders; start with a monthly e-newsletter Continue to monitor media, correct misinformation and meet with stakeholders Undertake focus groups on messaging, polling and research to set a base line to measure against going forward 	<ul style="list-style-type: none"> May 2018
5	Focused Dialogues	<ul style="list-style-type: none"> Continue to meet with key influencers such as not-for-profit, governments and key stakeholders to determine the “value proposition” the potential Bid presents Form a stakeholder working group to review key elements of potential Bid and identify interests and work with stakeholders to set out the process and approach Establish a list of community-specific benefits beyond direct economic impacts to bring forward as part of broader stakeholder engagement and communications process Understand the unique social conscience and political power of the constituency and make sure the Funding Parties representatives have a strong and active voice in public discussion Develop materials and plan for open houses, telephone town halls (post recordings on SoundCloud) and other online forums Continue to develop website and implement a social media strategy Topic-specific engagement (e.g., environmental and socio-economic approach, routing options, marine issues and economic and community benefits) – through webinars Development of future phases of engagement and communications Development of reports Coordinate and facilitate open houses and community meetings Editorials Proactive media relations Development and circulation of fact sheets, brochures and newsletters Manage the website, email and phone lines Management and monitoring of social media 	<ul style="list-style-type: none"> June 2018

Proposed Work Program for the Engagement Program		
Task	Task Description	Timeline
6	Engagement Program Data Management <ul style="list-style-type: none"> • Customization and hosting of database system to track all activities • Management of data input and data integrity • Coordination of reporting to support feedback loop, Project planning and Engagement Program 	<ul style="list-style-type: none"> • Ongoing
7	Reporting <ul style="list-style-type: none"> • Determine reporting requirements 	<ul style="list-style-type: none"> • Ongoing

3.0 PART B: PLEBISCITE (Vote of Electors)

Following public engagement, a plebiscite would provide feedback regarding whether Calgarians are “for” or “against” bidding on the 2026 OPWG. Ensuring Calgarians are able to make an informed decision will require thorough engagement activities that outline the economic, social, financial and environment benefits, risks, opportunities and impacts of bidding and potentially hosting an OPWG. Voter turnout is driven by two components: opportunities to vote and voter engagement. The strength of the public discourse around the subject of the vote is directly related to the latter.

Timing of a plebiscite

The timing of the plebiscite is subject to the mutual agreement of The City, the GoA and the GoC; after the Multi-Party Agreement is signed and the Bid Book is published.

As outlined in the Returning Officer’s report on Public Engagement and Vote of Electors (PFC2018-0373), an informed vote requires a voter who is knowledgeable about the issues and who is able to vote without interference. The shortest time frame required to conduct a vote according to the *Local Authorities Election Act* (LAEA) would be 120 days for a by-election. Given the complexities of conducting an election in Calgary, a geographically expansive city with an estimated 670,000 eligible voters, **six** months is the recommended time frame, at a cost of approximately \$1.96 million.

The recommendation outlined above suggests October 2018 would be the earliest a plebiscite could be held. The plebiscite conditions outlined by the GoA funding indicate a plebiscite should be held after the Multi-Party Agreement has been signed and the Bid Book published. Based on both the recommendations of the Returning Officer and the requirements of the GoA, Attachment 4 outlines the possibility of holding a plebiscite between October 2018 to February 2019. The timing of the plebiscite, and the pros and cons of an earlier vs later plebiscite date, will continue to be discussed with all orders of government. Administration will return with a recommended plebiscite date.

Plebiscite Oversight and Execution

The Returning Officer conducts the vote of the electors. Rules for a Council initiated vote of the electors are governed by section 236 of the *Municipal Government Act* (“MGA”). A vote of the electors is conducted in accordance with the *Local Authorities Election Act* (“LAEA”).

TERMS OF REFERENCE AND MANDATE

Engagement Advisory sub-committee

ENGAGEMENT ADVISORY SUBCOMMITTEE

The Engagement Advisory Panel is a sub-committee of the overall volunteer Advisory Panel, which was established by The City to provide advice to City staff on Bid exploration activities.

PURPOSE

The primary role of the Engagement Advisory sub-committee is to provide oversight, advice, assistance and guidance to The City of Calgary Olympic Project Team; specifically, as it relates to developing and implementing a robust engagement strategy and program.

It provides input into the engagement planning process and helps assess options for meeting the engagement needs of the Dialogue Stage for the 2026 Olympic and Paralympic Winter Games (OPWG).

The sub-committee will help facilitate effective stakeholder and expert input, in alignment and consultation with Council and Administration, and other relevant Olympic project work streams (Finance, Vision and Benefits, Venue, Security, Legacy, Sustainability, and Government Relations).

The goal: Provide Calgarians with balanced, and fact-based information and engagement opportunities related to a potential bid for the 2026 OPWG.

BACKGROUND

The City of Calgary, along with the Government of Alberta (GoA) and the Government of Canada (GoC), is in the process of determining whether to pursue a Bid for the 2026 Olympic and Paralympic Winter Games (OPWG). Due to a focus on corporate responsibility and the call for transparency and public accountability, The City of Calgary and its partner organizations must engage with citizens, community and affected stakeholders. This approach requires a robust public engagement to gain a comprehensive understanding of community sentiment for bidding.

There is significant value to The City of Calgary, along with the GoA and the GoC, in providing the best, inclusive and unbiased stakeholder engagement and communications program possible. In addition, the feedback gathered could inform other City-wide strategies. The GoA and GoC are supportive of this program being carried out in parallel to the establishment of the Bid Corporation (BidCo) and will fund the engagement program costs through their contributions to BidCo, along with the City of Calgary. The ongoing stewardship of the engagement program will transition to BidCo as soon as the Board of BidCo has a management capacity in place.

QUALIFICATIONS

This Engagement Advisory sub-committee will be appointed by the Project's Advisory Panel, based on a combination of competencies including, but not limited to:

- Proven track record of overseeing large-scale unbiased public engagement initiatives;
- Familiarity with major events like the Olympics;
- Experience in procurement processes and holding contracted vendors accountable;
- Experience in reaching diverse audiences through a number of communication and engagement tactics;
- Experience working on building and upgrading large private or public infrastructure projects;
- Experience/knowledge of Calgary recreational and cultural facilities;
- Experience hosting large scale events focused on stimulating the economy;
- Strong relationship-building competencies with ties to a diverse community-based network; and
- Experience with Government Relations

The initial composition of the Engagement Advisory sub-committee was reviewed and accepted by the other two funding members however they are open to further members.

MANDATE

Guide and oversee the development and implementation of a robust engagement program, which meets the engagement and communications needs of a potential bid to stage the 2026 Olympic and Paralympic Winter Games. The Engagement Advisory sub-committee is being struck as an interim body to oversee engagement activities until such time as a BidCo is in place. At this time, all engagement activities will transition under the umbrella of BidCo, and the role of the Engagement Advisory sub-committee may be re-visited.

GUIDING PRINCIPLES

The Engagement Program will be designed to reflect the diverse and varied interests of Calgarians and key stakeholders. The following principles have been and will continue to be used to guide the development and execution of the Engagement Program:

- **Accountable** – Uphold the commitments The City makes to its citizens and stakeholders, by demonstrating the results and outcomes of the engagement processes align with the approved plans for engagement.
- **Citizen-centric** – Focus on hearing the needs and voices of both directly impacted and indirectly impacted citizens.

- **Diversity** – Focus on getting input from a wide range of Calgarians from different backgrounds and demographics: Seniors, youth, men, women, LGBTQS2, Indigenous, newcomers, etc.
- **Inclusive and authentic** – Facilitate meaningful involvement of all stakeholders; listen and gather input, and work collaboratively to address concerns. Be fair, open and unbiased.
- **Neutrality** – Information shared with the public and stakeholders will be factual and neutral. The engagement program does not take one side over the other, will not be a ‘cheerleader’ for the Olympics and will focus on providing all stakeholders with pertinent, factual, neutral information (both positive and negative) as it pertains to Calgary potentially hosting the Games.
- **Respect** – Respect individual values, recognize the legitimacy of concerns and value stakeholder input. Where required, reframe the discussion and customize the approach to the stakeholder.
- **Responsive and Committed** – Use input and, where feasible, provide timely feedback to stakeholders on how their input has affected plans and decisions.
- **Timeliness** – Initiate engagement and communications as early as possible to provide adequate time for stakeholders to assess information and provide input.
- **Transparency (open and honest)** – Commitments made to stakeholders will be documented and carried out. When the Project is unable to act on input, an explanation will be provided. Be clear as to how we respond to and deal with issues – what we own vs. influence, what we need to be involved in, what others need to respond to, etc.

ROLE OF THE ENGAGEMENT ADVISORY SUBCOMMITTEE

The focus of the Engagement Advisory sub-committee is the development and oversight of an engagement approach and program that is adaptable to address unique circumstances or issues specific of a potential Bid. The approach must be designed to be fit-for-purpose and iterative, and evolve in response to unique interests and objectives of stakeholder groups. The Engagement Program must be designed to foster participation from all Calgarians who have an interest in understanding the scope and activities of a potential Bid. The Engagement Advisory sub-committee will be responsible for:

- Approving changes to scope, budget & schedule;
- Providing leadership & support to the execution of the program;
- Resolving issues and addressing risks as they emerge;
- Developing and executing a Request for Proposal;
- Selecting and holding accountable a consulting firm to execute on the work;

- Managing progress reporting as appropriate

As a part of the ongoing development of the Engagement Program, the successful consultant and, as appropriate, members of Engagement Advisory sub-committee, will meet with members of Council to identify/address concerns of stakeholders in their respective wards and to discuss the best manner of engaging with council, stakeholders and the public.

TERM

The Engagement Advisory sub-committee is expected to be in place from April 2018 to September 2018, until such time as a BidCo is fully-staffed and functional.

FREQUENCY OF MEETINGS

Meetings occur bi-weekly, unless it's determined more or fewer meetings are required, based on the project phase.

REPORTING

The Engagement Advisory subcommittee, through Administration, will be responsible to provide regular updates on all engagement activities, as well as summary reports to Council in June and October 2018.

Previous Council Direction

2018 April 16 City Council

On 2018 April 16, Council votes on two resolutions, both of which were carried.

1. "RESOLVE that Council reaffirm its support for the investigation of a bid by Calgary for the 2026 Olympic and Paralympic Winter Games."
2. "AND FURTHER RESOLVE that Council strike a sub-committee, consisting of four Councillors plus the Mayor, to oversee the Olympic process. Further, that Administration be directed to draft the terms of reference for this committee and that City Clerk's Office be directed to solicit Councillor interest in serving on the committee, returning directly to Council on 2018 April 23."

In addition, reports PFC2018-0366 and PFC2018-0373 and the amended Terms of Reference for an engagement sub-committee were postponed to the April 23 Regular Council meeting and items 7.1 (Olympic Bid Proposed Public Engagement Approach) and 7.2 (Vote of Electors) were postponed to April 23 Council.

2018 April 10 Priorities and Finance Committee

Minutes from the 2018 April 10 Priorities and Finance Committee meeting:

6.1 Olympic Bid Proposed Public Engagement Approach, PFC2018-0366

The following Clerical Corrections were noted to Report PFC2018-0366:

- to page 5 of 9 of the Cover Report, under the heading "Engagement Principles and Program Streams", by adding a new bullet with the word "Neutrality"; and
- to page 5 of 13 of Attachment 1, under the heading "1.7 Guiding Principles", by adding a new bullet with the word "Neutrality" along with a descriptor aligned with the other guiding principles indicated.

The following amendments were voted on:

"That subject to Section 31(3) of the Procedure Bylaw 35M2017, that the Priorities and Finance Committee allow members of the public to address the Committee with respect to Reports PFC2018-0366 and PFC2018-0373."

MOTION DEFEATED

"That Recommendation 2 put on the floor of Committee with respect to Report PFC2018-0366 be amended by adding a new Recommendation 2(b), as follows:

2. Contingent upon the reaffirmation of support by Council with respect to Recommendation 1:

That Council:

b) Direct Administration to draft a new Terms of Reference (encompassing the Guiding Principles) for the Engagement Advisory Panel, in consultation with Members of Council, and report back directly to Council no later than June 2018, and further direct Administration to incorporate comments received through PFC and Council."

Previous Council Direction

MOTION CARRIED

“That Recommendation 2 put on the floor of Committee with respect to Report PFC2018-0366 be amended by adding a new Recommendation 2(c), as follows:

2. Contingent upon the reaffirmation of support by Council with respect to Recommendation 1:

That Council:

c) Hold a non-statutory public hearing.”

MOTION CARRIED

“That with respect to Report PFC2018-0366, the following be approved, after amendment:

That the Priorities and Finance Committee (PFC) recommends that Council:

1. At its 2018 April 16 Meeting, reaffirm Council's support prior to proceeding with further work on a potential Olympic Bid through a resolution to be dealt with prior to these recommendations.”

MOTION CARRIED

“That with respect to Report PFC2018-0366, the following be approved, as amended and after amendment:

That the Priorities and Finance Committee (PFC) recommends that Council:

2. Contingent upon the reaffirmation of support by Council with respect to Recommendation 1:

a) Postpone the Public Engagement Approach (Attachment 1), dependent on the outcome of Recommendation 1, until further direction is provided by Council;

b) Direct Administration to draft a new Terms of Reference (encompassing the Guiding Principles) for the Engagement Advisory Panel, in consultation with Members of Council, and report back directly to Council no later than June 2018, and further direct Administration to incorporate comments received through PFC and Council; and

c) Hold a non-statutory public hearing.

And further, that this report be forwarded as an item of urgent business to the 2018 April 16 Public Hearing Meeting of Council.”

MOTION CARRIED

6.2 Vote of the Electors (Plebiscite), PFC2018-0373

“That with respect to Report PFC2018-0373, the following be approved, after amendment:

That Priorities and Finance Committee recommend that Council receive this report for information.

And further, that this Report be forwarded as an Item of Urgent Business to the 2018 April 16 Public Hearing Meeting of Council.”

MOTION CARRIED

Previous Council Direction

2018 March 19-20 Combined Meeting of Council

Council approved the following Motion at the 2018 March 19-20 Combined Meeting of Council:

That with respect to Report C2018-0266, the following be adopted, after amendment:

“That to allow Administration to continue its work, Council approve in principle the recommendations outlined below and, upon Administration advising Council in writing that it has secured financial commitments from the Government of Alberta and the Government of Canada, for continuing to fund the Olympic bid exploration process:

1. Authorize The City of Calgary to become a member of, elect directors, and incorporate a Bid Corporation (BidCo) to continue the exploration of a bid for the 2026 Olympic and Paralympic Winter Games (OPWG);
2. Approve the Deputy City Manager as having the authority to exercise all the powers and voting rights associated with The City’s membership interest in BidCo, subject to the Deputy City Manager first seeking Council direction regarding matters that materially affect the legal, business or financial risk for The City;
3. Authorize the Mayor to execute on behalf of The City all BidCo resolutions and related documents required to establish the appropriate membership and governance structure of BidCo substantially in the form described in the report, such documents to be satisfactory in content and form to the Deputy City Manager and the City Solicitor and General Counsel respectively;
4. Release an additional \$1 million (of the \$2 million) of Fiscal Stability Reserve funds that Council approved on 2017 November 20 (C2017-1181);
5. Approve a one-time increase in 2018 to operating budget program #426 of \$2.5 million from the Fiscal Stability Reserve, to complete The City’s required \$9.5 million total funding commitment to the BidCo;
6. Return to Council through PFC at its April 10 meeting with an update, including a robust public engagement plan and a proposed reporting structure from BidCo to Council; and
7. Direct that the Closed Meeting discussions remain confidential subject to Sections 21 and 23 of the *Freedom of Information and Protection of Privacy Act*.”

On 2018 March 21 Council approved the following Motion Arising:

“That with respect to Report C2018-0266, Council refer the following proposed Motion Arising to the 2018 April 10 Regular Meeting of the Priorities and Finance Committee, to be considered following the Olympic Public Engagement Report and the Returning Officer's report on Vote of Electors:

That with respect to Report C2018-0266, the following Motion Arising be adopted:

That Council:

1. Direct Administration to inquire into the feasibility of the International Olympic Committee providing a bid deadline extension of six (6) months;
2. Direct Administration to conduct a city wide ‘Vote of the Electors’ on whether electors are in favour of their Council submitting this bid; and
3. Postpone its decision to bid on the 2026 Olympic and Paralympic Winter Games until after the City Clerk reports back with the outcome of the ‘Vote of the Electors’.”

Previous Council Direction

On 2018 January 29, Administration delivered a verbal report to Council. City Council received the verbal report for information and directed Administration to return to Council with an update on the financial commitment towards a Bid Corporation by the other orders of government and a debrief regarding the PyeongChang Observer Program no later than 2018 March.

On 2017 November 20 (C2017-1181), City Council directed Administration to continue to seek financial participation from the other orders of government in the Bid Corporation. Council also approved a one-time increase in funding in 2018 of up to \$2 million from the Fiscal Stability Reserve. In addition, Council directed Administration to move beyond the Calgary Bid Exploration Committee mandate to specifically explore venues outside of Calgary as part of an updated Master Facilities Plan to reduce the costs of hosting the 2026 OPWG, and incorporate the work on the five principles into the BidCo work where possible and seek any commensurate savings.

On 2017 November 13 (C2017-1162), Council supported Administration's recommendation to receive this report for information, and directed Administration to report back to Council 2017 November 20, with a formal funding request to deliver on the additional work required for the Dialogue Stage. In addition, Council made an amendment to recommendation 3 which directs Administration to seek confirmation from the other orders of government to ascertain their funding commitment on the bid.

On 2017 July 31 (C2017-0616), Council supported Administration's recommendation that The City transition from an Exploration Phase to an Invitation Phase, and address the Council endorsed five Principles (C2017-0616, Attachment 4).

On 2017 July 24 (C2017-0599), CBEC presented their recommendations regarding the Olympic Bid Exploration to Council for information.

On 2017 June 19 (C2017-0541), Administration and CBEC provided Council with a report that provided an update on the Olympic Bid Exploration work CBEC and Administration had done to date. Council received this report for information.

On 2017 January 23 (C2017-0097), Council endorsed Administration's Feasibility Assessment, gave authority to the General Manager of Community Services and the Deputy City Manager to make content changes, unless they are material in nature, and received for information Administration's project governance structure and CBEC's updates including a refined funding agreement and CBEC's report delivery milestones.

On 2016 October 3 (C2016-0810), Council adopted Administration's recommendations: 1) that The City of Calgary assume a controlling interest in CBEC; 2) Authorize the General Manager , Community Services to exercise all the powers and voting rights of The City as a shareholder of Calgary Bid Exploration Committee when such action is required subject to the General Manager; and 3) Authorize the Mayor to execute on behalf of The City all company resolutions and related documents, including a unanimous members' agreement, required to establish the appropriate shareholder and governance structure of Calgary Bid Exploration Committee.

On 2016 September 26 (C2016-0738), Council adopted the amended deliverables, milestones and timelines and authorized the General Manager, Community Services to make such further amendments to the deliverables, milestones and timelines as he deems required once the same have been discussed with the Board of Directors for the Calgary Bid Exploration Committee.

Previous Council Direction

On 2016 June 20 (C2016-0537), Council approved “CSTA Update” which endorsed a Bid Exploration for the 2026 OPWG. Council approved the formation and funding for BIDEXCO (\$4.7 million for BIDEXCO work and \$0.3 million for Administration support), for the purpose of carrying out the bid exploration to determine a recommendation regarding the notice of intent to bid for the 2026 OPWG and the General Manager of Community Services has the authority to negotiate and execute the Funding Agreement.

Law and Legislative Services Report to
Regular Meeting of Council
2018 April 23

ISC: UNRESTRICTED
C2018-0533
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Establishment of a 2026 Olympic and Paralympic Winter Games Council Committee

EXECUTIVE SUMMARY

Council has determined that a Council Committee is required to provide guidance regarding The City's potential participation in, and hosting of, a 2026 Olympic and Paralympic Winter Games. This report includes proposed terms of reference for the Committee and outlines Council members' expressions of interest in serving as Committee members.

ADMINISTRATION RECOMMENDATIONS:

That Council:

1. Adopt the Proposed Terms of Reference for the 2026 Olympic and Paralympic Winter Games Council Committee as provided in Attachment 1;
2. Appoint four Members of Council from the list in Attachment 2 to serve as members of the 2026 Olympic and Paralympic Winter Games Council Committee with the Mayor, the term of such appointments to expire at the 2018 Organizational Meeting of Council; and
3. Direct that Attachment 2 remain confidential pursuant to Sections 17 and 19 of the *Freedom of Information and Protection of Privacy Act*.

PREVIOUS COUNCIL DIRECTION / POLICY

At its 2018 April 16 Regular Public Hearing Meeting, Council adopted alternate recommendation #2 with regard to report PFC2018-0366, Olympic Bid Proposed Public Engagement Approach:

"That Council strike a subcommittee, consisting of four Councillors plus the Mayor, to oversee the Olympic process. Further, that Administration be directed to draft the terms of reference for this committee and that City Clerk's Office be directed to solicit Councillor interest in serving on the committee, returning directly to Council on 2018 April 23."

BACKGROUND

As stated in the Council policy on *Governance and Appointments of Boards, Commissions and Committees* ("BCCs"), City BCCs are established by Council as permitted or required in the *Municipal Government Act* and other legislation. City BCCs are established to provide advice, make decisions or recommendations to Council or adjudicate upon particular City matters.

INVESTIGATION: ALTERNATIVES AND ANALYSIS

On 2018 April 16, the City Clerk's Office canvassed Members of Council for expressions of interest in serving on the Committee (Attachment 2) and preferred meeting days and times (Attachment 3).

Stakeholder Engagement, Research and Communication

City staff working on the potential bid exploration and Law were consulted in the drafting of the attached proposed Terms of Reference.

Law and Legislative Services Report to
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Establishment of a 2026 Olympic and Paralympic Winter Games Council Committee

Strategic Alignment

This report aligns with Council's priority of a well-run city: "Calgary's government is open, responsive, accountable and transparent, delivering excellent services at a fair price. We work with our government partners to ensure we have the tools we need" (Action Plan 2015-2018).

Social, Environmental, Economic (External)

No social, environmental or economic impacts were identified.

Financial Capacity

Current and Future Operating Budget:

There are no current and future operating budget impacts.

Current and Future Capital Budget:

There are no current and future capital budget impacts.

Risk Assessment

None

REASON FOR RECOMMENDATIONS:

Council determined that a 2026 Olympic and Paralympic Winter Games Council Committee is required for the purpose of providing guidance regarding The City's potential participation in, and hosting of, a 2026 Olympic and Paralympic Winter Games.

ATTACHMENTS

1. 2026 Olympic and Paralympic Winter Games Council Committee - Proposed Terms of Reference;
2. 2026 Olympic and Paralympic Winter Games Council Committee - Confidential - Membership Expression of Interest; and
3. 2026 Olympic and Paralympic Winter Games Council Committee - Meeting Day and Time Poll

2026 Olympic and Paralympic Winter Games Council Committee Proposed Terms of Reference

1. Mandate

The mandate of the 2026 Olympic and Paralympic Winter Games Council Committee (the “Committee”) is to provide guidance regarding The City’s potential participation in, and hosting of, a 2026 Olympic and Paralympic Winter Games (the “Games”), such guidance to include but not be limited to:

- a. The City's involvement in the potential submission of a bid to host the Games;
- b. providing recommendations to Council on aspects of The City's potential participation in the Games;
- c. advising on a City of Calgary plebiscite, including approving parameters for development of the question for Council approval;
- d. The City's rights and responsibilities as one of the members of a corporation to be created for the purpose of potentially submitting a bid for the Games;
- e. guidance to those individuals to be elected by The City to serve on a Board of Directors for that corporation; and
- f. guidance regarding the negotiation of a multi-party agreement with other Games' stakeholders and/or orders of government related to a potential bid for the Games.

2. Establishment

The Committee was established by Council on 2018 MONTH XX (C2018-0533).

The Committee’s Terms of Reference will be reviewed upon a decision of the International Olympic Committee to award the Games.

3. Composition

The Committee consists of up to five Members of Council, including the Mayor, who will bring specific skills and expertise that contribute to good governance.

The Chair and Vice-Chair shall be elected from the Committee at the first meeting of the Committee.

4. Quorum

Greater than 50%, that is, 3 members.

5. Term Length

After establishment, Councillors are appointed to the Committee at the annual Organizational Meeting of Council, for a one-year term expiring on the day of the next Organizational Meeting.

6. Meetings

The Committee will meet every second Tuesday at noon. Meetings not required by the Committee will be cancelled at the call of the Chair. Additional meetings required of the Committee will be at the call of the Chair. Notice of Meetings will occur in accordance with The City of Calgary Procedure Bylaw 35M2017, as amended.

7. Reporting

The Committee reports monthly and reports directly to Council.

8. Administration

Administration is responsible to provide regular reporting to the Committee.

9. FOIP

The confidentiality of Committee meetings and records submitted to the Committee shall be governed by the applicable provisions of the *Municipal Government Act* and the *Freedom of Information and Protection of Privacy Act*. The Committee, by majority vote, shall decide when it is appropriate to move into closed session.

10. Meeting Support

The City Clerk's Office will provide legislative services for the Committee in accordance with Council Policy CP2016-03, *Governance and Appointments of Boards, Commissions and Committees*.

11. Governance

The Committee shall act in accordance with the *Governance and Appointments of Boards, Commissions and Committees* Policy. The procedures and bylaws applicable to other Committees of Council will govern the Committee.

**2026 OLYMPIC AND PARALYMPIC WINTER GAMES COUNCIL COMMITTEE
MEETING DAY AND TIME POLL**

	Tuesdays 12:00pm	Fridays 9:30am
Members of Council	7	3

**Law and Legislative Services Report to
Priorities and Finance Committee
2018 April 10**

**ISC: UNRESTRICTED
PFC2018-0444
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Proposed Amendments to the Council Policy on Governance and Appointments of Boards, Commissions and Committees (CP2016-03)

EXECUTIVE SUMMARY

This report recommends proposed amendments to the Council policy on *Governance and Appointments of Boards, Commissions and Committees*, CP2016-03, to:

- Align the Quasi-Judicial Boards (“QJBs”) with the City Clerk’s Office annual Boards, Commissions and Committees (“BCCs”) recruitment and appointment process presented to the annual Organizational Meeting of Council; and
- Establish an ongoing annual BCC Recognition Event for outgoing Public Members.

This report also recommends a reconsideration of the time frame of the annual BCC advertisement and recruitment campaign from June back to August/September.

ADMINISTRATION RECOMMENDATIONS:

That the Priorities and Finance Committee recommend that Council:

1. a) Direct the City Clerk’s Office to include the Licence and Community Standards Appeal Board and the Subdivision and Development Appeal Board in its annual BCC advertisement and recruitment campaign commencing in 2018 for appointments presented to the annual Organizational Meeting, with terms effective 2019 January 01;
- b) Direct the City Clerk’s Office to include the Assessment Review Board in its annual BCC advertisement and recruitment campaign commencing in 2019 for appointments presented at the annual Organizational Meeting, with terms effective 2020 January 01.
- c) Direct the City Clerk’s Office (Protocol) to continue hosting an annual BCC Recognition Event for outgoing Public Members; and
- d) i) Reconsider its “June campaign” decision of 2016 April 25, of report LGT2016-0244 to advertise and recruit vacant BCC positions in June; and
- ii) Direct the City Clerk’s Office to conduct its annual BCC advertisement and recruitment campaign in August/September of each year commencing in 2018;
2. Adopt the proposed amendments to the Council policy on *Governance and Appointments of Boards, Commissions and Committees*, CP2016-03, as outlined in Attachment 1.

Excerpts from the Minutes of the Regular Meeting of the Priorities and Finance Committee, Held 2018 April 10:

“Moved By: Councillor Chahal

That the following Reports be forwarded to Council as items of unfinished business:

[...]

2. Proposed Amendments to the Council Policy on Governance and Appointments of Boards, Commissions and Committees, PFC2018-0444, to the 2018 April 23 Regular Meeting of Council, under the Committee Reports section of the Agenda.

MOTION CARRIED”

Proposed Amendments to the Council Policy on Governance and Appointments of Boards, Commissions and Committees (CP2016-03)

PREVIOUS COUNCIL DIRECTION / POLICY

On 2018 March 21, Council adopted the recommendations of report PFC2018-0108, *Calgary Assessment Review Board Bylaw*, and gave three readings to bylaw 15M2018, directing the Board's appointments be presented to the annual Organizational Meeting of Council commencing in 2019.

On 2016 April 25, Council adopted the Council policy on *Governance and Appointments of Boards, Commissions and Committees* (CP2016-03), which instituted new processes for recruitment, application and appointments to BCCs. Council approved the respective report, LGT2016-0244 *Legislative Governance Review Project Update and Council policy, Governance and Appointments of Boards, Commissions and Committees* and "Implementation Phases – Legislative Governance Review Project".

BACKGROUND

BCC and QJB Current Public Member Recruitment Processes

The City Clerk's Office through its Legislative Services and QJB divisions conducts three separate advertisement and recruitment campaigns throughout the year for public members with separate appointment processes and timelines. Each campaign requires advertising with a separate budget and results in applications presented to Council at different times using different formats. All of the QJBs currently use a manual application intake process, whereas the BCCs utilize an online intake process with eligibility criteria that applicants can self-select.

The Calgary Assessment Review Board Bylaw 15M2018, adopted by Council at its Strategic Meeting held on 2018 March 21, directs ARB member appointments be made at the annual Organizational Meeting of Council with terms matching the calendar year, promoting a single-coordinated advertisement and recruitment campaign and a unified appointment process.

June BCC Recruitment Campaign

For the last two years, the recruitment and advertising campaign for BCC public members occurred in the month of June, with planning of the campaign occurring in May. A June recruitment campaign resulted in the following:

- Less applications submitted compared to recent years with a late summer campaign;
- A four to five-month period between the time a citizen applies and the time the appointment is announced by Council, resulting in an increased number of applicants declining their appointments;
- BCC Chairs receiving the applications in July, requiring them to evaluate and possibly interview applicants during summer break, which has proved to be challenging. Additionally, some BCCs do not hold meetings over the summer months; and
- Vacancies or terms of reference/bylaw amendments adopted by Council that affected the composition of the board, the term or the eligibility requirements occurring in May, June or July were not included in the main campaign, resulting in unexpected costs and efforts associated with a second recruitment campaign.

Proposed Amendments to the Council Policy on Governance and Appointments of Boards, Commissions and Committees (CP2016-03)

INVESTIGATION: ALTERNATIVES AND ANALYSIS

Consolidating the QJB Recruitment with the BCC Recruitment

Having one consolidated recruitment would result in efficiencies for Council and Administration, as well as offer a more streamlined process for the public:

Advantages for the public:

- avoid confusion by having one advertisement, recruitment campaign and appointment cycle for all BCCs, including the QJBs;
- ability for applications to the QJBs to be submitted online which includes self-selected eligibility criteria;
- single contact for any questions on appointment process; and
- a broader spectrum of committees for which applicants might apply at one time.

Advantages for Members of Council:

- consistency with the material presented to facilitate the appointment of public members;
- appointments performed solely at the annual Organizational Meeting of Council, with the exception of appointments required as a result of mid-term resignations; and
- by consolidating the information, public members may not be appointed to more than one BCC (per Council policy CP2016-03, section 5.13.4).

Advantages for Administration:

- all applications channeled through one division would eliminate duplication of planning and communication;
- advertising cost reductions achieved from removing duplicate advertisements required by the three separate recruitment processes;
- applications utilizing the same online intake process and format;
- consistency in the validation of applications; and
- QJB applicant's eligibility will no longer require manual review and notation.

Marketing efforts for the QJB's recruitment would continue to be tailored to attract the skills required. As well, the role of the Chair in recommending appointments would also continue as per sections 5.4.1.b and 5.15.4 of the BCC Council policy.

Late Summer Recruitment Campaign

Historically, there have been more applications, on average, submitted in late summer campaigns compared to June campaigns. A late summer recruitment campaign also results in a shorter period between the time a citizen applies to a BCC and the time the appointment is announced by Council.

A recruitment campaign commencing during the Council/Committee meeting August break, allows the City Clerk's Office to include and/or act upon any vacancy or any terms of reference/bylaw amendment adopted by Council that may affect the composition of the board, the term or the eligibility requirements occurring in May, June or July.

Proposed Amendments to the Council Policy on Governance and Appointments of Boards, Commissions and Committees (CP2016-03)

Minor Housekeeping Policy Amendments

In addition to the policy amendments noted previously in this report, the proposed Council policy (attachment 1) also includes the following minor housekeeping amendments:

- the addition of new BCCs recently established by Council;
- the deletion of disbanded BCCs;
- the revision of the BCC description for Administrative Tribunals;
- BCC name revisions; and
- BCC classification revisions that were categorized incorrectly

Stakeholder Engagement, Research and Communication

The Legislative Services division engaged with the QJB division to document the current state advertisement and recruitment processes and potential future state alternatives.

Strategic Alignment

This report aligns with Council's priority of a well-run city: "Calgary's government is open, responsive, accountable and transparent, delivering excellent services at a fair price. We work with our government partners to ensure we have the tools we need" (Action Plan 2015-2018).

Social, Environmental, Economic (External)

Public members provide their expertise and guidance to Council on important civic issues. Volunteering on one of the City's BCCs provides public members with the opportunity to:

- provide a meaningful contribution to the community;
- share their knowledge, skills and abilities as well as develop skills and gain experience;
- meet new people and become connected in the community; and
- learn more about how The City of Calgary works.

Financial Capacity

Current and Future Operating Budget:

The operating budget for advertising and recruitment of the three QJBs would be transferred from the QJB division to the Legislative Services division of the City Clerk's Office.

Current and Future Capital Budget:

None.

Risk Assessment

If the proposed amendment to the Council policy is not adopted by Council at its 2018 April 23 Regular Meeting, the City Clerk's Office must proceed with the preparation and launch of the June advertisement and recruitment campaign for the BCCs, without the inclusion of the Licence and Community Standards Appeal Board and the Subdivision and Development Appeal Board. Consequently, the QJBs recruitment campaign would occur later in the fall, resulting in duplication of costs and efforts for The City.

Law and Legislative Services Report to
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**Proposed Amendments to the Council Policy on Governance and Appointments
of Boards, Commissions and Committees (CP2016-03)**

REASONS FOR RECOMMENDATIONS:

Adopting the recommendations in this report will produce efficiencies for the Boards, Committees and Commissions (BCCs) and improve the application process for Calgarians wishing to sit as a public member.

Adopting recommendation 1(c) will ensure that outgoing Public Members' service is recognized through an annual BCC Recognition Event.

ATTACHMENT

1. Proposed amendments to Council policy on *Governance and Appointments of Boards, Commissions and Committees* (CP2016-03)

Council Policy

Policy Title: Governance and Appointments of Boards, Commissions and Committees
Policy Number: CP2016-03
Report Number: LGT2016-0244
Adopted by/Date: Council/2016 April 25
Effective Date: 2016 April 25
Last Amended: 2017 April 24
Policy Owner: City Clerk's Office

1. POLICY STATEMENT

- 1.1 The City of Calgary (The City) is committed to open, inclusive and equitable management of the Boards, Commissions and Committees (BCCs) recruitment and appointments process. The resulting decisions and work of the BCCs supports good governance and a well-run City inclusive of citizen leadership in governance.
- 1.2 The appointment of Public Members to serve on BCCs is important to The City in order to:
 - a) Bring specific skills and expertise that contribute to good governance;
 - b) Represent stakeholder groups;
 - c) Represent specific groups of service users; and
 - d) Provide a variety of perspectives, reflecting the diversity of the community.
- 1.3 The appointment of Members of Council and Administration to serve on BCCs promotes collaboration and collective decision-making with Public Members, ensuring that citizens, communities and customers of The City are better served.
- 1.4 BCCs are created with a clear purpose and are provided the support and resources required to fulfill their mandate.

2. PURPOSE

- 2.1 The purpose of this Council policy is to establish guidelines respecting:
 - 2.1.1 The establishment, mandate and disbandment of City BCCs and duties of City Chairs;
 - 2.1.2 The process for appointing Council Members and Administration Members to BCCs; and

2.1.3 The process for appointing Public Members to BCCs.

3. **DEFINITIONS**

3.1 In this Council policy:

- a. "Administrative Tribunal" means an independent quasi-judicial body that conducts hearings on individual cases, issues written decisions, is governed by the rules of administrative law and whose Members are appointed by Council.
- b. "Administration Member" means a City of Calgary employee who has been appointed by Council to a BCC or their designate. An Administration Member may or may not be a voting Member.
- c. "Administration Resource" means a City of Calgary employee who is assigned as a subject-matter expert or administrative support to a BCC. An Administrative Resource is not a voting Member of a BCC.
- d. "Boards, Commissions and Committees" ("BCCs") means a City or External Board, Commission or Committee to which Council makes one or more appointments.
- e. "Business Revitalization Zone" and "Business Improvement Area" means a Business Revitalization Zone or a Business Improvement Area established under the *Municipal Government Act*, RSA 2000, c M-26.
- f. "Chair" means the Chair of a City Board, Commission or Committee, excluding a Council Committee.
- g. "City Board, Commission and Committee" means a BCC or other body established by The City of Calgary Council under the *Municipal Government Act*, RSA 2000, c M-26, or as required or allowed by other statutes. This does not include a Business Improvement Area or City of Calgary Wholly-Owned Subsidiary.
- h. "*Code of Conduct*" means Council's *Code of Conduct for Citizen Members Appointed to Council Established Boards, Commissions and Committees Policy* (#CC045).
- i. "Council Committee" means a Standing Policy Committee and a Standing Specialized Committee ~~and the Priorities and Finance Committee~~.
- j. "Elector" means a person that is eligible to vote in a General Election as legislated by the *Local Authorities Election Act* RSA 2000 c L-21.

- k. "Eligibility" means minimum requirements that an applicant must meet to be appointed to a BCC.
- l. "External Board, Commission or Committee" means a BCC or other body not established by The City of Calgary Council but whose membership includes a Council appointee;
- m. "General Election" means an election held for all Members of Council to fill vacancies caused by the passage of time, in accordance with the *Local Authorities Election Act* RSA 2000 c L-21.
- n. "Governance Document" means a document that outlines a BCC's structure and includes items such as eligibility criteria, composition, mandate, and term lengths. A Governance Document may include legislation, a bylaw, a policy, a ministerial order or a terms of reference.
- o. "*Indemnification of Council Citizen Appointments*" means Council's *Indemnification of Council Citizen Appointments to Council Established Municipal Boards, Commissions, Authorities and Committees Policy* (#CC040).
- p. "Member" means any individual appointed to a BCC by Council, including Members of Council, Public Members and Administration Members.
- q. "Non-Binding Nomination" means a Public Member nomination submitted to Council by a specific group as outlined in a BCC's Governance Document(s). Council may or may not appoint the nominee.
- r. "Organizational Meeting" means the annual organizational meeting of Council as defined in *The Procedure Bylaw*.
- s. "Public Member" means an individual who has been appointed to a BCC by Council who is not a Member of Council or City of Calgary Administration representative.
- t. "Qualifications" means the specific skills and experience desired in Public Members to meet the needs of individual BCCs.
- u. "Reserve List" means a list of applicants adopted by Council that may be used to fill a vacancy that occurs as a result of a Public Member not finishing a term.
- v. "Resident" means an individual who lives within the boundary of the city of Calgary.

- w. "Standing Policy Committee" ("SPC") means a Committee of Council as established under *The Procedure Bylaw*.
- x. "Sub-Committee" means a body established by Council or a Council Committee to deal with a specific sub-set of issues.
- y. "*The Procedure Bylaw*" means The City of Calgary Procedure Bylaw 35M2017.
- z. "Two-Thirds Vote" means a vote as defined in *The Procedure Bylaw*.
- aa. "Wholly-Owned Subsidiary" means a corporation of which The City of Calgary is the sole shareholder.

4. APPLICABILITY

- 4.1 This Council policy does not supersede or replace legislation, ministerial orders or bylaws. This Council policy does not take precedence in the circumstance where Council has approved Governance Document(s) specific to a particular City BCC.
- 4.2 This Council policy applies to all BCCs other than a:
 - a) Business Improvement Area; or
 - b) City of Calgary Wholly-Owned Subsidiary.

5. PROCEDURE:

Part A: Establishment, Mandate and Disbandment of City BCCs, and Duties of City Chairs

5.1 Establishment of City BCCs

- 5.1.1 City BCCs are established by Council as permitted or required in the *Municipal Government Act*, RSA 2000, c M-26 and other legislation.
- 5.1.2 City BCCs will be created to provide advice, make decisions and recommendations to Council or adjudicate upon particular City matters.
- 5.1.3 Upon the establishment of a new City BCC, Council shall approve the City BCC's Governance Document(s) that includes:
 - a) Mandate;
 - b) Composition;
 - c) Term lengths and limits of Members;
 - d) Eligibility of Public Members;

- e) Qualifications of Public Members;
- f) Classification of the BCC (Schedule A);
- g) Any specific recruitment or appointment requirements, including a source of funding, if applicable;
- h) Reporting requirements; and
- i) Sunset clause, if applicable.

5.1.4 Qualifications for Public Members as addressed in section 5.1.3(e) must describe the skills specific to each City BCC. Public Members are to collectively cover the range of required Qualifications, with individual Public Members bringing a variety of perspectives, interests, or skills. Public Members are not expected to have the same knowledge as Administration.

5.1.5 A new BCC's Governance Document(s) must be adopted by Council before any Member is recruited and appointed to the City BCC.

5.1.6 Where a City BCC is established by Council, or where an existing City BCC's Governance Document(s) were amended by Council, following the initiation of the recruitment campaign, resulting vacancies requiring filling in accordance with section 5.11 may not be filled at that year's Organizational Meeting.

5.2 Mandate of City BCCs

5.2.1 City BCCs are required to:

- a) Meet regularly in accordance with their annual schedule;
- b) Act within their mandate as directed by Council;
- c) Set position descriptions for Public Members;
- d) Participate in performance management of Public Members;
- e) Comply with the sections that pertain to Committees in *The Procedure Bylaw* unless other procedures have been adopted by the City BCC;
- f) Report to SPCs and Council as required; and
- g) Participate in any other activities as directed by Council.

5.3 Disbandment of City BCCs

5.3.1 A review of the mandate, composition and resourcing of a City BCC classified as "Advisory", "Interest Group", or "Review" (Schedule A) will be brought forward to Council by the City Clerk's Office through the Priorities and Finance Committee every two years, with the first review occurring in 2018. The review will be done in collaboration between the City BCC's Members, the City Clerk's

Office, Administration Resources, and other members of City Administration, as required.

- 5.3.2 Despite section 5.3.1, Council may at any time direct that a review be conducted.
- 5.3.3 A City BCC is disbanded by resolution of Council or repeal of its enabling bylaw.

5.4 Duties of City Chairs

- 5.4.1 Chairs of City BCCs are required to:
 - a) Chair meetings in accordance with *The Procedure Bylaw* or other adopted procedures as permitted in Section 2 of *The Procedure Bylaw*;
 - b) Participate in the City BCC recruitment and appointment process;
 - c) Participate in succession planning;
 - d) Manage performance evaluation of Public Members;
 - e) Speak on behalf of a City BCC when required by Council;
 - f) Coordinate with Administration for orientation and training of Members;
 - g) Notify the City Clerk's Office in writing as soon as the Chair is made aware of a mid-term vacancy;
 - h) Act in accordance with the *Indemnification of Council Citizen Appointments* and *Code of Conduct* policies and any other subsequent Council policies or bylaws that govern City BCCs; and
 - i) Any other duties as directed by Council.
- 5.4.2 The Chair of a City BCC may delegate their responsibilities to their Vice-Chair(s).

5.5 City Clerk's Office Staffing

- 5.5.1 The City Clerk's Office will provide legislative services to City BCCs in accordance with the criteria outlined in Schedule C.

Part B: Appointment of Council Members and Administration Members to BCCs

5.6 Appointment of Council Members

- 5.6.1 Council Members shall be appointed to BCCs at the annual Organizational Meeting of Council, and at other times the BCC requires.

- 5.6.2 The appointment term for Council Members shall:
- a) Be until the next annual Organizational Meeting of Council, unless otherwise specified by a resolution of Council or a BCC's Governance Document(s); and
 - b) Terminate immediately upon leaving office.
- 5.6.3 Each year Councillors will provide a listing of their BCC appointment preferences to the City Clerk's Office. These preferences will be summarized and presented for Council's consideration for appointment at the annual Organizational Meeting of Council.
- 5.6.4 In the case of a mid-term Council Member vacancy, the City Clerk's Office will canvass all Councillors for interest in the applicable BCC and bring a report forward for Council make an appointment.

5.7 Appointment of Administration Members

- 5.7.1 Council shall appoint Administration Members to BCCs as applicable. The City Manager shall provide Council with recommendations for appointments.
- 5.7.2 Administration Members shall be appointed to BCCs at the annual Organizational Meeting of Council, and at other times the BCC requires.
- 5.7.3 The appointment term for Administration Members shall:
- a) Be until the next annual Organizational Meeting of Council, unless otherwise specified by a resolution of Council or a BCC's Governance Document(s); and
 - b) Terminate immediately upon leaving the employment of The City of Calgary.
- 5.7.4 In the case of a mid-term Administration Member vacancy, the City Clerk's Office will contact the applicable General Manager for a nomination and bring a report forward for Council make an appointment.

Part C: Appointment of Public Members to BCCs

5.8 Timing of Public Member Appointments

- 5.8.1 Public Members shall be appointed to BCCs at the annual Organizational Meeting of Council, and at other times the BCC requires.

5.9 Eligibility of Public Members

- 5.9.1 Applicants must satisfy Eligibility requirements in order to be selected for appointment.
- 5.9.2 Unless otherwise outlined in a BCC's Governance Document(s), Public Members must be:
 - a) Residents of Calgary; and
 - b) At least 18 years of age.
- 5.9.3 A BCC's Governance Document(s) may outline Eligibility requirements for Public Members that are in addition to the Eligibility requirements outlined in section 5.9.2.
- 5.9.4 Unless required by a BCC's Governance Document(s), Public Members are not required to be an Elector.
- 5.9.5 If the *Code of Conduct* is applicable to a Public Member, the Public Member must abide by that policy.
- 5.9.6 A Public Member must act in good faith in the performance of their duties, as outlined in Council's *Indemnification of Council Citizen Appointments* policy.
- 5.9.7 Public Members must maintain Eligibility status throughout their term.

5.10 Terms for Public Members

- 5.10.1 A Public Member's term will be:
 - a) As outlined in a BCC's Governance Document(s);
 - b) If terms are not outlined in a Governance Document(s), for a one or two-year term to allow for staggering; or
 - c) For completion of a term, unless otherwise outlined on a BCC's Governance Document(s).
- 5.10.2 A Public Member ceases to be a Public Member at the end of their term.
- 5.10.3 A Public Member may serve up to a maximum of six consecutive years on a City BCC, unless otherwise outlined in a City BCC's Governance Document(s). The years served on a City BCC prior to the coming into force of

this Council policy on 2016 April 25 are to be counted in the calculation of the Public Member's length of service.

- 5.10.4 Despite sections 5.10.1 to 5.10.3, a Public Member serves on a City BCC until their successor is appointed. The service of a Public Member beyond the appointed term shall not count toward the calculation of the limit on length of service as set out in section 5.10.3 if that extension is less than half the length of a term.
- 5.10.5 When an appointment is made to fill a vacancy during the last half of a term, the balance of the term shall not count toward the maximum length of service on the City BCC for the Public Member. However, any partial service longer than half of the appointment term will be counted as a full term toward the maximum length of service.
- 5.10.6 Despite section 5.10.3, a Public Member may serve on a City BCC more than six consecutive years by a Two-Thirds Vote of Council.
- 5.10.7 Appointments should be staggered where possible in order to maintain a BCC's organizational memory and continuity.

5.11 Recruitment of Public Members and Advertising

- 5.11.1 The City Clerk's Office shall conduct an annual recruitment and advertising campaign seeking applicants interested in being appointed to BCCs with Public Member vacancies.
- 5.11.2 The City Clerk's Office will facilitate all duties in relation to recruitment, advertising, preparation and distribution of applications, unless a BCC is exempt under section 5.12. Administration Resources may also support these processes.
- 5.11.3 Applications will be accepted for four weeks [during August/September](#). The application deadline will be established by the City Clerk's Office.
- 5.11.4 Late applications will be submitted to Council at the Organizational Meeting of Council and may be accepted for consideration by a Two-Thirds Vote of Council.
- 5.11.5 The City's website and social media accounts will be used to advertise all vacancies. The BCC's website may also be used.

- 5.11.6 Vacancies may be advertised through a variety of multimedia sources including newspapers, trade bulletins, websites or newsletters of professional organizations, and community newsletters and networks. Advertising may vary depending on the BCC. Advertising shall specify:
- a) The BCCs with vacancies;
 - b) The Public Member roles that are vacant;
 - c) The process for submitting applications;
 - d) The date, time and location of any information sessions; and
 - e) The deadline date for receipt of applications.
- 5.11.7 Advertising shall direct potential applicants to the City's website for more detailed information on the BCC appointment opportunity and process.
- 5.11.8 If a BCC's Governance Document(s) outlines that Public Member vacancies are to be appointed through Non-Binding Nominations, these vacancies are not required to be advertised.
- 5.11.9 Qualifications that are in addition to those found in a BCC's Governance Document(s) that are needed to support a BCC's most current work plan, as identified by a BCC Chair, may be used in the recruitment and appointment of applicants.
- 5.11.10 The City will recruit and advertise through processes that attract a diverse pool of applicants. The City may cooperate with community agencies that recruit and train individuals from under-represented constituencies to improve diversity of the applicant pool.
- 5.11.11 The City may conduct advertised public information sessions as part of the advertised recruitment process. Applicant attendance at an information session is not mandatory.
- 5.11.12 Members of Council, Administration and Public Members may encourage qualified applicants to submit applications to enrich the applicant pool.
- 5.11.13 Council may by resolution approve the services of a search consultant with any advertised recruitment process to enhance the applicant pool and assist with the application intake, screening and short-listing process. In its approval, Council will approve funding to cover the costs of the search consultant's services.

5.11.14 Upon Council's adoption of a new City BCC's Governance Document(s), or amendment to an existing City BCC's Governance Document(s), Council shall direct whether or not an immediate recruitment and advertising campaign for the City BCC will be undertaken by the City Clerk's Office or if it is to be included in the next annual recruitment and advertising campaign.

5.11.15 When Council directs the City Clerk's Office to undertake an immediate recruitment and advertisement campaign, outside of the City Clerk's annual recruitment and advertising campaign, Council shall identify a source of funding for the City Clerk's Office.

5.12 BCCs Outside of the Annual City Clerk's Office Recruitment and Advertising Campaign

5.12.1 BCCs may be exempt from the annual City Clerk's Office recruitment and advertising campaign by resolution of Council. BCCs shall request an exemption in sufficient time for a Council decision in May of each year.

5.12.2 An exempt BCC is responsible for:

- a) The costs of conducting recruitment and advertising activities outside of the annual City Clerk's Office recruitment and advertising campaign;
- b) Receiving and processing applications;
- c) Submitting a report to the City Clerk's Office with recommendations for appointments;
- d) Submitting the names and contact information of all applicants to the City Clerk's Office for the purpose of notification in accordance with section 5.17; and
- e) Submitting the required information in sections (c) and (d) within the timeframe established by the City Clerk's Office for items to be submitted to the annual Organizational Meeting of Council.

5.12.3 The City Clerk's Office is responsible for notifying all applicants of their status as outlined in section 5.17.

5.13 Application Process for Public Members

5.13.1 Applicants are encouraged to apply through the electronic application form on The City's website. Hardcopy application forms will be available on The City's website or at the City Clerk's Office. A hardcopy application may be submitted by email, mail, or in person.

- 5.13.2 Applicants may apply for up to two BCCs, using a single application form.
- 5.13.3 Public Members who are eligible to be reappointed for another term on a BCC must reapply through the application process as outlined in section 5.13.
- 5.13.4 To encourage a broad degree of citizen participation, no Public Member shall serve concurrently on more than one BCC unless Council determines there is a need.
- 5.13.5 Personal information collected during the application process is collected pursuant to the *Freedom of Information and Protection of Privacy Act* and will be used by Council, respective BCCs and Administration in conducting the appointment process and, in the case of an individual's appointment, in carrying out BCC business.

5.14 Nominations Committee

- 5.14.1 A Nominations Committee will be established by Council.
- 5.14.2 The Nominations Committee is responsible for nominating applicants to Council for appointment. Council shall make all appointments to BCCs.
- 5.14.3 In a year of a General Election, the Nominations Committee will not meet in the months of September and October. All applications and BCC short lists will be submitted directly to the Organizational Meeting of Council for consideration and appointment.
- 5.14.4 The terms of reference for the Nominations Committee are as outlined in Schedule B.
- 5.14.5 The Nominations Committee may sit in smaller panels to finalize interview questions and/or conduct interviews. The smaller panels may recommend nominations to Council.
- 5.14.6 The Nominations Committee may consider an applicant for appointment to a BCC to which the applicant did not apply if the applicant meets the Eligibility and Qualifications requirements.
- 5.14.7 The Nominations Committee may determine that recruitment has not resulted in sufficient or suitable applications and request additional advertising and recruitment. The Nominations Committee will recommend to Council that funding be approved for additional advertising and recruitment.

- 5.14.8 In the year of a General Election, when the Nominations Committee will not hold Meetings in the months of September and October, the responsibilities assigned to the Nominations Committee in section 5.14-5.16 shall be conducted by Council.

5.15 Appointment of Public Members to Administrative Tribunals and Advisory, Review and Interest Group BCCs

- 5.15.1 Section 5.15 applies to BCCs classified as "Administrative Tribunals", "Advisory" or "Review" (Schedule A).
- 5.15.2 Section 5.15 applies to BCCs classified as "Interest Group" (Schedule A) for the appointment of any Public Members not filled by a Non-Binding Nomination.
- 5.15.3 Despite sections 5.15.1 and 5.15.2, any Non-Binding Nominations received by the City Clerk's Office will be forwarded directly to Council for appointment.
- 5.15.4 Applications that are received under section 5.13 by the City Clerk's Office will be provided to the BCC Chairs. The Chair, Vice-Chair(s) and Administration Resources will use the BCC Qualifications and Eligibility requirements to short list two applications for each vacancy. Interviews may be conducted.
- 5.15.5 The Chair will submit the applicant short list to the City Clerk's Office in accordance with the timeframe established by the City Clerk's Office. The City Clerk's Office will provide a report to the Nominations Committee with each BCC's applicant short list.
- 5.15.6 The Nominations Committee will consider the applicant short lists and make recommendations to Council on which applicants should be appointed. The Nominations Committee may or may not recommend the applicants short listed by the BCC and may refer back to the complete pool of applications. A Chair may be asked to attend a Nominations Committee meeting to provide advice on their applicant short list. If the Nominations Committee, or Council, refers back to the complete pool of applicants, then:
- a) the Nominations Committee must interview the applicant(s) in the case that the BCC's short listing selection process included an interview component prior to appointment; or

- b) the selected applicant(s) must be referred to the BCC Chair, or to a Selection Committee consisting of Members of Council, for completion of an interview in the case that the BCCs short listing selection process included an interview component. The BCC Chair will submit a recommendation to the City Clerk's Office for presentation to Council.
- 5.15.7 The Nominations Committee shall recommend a Reserve List for each BCC to Council, if a sufficient number of applications was received. The number of applicants on the Reserve List shall be at the discretion of the Nominations Committee. An applicant may be on more than one Reserve List but will be removed from all Reserve Lists if the applicant is appointed to a BCC to fill a mid-term vacancy.
- 5.15.8 A BCC that is exempt from the annual City Clerk's Office recruitment and advertising campaign under section 5.12 is exempt from sections 5.15.1-5.15.7.
- 5.15.9 A BCC that is exempt under section 5.12 is responsible for submitting a report to the City Clerk's Office with recommendations for appointments. The BCC shall recommend two applicants for each vacancy. The BCC's report shall be submitted in accordance with the format and timeframe set by the City Clerk's Office to ensure readiness for the annual Organizational Meeting of Council.

5.16 Appointment of Public Members to External, Oversight/Regulatory, Partner, Ad Hoc and Working Group/ Task Force BCCs

- 5.16.1 Section 5.16 applies to BCCs classified as "External", "Oversight/ Regulatory" or "Partner" (Schedule A).
- 5.16.2 Section 5.16 applies to BCCs classified as "Ad Hoc" or "Working Group/ Task Force" (Schedule A) if the BCC is a part of the annual City Clerk's Office recruitment and advertising campaign.
- 5.16.3 Despite sections 5.16.1 and 5.16.2, any Non-Binding Nominations received by the City Clerk's Office will be forwarded directly to Council for appointment.
- 5.16.4 Applications that are received under section 5.13 by the City Clerk's Office will be provided to the Nominations Committee. The Nominations Committee will use the BCC Qualifications and Eligibility requirements to recommend to Council which applicants should be appointed. Interviews may be conducted.

- 5.16.5 A Chair may be asked to attend a Nominations Committee meeting to provide advice on the applications.
- 5.16.6 The Nominations Committee shall recommend a Reserve List for each BCC to Council, if a sufficient number of applications was received. The number of applicants on the Reserve List shall be at the discretion of the Nominations Committee. An applicant may be on more than one Reserve List but will be removed from all Reserve Lists if the applicant is appointed to a BCC to fill a mid-term vacancy.
- 5.16.7 The City Clerk's Office will prepare a report with the Nominations Committee's appointment and Reserve List recommendations which will be considered by Council at its annual Organizational Meeting.
- 5.16.8 A BCC that is exempt from the annual City Clerk's Office recruitment and advertising campaign under section 5.12 is exempt from sections 5.16.1-5.16.7.
- 5.16.9 A BCC that is exempt under 5.12 is responsible for submitting a report to the City Clerk's Office with recommendations for appointments. The BCC shall recommend two applicants for each vacancy. The BCC's report shall be submitted in accordance with the format and timeframe set by the City Clerk's Office to ensure readiness for the annual Organizational Meeting of Council.

5.17 Notification of Appointed, Reserve List and Unsuccessful Applicants, and Retiring Public Members

- 5.17.1 Appointed Public Member and Reserve List applicants will be notified by the City Clerk's Office and by an official letter from the Mayor.
- 5.17.2 Unsuccessful applicants will receive an official letter from the Mayor thanking them for their interest.
- 5.17.3 Public Members who are not reappointed will be notified by the BCC Administration Resource, and will receive an official letter from the Mayor thanking them for their service.
- 5.17.4 Public Members who retire will receive an official letter from the Mayor thanking them for their service.

- 5.17.5 Applicants who submitted late applications will be notified by the City Clerk's Office on whether or not their applications were considered by Council as outlined in section 5.11.4.

5.18 Mid-term Vacancies

- 5.18.1 A mid-term vacancy on a BCC is created when a Public Member resigns or vacates the position before the end of a term, effective the earliest of:
- a) The date of resignation, submitted in writing to the Chair;
 - b) The date the Public Member ceases to be eligible;
 - c) The date the Public Member is removed by Council; or
 - d) The date of death or other incapacitation.
- 5.18.2 As soon as a Chair is made aware of a mid-term vacancy, they shall notify the City Clerk's Office in writing as outlined in section 5.4.1(g).
- 5.18.3 Upon notification of a vacancy, the City Clerk's Office shall contact the Reserve List applicants to determine if the applicants are still interested and available to serve as a Public Member. The resulting Reserve List will be submitted to Council and may be used to fill the vacancy.
- 5.18.4 If no Reserve List exists or the Reserve List applicants are unavailable to fill a vacancy, the City Clerk's Office shall submit a vacancy report to the Nominations Committee.
- 5.18.5 The Nominations Committee shall determine if the vacancy is to be filled for the balance of the term. The Nominations Committee will recommend to Council which applicants to appoint. If there are no eligible applicants remaining from the previous City Clerk's recruitment campaign, the Nominations Committee may recommend to Council that a new recruitment and advertising campaign be conducted to fill the vacancy. The Nominations Committee will recommend to Council that funding be approved for additional advertising and recruiting. If a vacancy is to be filled, it shall be filled within 60 days from the date the Nominations Committee is notified that the vacancy has occurred.
- 5.18.6 The Nominations Committee may conduct interviews and/or consult with a BCC Chair when considering a mid-term vacancy.
- 5.18.7 In the year of a General Election, when the Nominations Committee will not hold Meetings in the months of September and October, the responsibilities

assigned to the Nominations Committee in section 5.18 shall be conducted by Council.

5.19 Public Member Recognition Event

5.19.1 The City Clerk's Office (Protocol) will host Council's annual recognition event for outgoing Public Members who served on various BCCs for at least one year.

6. SCHEDULES

6.1 Schedule A: Classification and Criteria of Boards, Commissions and Committees

6.2 Schedule B: Nominations Committee – Terms of Reference

6.3 Schedule C: City Clerk's Office Staffing

7. AMENDMENTS

Date of Council Decision	Report / Bylaw	Description
2017 July 31	PFC2017-0433 Bylaw 35M2017	Bylaw 44M2006 is repealed and replaced with Procedure Bylaw 35M2017.
2017 April 24	PFC2017-0260	Council adopted amendments with respect to the application process, Reserve List, and Nomination Committee. Minor amendments adopted to bring greater clarity and bridge implementation gaps.

8. REVIEWS

Date of Policy Owner's Review	Description
2016 April 11	Disbandment – remove from Schedule A: Selection Committee for the Integrity Commissioner
2016 June 20	Adoption of a new Task Force – add to Schedule A: Community Representation Framework Task Force (CPS2016-0393)
2016 July 25	Disbandment – remove from Schedule A: eGovernment Strategy Advisory Committee (PFC2016-0148)

Date of Policy Owner's Review	Description
2016 September 26	Disbandment – remove from Schedule A Prince's Island Park Management Advisory Committee (CPS2016-0748)
2016 September 26	Name change – update Schedule A: From 'Taxi Limousine Advisory Committee' to 'Livery Transport Advisory Committee'. (CPS2016-0633)
2016 October 12	Update on status and removal from Boards, Commissions and Committees – remove from Schedule A: Local Authorities Pension Plan Board of Trustees
2016 October 24	Remove from Schedule A: NextCITY Advisory Committee (N2016-0657, Acknowledged as an Administration Committee)
2016 November 07	Name change – update Schedule A: From 'Chinatown District Business Revitalization Zone' to 'Chinatown District Business Improvement Area' (C2016-0854 and Bylaw 49M2016)
2016 November 28	Name change – update Schedule A: From 'Montgomery Business Revitalization Zone' to 'Montgomery on the Bow Business Improvement Area' (CPS2016-0826 and Bylaw 54M2016)
2016 November 28	Name change – update Schedule A: From 'Bowness Business Revitalization Zone' to 'Mainstreet Bowness Business Improvement Area' (CPS2016-0826 and Bylaw 55M2016)
2016 November 28	Name change – update Schedule A: From 'Kensington/Louise Crossing Business Revitalization Zone' to 'Kensington Business Revitalization Zone' (CPS2016-0826 and bylaw 56M2016)
2016 November 28	Name change – update Schedule A: From 'Victoria Park Business Revitalization Zone' to 'Victoria Park Business Improvement Area' (CPS2016-0826 and Bylaw 57M2016)
2016 November 28	Name change – update Schedule A: From 'Fourth Street South West Business Revitalization Zone' to '4 th Street South West Business Improvement Area' (CPS2016-0826 and Bylaw 59M2016)
2016 December 31	Disbandment – remove from Schedule A: <ul style="list-style-type: none"> - Legacy Parks Fund Steering Committee - Land and Asset Strategy Committee - Legislative Governance Task Force (2016 July 25, LGT2016-0585) (2016 September 12, Bylaw Tabulation 36M2016)

Date of Policy Owner's Review	Description
2017 February 22	<p>Additions to Schedule A as the below Boards, Commissions and Committees predate the adoption of this Council policy:</p> <ul style="list-style-type: none"> - Calgary Emergency Management Agency (CEMA) - Co-ordinating Committee of the Councillors' Office - Mall Programming Fund Management Committee

Schedule A

Classification and Criteria of Boards, Commissions and Committees

When a City Board, Commission or Committee (BCC) is created it will be classified in accordance with the descriptions outlined in this schedule.

Determination of which classification a BCC belongs in should be based on the **primary** function of the BCC, recognizing that the body may also have work related to one or more of the other categories.

BCC Classification	BCC Description	Applicable BCCs (*indicates BCCs with Public Members appointed by Council)	Applicable Public Member Appointments Policy Section
Ad Hoc	<ul style="list-style-type: none"> Established to provide oversight or provide recommendations to Council on matters that occur or require attention from time to time. Meets on an ad hoc basis. Members of Council, Public Members and/or Administration may be appointed. Reports to Council directly or through an SPC. 	<ol style="list-style-type: none"> 1) Corporate Pension Governance Committee 2) Local Emergency Committee 3) Nominations Committee 4) Co-ordinating Committee of the Councillor's Office 	5.16 - for Public Member vacancies that are a part of the annual City Clerk's Office recruitment and advertising campaign.
Administration Committee	<ul style="list-style-type: none"> Established by Administration. Establishment and terms of reference are not adopted by Council. Council makes no appointees. Membership shall not include Members of Council. Members of Council may attend meetings but may not vote on decisions. 	Example: <i>Corporate Technology Committee</i>	Not applicable.
Administrative Tribunal	<ul style="list-style-type: none"> Established to decide appeals as a quasi-judicial body under legislation. Authority is delegated by bylaw. Decision-making is governed by the rules of administrative law including the duty of fairness and impartiality. 	<ol style="list-style-type: none"> 1) Assessment Review Boards* 2) Licence and Community Standards Appeal Board* 3) Subdivision and Development Appeal Board* 	Not applicable 5.15

BCC Classification	BCC Description	Applicable BCCs (*indicates BCCs with Public Members appointed by Council)	Applicable Public Member Appointments Policy Section
	<ul style="list-style-type: none"> Decisions may be appealed to a higher jurisdiction. Public Members and Council Members may be appointed but not Administration Members. Membership shall consist primarily of Public Members. Membership shall consist only of Public Members and not Council Members or Administration. 		
Advisory	<ul style="list-style-type: none"> Established to provide public or expert input and advice to Council on varying issues. As an Advisory BCC's role is to give advice from the public to Council, Members of Council shall not be appointed. Administration Members may be appointed. Reports to Council directly or through an SPC. 	<ol style="list-style-type: none"> 1) Advisory Committee on Accessibility* 2) BiodiverCity Advisory Committee* 3) Calgary Aboriginal Urban Affairs Committee* 4) Calgary Heritage Authority* 5) Public Art Board* 	5.15
Business Revitalization Zone (BRZ) Business Improvement Area (BIA)	<ul style="list-style-type: none"> Established under the <i>Municipal Government Act</i>, RSA 2000, c M-26. Enabled by bylaw. Public Members are elected at the BRZ/BIA's annual general meeting and appointed by Council. 	<ol style="list-style-type: none"> 1) 17th Avenue Retail & Entertainment District BRZBIA* 2) 4th Street South West BIA* 3) Mainstreet Bowness BIA* 4) Calgary Downtown Association BRZBIA* 5) Chinatown District BIA* 6) <u>HIPville BIA*</u> 7) Inglewood BRZBIA* 8) International Avenue BRZ* 9) Kensington-BRZ* 10) Marda Loop BRZBIA* 11) Montgomery on the Bow BIA* 12) Victoria Park BIA* 	Not applicable.

BCC Classification	BCC Description	Applicable BCCs (*indicates BCCs with Public Members appointed by Council)	Applicable Public Member Appointments Policy Section
External	<ul style="list-style-type: none"> Not established by The City of Calgary but membership includes a Council appointee. Members of Council, Public Members and/or Administration may be appointed. 	1) Alberta Urban Municipalities Association 2) Bow River Basin Council 3) Calgary Airport Authority* 4) Calgary Homeless Foundation 5) Calgary Metropolitan Region Board 6) Calgary Safety Council 7) Calgary Regional Partnership 8) The City of Calgary/City of Chestermere Inter-Municipal Committee 9) East Paskapoo Slopes Joint Advisory Committee 10) Family and Community Support Services Association of Alberta 11) Federation of Canadian Municipalities 12) Inter-Municipal Committee - Foothills 13) Inter-Municipal Committee – Rocky View 14) Mall Programming Fund Management Program 15) Calgary International Airport Development Appeal Body* 14) The Provincial Utilities Consumer Advocate Governance Board 15) Regional Transportation Steering Committee 16) Urban Municipalities Task Force	5.16
Interest Group	<ul style="list-style-type: none"> Established when advice or delegated work is desired from specific professional, industry or community groups. 	1) Livery Transport Advisory Committee 2) Urban Design Review Panel*	5.15 - for appointments that are not filled by Non-

BCC Classification	BCC Description	Applicable BCCs (*indicates BCCs with Public Members appointed by Council)	Applicable Public Member Appointments Policy Section
	<ul style="list-style-type: none"> The majority of membership is composed of Non-Binding Nominations submitted to Council from specific organizations, industries, community groups and/or other BCCs. Members of the general public and Administration may also be appointed but not Members of Council. 	3) Mall Programming Fund Management Committee	Binding Nomination
Oversight/Regulatory	<ul style="list-style-type: none"> Established to perform oversight, regulatory or operational functions as required by legislation and/or bylaw. These bodies may be used where Council wishes to have particular decisions made and functions performed at arm's-length from the political process or Administration. Does not include quasi-judicial bodies established to decide appeals (see Administrative Tribunal). Members of Council, Public Members and/or Administration may be appointed. 	1) Audit Committee* 2) Calgary Parking Authority* 3) Calgary Planning Commission* 4) Calgary Police Commission* 5) Combative Sports Commission* 6) Emergency Management Committee 7) Calgary Emergency Management Agency (CEMA)	5.16
Partner	<ul style="list-style-type: none"> Established as an organization operating independently from The City. Resources of The City are invested in and managed by the body, including operational and capital funding, land, buildings, artefacts and liaison support. May be a body supported by Community Services through Civic Partners. Members of Council, Public Members and/or Administration may be appointed. 	1) Convention Centre Authority* 2) Calgary Public Library Board* 3) Calgary Stampede Board 4) Calgary Technologies Inc.* 5) Lindsay Park Sports Society 6) McMahon Stadium Society 7) Parks Foundation Calgary 8) Saddledome Foundation* 9) Silvera for Seniors* 10) Tourism Calgary* 11) Winsport	5.16
Review	<ul style="list-style-type: none"> Established to review specific matters that occur from time to time. Review decisions and investigations of Administration to determine if established processes were followed. 	1) Calgary Transit Access Eligibility Appeal Board* 2) Protective Services Calgary Transit Public Safety Citizen Oversight Committee*	5.15

BCC Classification	BCC Description	Applicable BCCs (*indicates BCCs with Public Members appointed by Council)	Applicable Public Member Appointments Policy Section
	<ul style="list-style-type: none"> May make recommendations for follow-up or change Administration's decisions. As these bodies are established to conduct an arm's-length review of Administration decisions and investigations, appointees should only include Public Members. Non-voting Administration Members may be appointed to provide expertise advice. 		
Standing Specialized Committees	<ul style="list-style-type: none"> Established as Special under <i>The Procedure Bylaw</i>. Recommends action to Council on a special set of Council issues. Reports directly to Council. Membership is primarily Members of Council but may include Public Members and/or Administration Members. Reports directly to Council. 	1) Gas, Power and Telecommunications Committee 2) Intergovernmental Affairs Committee 3) Priorities and Finance Committee	Not applicable.
Standing Policy Committee (SPC)	<ul style="list-style-type: none"> Established as an SPC under <i>The Procedure Bylaw</i>. Responsible for policy formulation for Council and decision-making within existing Council policy. Membership includes Members of Council only. Reports directly to Council. 	1) SPC on Community and Protective services 2) SPC on Planning and Urban Development 3) SPC on Transportation and Transit 4) SPC on Utilities and Corporate Services 5) Priorities and Finance Committee (not officially an SPC but its primary function falls within this classification)	Not applicable.
Sub-Committee	<ul style="list-style-type: none"> Established by Council or a Council Committee to deal with a specific sub-set of issues. Membership includes Members of Council and may include Administration Members. Reports directly to Council or through an SPC. 	Example: 1) Personnel Sub-Committee	Not applicable.

BCC Classification	BCC Description	Applicable BCCs (*indicates BCCs with Public Members appointed by Council)	Applicable Public Member Appointments Policy Section
Wholly-Owned Subsidiary	<ul style="list-style-type: none"> Established as a corporation of which The City of Calgary is the sole shareholder. Directors are appointed in accordance with the corporation's Governance Documents. 	<ol style="list-style-type: none"> 1) Attainable Homes Calgary Corporation 2) Calgary Arts Development Agency 3) Calgary Economic Development Limited 4) Calgary Housing Company 5) Calgary Municipal Land Corporation 6) Enmax Corporation 	Not applicable.
Working Group/ Task Force	<ul style="list-style-type: none"> Established to oversee a short-term project or develop/review a policy for Council consideration. Terms of reference will include timelines for when the body is to be disbanded. Members of Council, Public Members and/or Administration may be appointed. 	<ol style="list-style-type: none"> 1) Council Compensation Review Committee* 2) RouteAhead Steering Committee 3) Community Representation Framework Task Force 	5.16

Schedule B

Nominations Committee Terms of Reference

1. Mandate

The responsibilities of the Nominations Committee include considering and recommending to Council applicants to appoint to Boards, Commissions and Committees (BCCs). The Nominations Committee shall act in accordance with the *Governance and Appointments of Boards, Commissions and Committees Policy*. The Nominations Committee shall meet from time to time with the frequency required to carry out its duties.

2. Establishment

The Nominations Committee was established by City Council on 2016 May 16 (C2016-0381).

3. Composition

The Nominations Committee consists of up to seven Members of Council, including the Mayor or the Mayor's designate as Chair.

4. Terms

Councillors are appointed to the Nominations Committee at the annual Organizational Meeting of Council, or at other times required by the Nominations Committee, for a one year term expiring on the day of the Organizational Meeting.

5. Reporting

The Nominations Committee reports directly to Council.

6. Meeting Support

The City Clerk's Office will provide legislative services for the Nominations Committee.

7. Meetings

The Nominations Committee will meet as required to carry out its mandate. Meetings of the Nominations Committee will be called or cancelled at the call of the Chair. Notice of Meetings will occur in accordance with The City of Calgary Procedure Bylaw -35M2017, -.

In a year of a General Election, the Nominations Committee will not meet in the months of September and October. All applications and BCC short lists will be submitted directly to the Organizational Meeting of Council for consideration and appointment.

Schedule C

City Clerk's Office Staffing

Criteria for the City Clerk's Office to Provide Legislative Services for a Board, Commission or Committee

1. The City Clerk is responsible for maintenance of the Council record for The City. When the City Clerk records for a City Board, Commission or Committee (BCC), all resulting documentation becomes a part of this Council record.
2. The City Clerk's Office provides legislative services for all meetings of Council and Council Committees in accordance with *The Procedure Bylaw*.
3. The criteria for the City Clerk's Office providing legislative services for City BCCs other than a Council Committee are that the BCC must:
 - a) Be formed by Council under the *Municipal Government Act* RSA 2000 c M-26;
 - b) Have all Members appointed by Council;
 - c) Have at least one Member of Council appointed as a voting Member;
 - d) The City BCC must not be a local government body in its own right as defined in the definitions section of the *Freedom and Information and Protection of Privacy Act* RSA 2000 F-25;
 - e) Not be subject to the *Personal Information Protection and Electronic Documents Act* or equivalent Alberta legislation;
 - f) Have in its mandate the ability to decide, advise or recommend policy to Council or its committees, or make decisions involving City budget funds; and
 - g) Not be self-funded.
4. Despite sections 1 and 3, the City Clerk's Office shall not provide legislative services for the Calgary Planning Commission, Calgary Parking Authority or Co-ordinating Committee of the Councillors' Office.

**Community Services Report to
SPC on Community and Protective Services
2018 April 11**

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Livery Industry Improvements – Update on Bylaw 42M2016

EXECUTIVE SUMMARY

This report is referred from the 2018 March 19 Combined Meeting of Council. As directed by Council, the report now includes financial, trip and driver information from Livery Transport Services (LTS) as well as a summary of the proposed changes to the combined TNC licence fee option.

In recent years, the livery industry has been evolving quickly due to technological advancements and new market entrants. Technology has changed the ways in which we live, work and travel. In 2016, a number of amendments were made to the Livery Transport Bylaw 6M2007 to accommodate new market entrants and provide Calgarians with more transportation choice while maintaining public safety, consumer protection and service quality. Administration is committed to continued improvement of the industry and ensuring new market entrants follow regulatory requirements to support the safety of citizens. In 2016 November, Council gave three readings to Bylaw 42M2016, which provided additional flexibility for the Transportation Network Company (TNC) industry, including a pilot initiative for an alternate fee system. Council further directed Administration to report back following the one-year pilot of this system. Following the conclusion of the pilot, Administration is recommending a number of changes to Livery Transport Bylaw 6M2007, as described in this report. Administration is recommending proposed amendments that improve clarity for livery fee calculation, further address public safety, and encourage operational flexibility, competition and service innovation. Administration is also recommending that a full review of livery fees be performed in order to analyse fees for all industry participants and determine an equitable fee structure that reflects the lessons learned from the pilot regarding public safety, consumer protection and service quality.

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Livery Industry Improvements - Update on Bylaw 42M2016

ADMINISTRATION RECOMMENDATION:

That the SPC on Community and Protective Services recommend that Council:

1. Receive this report and attachments for information;
2. Give three readings to the proposed bylaw to amend the Livery Transport Bylaw 6M2007 (Attachment 1); and
3. Direct Administration to undertake a full review of the fee structure in the Livery Transport Bylaw 6M2007 and report back to Council through the SPC on Community & Protective Services no later than 2019 Q2.

RECOMMENDATION OF THE SPC ON COMMUNITY AND PROTECTIVE SERVICES, DATED 2018 APRIL 11:

That Council:

1. Receive this Report and Attachments for information;
2. **Direct Administration to prepare amendments to the proposed Bylaw 20M2018 to amend the Livery Transport Bylaw 6M2007, to be brought to the 2018 April 23 Regular Meeting of Council, to:**
 - a. **Reduce the 2018 fee for the Livery Vehicle Registration Certificate from \$141 to \$0;**
 - b. **Increase the Transportation Network Driver Licence fee for 2018 from \$229 to \$265; and**
 - c. **Amend the minimum fee provision in Schedule B (section 4 of Combined Transportation Network Company/ Transportation Network Driver Licence Fee) to reflect the increase noted in Recommendation 2(b).**

And further, that Administration bring an early estimation of revenue impacts triggered by Recommendation 2(a) and (b) noted above.

3. **Give first reading to the proposed Bylaw 20M2018 to amend the Livery Transport Bylaw 6M2007 (Attachment 1);**
4. **Amend the proposed Bylaw 20M2018 to amend the Livery Transport Bylaw (Attachment 1), as follows:**
 - **Page 3 of 7, Section 16, by deleting the amount “\$100” following the words “a fee of up to” and substituting with the amount “\$250”.**
5. **Give second and third reading to the proposed Bylaw 20M2018 to amend the Livery Bylaw 6M2007 (Attachment 1), as amended; and**
6. **Direct Administration to undertake a full review of the fee structure in the Livery Transport Bylaw 6M2007 and report back to Council through the SPC on Community & Protective Services no later than 2019 Q2.**

**Community Services Report to
SPC on Community and Protective Services
2018 April 11**

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Livery Industry Improvements - Update on Bylaw 42M2016

PREVIOUS COUNCIL DIRECTION / POLICY

On 2018 March 19, Council referred CPS2018-0110 “Livery Industry Improvements – Update on Bylaw 42M2016” back to Administration, with direction to return to Council, through the SPC on Community and Protective Services, with a complete update, no later than 2018 May.

At the 2016 November 28 regular meeting of Council, Administration presented report C2016-0918, “Livery Industry Improvements”, which, among other Bylaw amendments, allowed TNCs to select from two licence fee options: The existing licence fee option, as approved by Council in 2016 February; or a proposed alternate TNC licence fee system – the “Combined TNC Licence Fee Option”. Council also directed Administration to report back to Council in 2018 Q1 with an update regarding the one-year pilot for the combined TNC licence fee option.

At the 2016 February 22 regular meeting of Council, Administration presented report C2016-0144, “Transportation Network Company Amendments.” Council approved the report and associated amendments to the Livery Transport Bylaw.

At the 2015 November 16 Strategic Session of Council, through report C2015-0886, Administration was directed to develop amendments to the Livery Transport Bylaw (6M2007) and report back to Council through TLAC, no later than 2016 February 22.

BACKGROUND

On 2016 February 22, Council passed Bylaw 12M2016, which amended the Livery Transport Bylaw to include rules for TNCs. The amendments came into effect in 2016 April, and Livery Transport Services (LTS) began accepting Transportation Network Driver Licence (TNDL) applications. Following five months of registering TNDLs and participating in discussions with the TNC industry, recommendations for areas of improvement were made. At that time, The City had licenced six TNCs and had issued 82 TNDLs. In an effort to accommodate additional TNCs and TNC drivers, Administration and the Livery Transport Advisory Committee (LTAC) explored alternate fee options and associated amendments to the Livery Transport Bylaw. This resulted in the development of an alternative fee structure for TNCs, which was presented to Council in 2016 November. Council’s approval of Bylaw 42M2016 approved a one-year pilot project which allowed for TNCs to select from two licence fee options: 1) The existing licence fee option, as approved by Council in 2016 February; or 2) the combined TNC licence fee option. This provided TNCs with the ability to choose a fee option that best supports their individual business needs. Further to this, Council also directed Administration to report back in 2018 Q1 with an update on the one-year pilot for the combined TNC licence fee option.

On 2018 March 19, Council referred CPS2018-0110 “Livery Industry Improvements – Update on Bylaw 42M2016” back to Administration, with direction to return to Council, through the SPC on Community and Protective Services, with a complete update, no later than 2018 May. 2017 Financial Analysis for LTS, including TNCs has been attached to this report (Attachment 4), along with a summary of the proposed changes to the Combined TNC Licence Fee option (Attachment 5).

Livery Industry Improvements - Update on Bylaw 42M2016

INVESTIGATION: ALTERNATIVES AND ANALYSIS

Following Council's approval of Bylaw 42M2016, based on the one-year pilot, Administration has analyzed The City's actual operating costs for regulating TNCs and Transportation Network Drivers in comparison to the amount collected from TNCs and identified areas for improvement with respect to the combined TNC licence fee option. Changing regulation, advancements in technology and increasing customer expectations are changing the face of the vehicle for hire industry in Calgary and across the world. Striking a balance to ensure an equitable cost for licensing and regulation remains the objective for all vehicle-for-hire participants.

Administration has also identified a number of additional bylaw amendments to support public safety, improve clarity, enhance enforceability and provide further flexibility for the taxi industry. The proposed bylaw amendments described in this report continue to focus on six strategic outcomes: safety, accessibility, reliability, fairness, competition and customer service.

The proposed amendments to Livery Transport Bylaw 6M2007 are provided in Attachment 1.

The Combined Licence Fee System

Since the implementation of Bylaw 42M2016, a number of TNCs have opted to use the Combined Licence Fee option available in the bylaw. This option consists of:

1. a scalable administrative fee based on the number of drivers authorized to use the TNCs app at the time of application or renewal;
2. a licence fee of \$15 per driver; and
3. a per trip fee of \$0.20 of all the trips arranged through the TNC's app.

Each TNC has an opportunity to select their preferred licensing fee system at the time of licence application or renewal. Following the one-year pilot of this system, Administration analyzed the revenues and expenditures associated with TNCs (provided in Attachment 4) and, as a result, a number of amendments are being recommended, in order to simplify the method of fee calculation and to continue ensuring that enforcement and administrative costs are covered through the collection of TNC fees. A summary of the proposed changes to the combined TNC licence fee option can be found in Attachment 5.

Administration Fee and Per Driver Fee

During the pilot, the combined TNC licence fee option included an annual, scalable administration fee based on the number of drivers authorized to use the TNC's app and is payable by the TNC to The City at the time of the TNC's initial application or annual renewal. Additionally, the TNC is required to pay a Driver Fee of \$15 for each Transportation Network Driver that is authorized during the term of a TNC's licence to use the TNC's app. This fee is payable by the TNC to The City on a quarterly basis. In an effort to streamline and simplify the combined TNC licence fee option, Administration recommends the elimination of the \$15 Per Driver Fee, while increasing the administration fee for large TNCs (with over 1,000 drivers) to maintain a cost recovery model. Proposed administration fees are reflected in the chart below:

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Number of Drivers	Proposed Administration Fee
1 – 100	\$5,000
101 – 1000	\$15,000
1001 - 3000	\$30,000
3001 or more	\$50,000

Per Trip Fee

The combined TNC licence fee option also includes a per-trip fee of \$0.20 for each trip arranged through the TNC's app, and is payable by the TNC to The City on a quarterly basis. According to trip data analysis for the pilot project period, this fee amount, combined with the change to the Administration fee noted above, is sufficient to cover the administration and enforcement costs associated with TNCs. Administration recommends no change to the per-trip fee.

Minimum Fee

The Livery Transport Bylaw sets out a minimum fee for the combined TNC licence fee option which ensures that TNCs pay a minimum amount equal to the annual TNDL fee multiplied by the number of licenced drivers associated with the TNC. The annual TNDL fee for 2018 is \$229. If at the end of the TNC's licence term, the total amount paid by the TNC is less than this minimum amount, the TNC must pay the difference within 30 days of the end of the term of the TNC's licence. Administration recommends that the minimum fee and the method of calculation remain unchanged following the one-year pilot. The minimum fee calculation provides assurance that administration and enforcement costs associated with TNC operations are collected. Analysis of the pilot project showed that the minimum fee requirement ensured that Administration was able to collect enough funds to cover The City's costs associated with addressing public safety and the administration of TNCs. As TNC operations ramped up through the pilot year, Administration saw an increasing draw on resources and stress to the current system. Resources will need to be increased to administer a high volume of driver applications and to perform audits and other enforcement actions to continue addressing public safety, consumer protection and service quality in the livery industry. The increased resource requirements will inform the proposed livery fee review, as described below.

Maximum Fee Amounts and Reimbursement

The current combined TNC licence fee option also includes a maximum fee amount. If, during a calendar year, the combined TNC/TNDL licence fee option equals or exceeds the projected annual costs for regulating the TNC and all Transportation Network Drivers authorized to use the TNC's app, The City will discontinue the collection of the Driver Fee and Per-trip fee from that TNC for the remainder of the calendar year. At the end of the calendar year, any surplus of fees collected from TNCs who use the combined TNC licence fee option would be reimbursed based on the portion of those total fees paid by each TNC during the calendar year.

Administration recommends that the 'maximum fee' and 'reimbursement of excess fee' provisions in the bylaw be amended to provide certainty to TNCs on the amount of excess fees owing at the end of a calendar year and clarify the method of calculation. The maximum fee and reimbursement provisions will be monitored closely and will be contemplated as part of the proposed livery fee review, as described below.

Livery Industry Improvements - Update on Bylaw 42M2016

Additional Proposed Amendments to Improve the Livery Industry

In addition to the recommended changes to the combined TNC licence fee option, Administration has identified a number of additional improvements to the Livery Transport Bylaw that will further address the maintenance of public safety, improve clarity, enhance enforceability and provide further flexibility for the taxi industry. These amendments are summarized in Attachment 2.

Proposed Livery Fee Review

LTS regulates public safety, consumer protection and service quality. In order to continue achieving these objectives, service level requirements are increasing, while the livery industry continues to evolve. Through engagement with the livery industry and the financial analysis associated with the one-year combined TNC licence fee pilot, an opportunity has been identified to undertake a full review of the fee structure in the Livery Transport Bylaw. A full analysis of the City costs associated with each industry sector (brokers, drivers, vehicles, etc.) should be undertaken in order to ensure the proportion of fees paid by each participant is relatively equal to the administration and enforcement costs associated. The fee review will also include further analysis of the combined TNC licence fee option, in relation to possible fee adjustments for other industry participants. Finally, the fee review will also contemplate the increased resource requirements necessary to effectively regulate TNCs. Administration recommends this fee review be completed by 2019 Q2. The timeline takes into account procurement timelines, resource constraints and the need for further trip and driver data in order to perform a fulsome analysis. This review will help LTS to identify opportunities to ensure the regulation of the livery industry is fair to all participants.

Operational Improvements since the Implementation of Bylaw 42M2016

Since the adoption of Bylaw 42M2016, operational improvements have been implemented that enhance efficiency and allow Administration to effectively monitor trends in the livery industry and make adjustments where required.

Automated TNDL Data Transfer Process

Administration is finalizing an automated TNDL registration system, which will allow TNCs to register affiliated drivers through an electronic system. This allows more flexibility in the application process by removing the requirement for TNC drivers to visit the LTS office. A Police Information Check, including a vulnerable sector check, will continue to be required and will be completed by the Calgary Police Services (CPS). While the automated system provides convenience to the TNC industry as a customer service enhancement, the administrative costs associated with the review of the information submitted through this process is likely to remain stable, as compared to the in-person process which will also continue to be available. If the taxi or limousine sectors are interested in an automated registration system, Administration is committed to working with stakeholders to identify ways to accommodate this.

Livery Industry Improvements - Update on Bylaw 42M2016

Data Requirements

Administration requires that taxis and TNCs provide driver and vehicle records for all trips commencing in the city. This data is integral to supporting the safety of Calgarians, as LTS relies on this data to conduct audits and investigations. Trip data also allows Administration to make informed and relevant policy recommendations. Both taxi and TNC industries are complying with the data submission requirement, which helps LTS to continually monitor the industry and identify opportunities for improvement to LTS operations.

Stakeholder Engagement, Research and Communication

Engagement and research in relation to TNCs and the livery industry as a whole has been ongoing for several years. In 2017, Administration and LTAC worked with Leger Research on the annual Customer Satisfaction Survey, which highlighted that citizen satisfaction with the livery system has remained high, with overall satisfaction livery services ranging from 88 to 98 per cent. Research and engagement initiatives over the past two years have shown that although satisfaction with taxi services remains high, Calgarians support having additional transportation options, such as TNCs, provided that The City regulates public safety considerations associated with this type of operation.

In 2017 December, Council received the LTAC Governance Review and approved recommendations to disband LTAC, effective 2018 January 01. Based on this recommendation, Administration committed to guiding principles for engagement with the public and industry, in absence of the LTAC process. This commitment includes robust and thoughtful engagement practices for every recommendation brought forward to Council. Administration has undertaken engagement sessions with many external stakeholders in relation to the recommendations in this report, and will continue to meaningfully engage with the industry and the general public going forward.

A summary of engagement activities associated with this report is provided in Attachment 3.

Strategic Alignment

This report aligns with Calgary City Council Priorities from Action Plan 2015-2018, including: a city that moves; and strategic action M5: Improve the taxi system.

Social, Environmental, Economic (External)

Administration is committed to providing a safe, sustainable and customer focused livery system. Livery service enhances mobility and reduces social isolation for those with disabilities in Calgary communities. It also provides social benefit by providing an alternative to driving for individuals who may be impaired. Further, the taxi, limousine and TNC industries serve to facilitate the city's economic development, while supporting the use of environmentally-friendly modes of transportation by enabling personal travel by an integrated network that does not require vehicle ownership.

Livery Industry Improvements - Update on Bylaw 42M2016

Financial Capacity

Current and Future Operating Budget:

LTS operations are funded through a cost recovery model where the fees collected from industry cover all administrative and enforcement costs. LTS receives no mill rate funding. For that reason, the fee structure for the industry must ensure that the costs associated with each industry participant are fair and sufficient to cover their portion of LTS costs. The results of the one-year pilot for the combined TNC licence fee option show that the amount collected from TNCs through 2017 was sufficient to cover the costs borne by LTS associated with those particular TNCs. Administration is recommending some minor changes to the calculation of the combined TNC licence fee option, however the overall concept of the option and the maintenance of a cost recovery model will continue.

With the evolution of the livery industry and a number of new industry participants, an opportunity has been identified to review the fee structure in the Livery Transport Bylaw. A full analysis of the LTS costs associated with each industry sector (brokers, drivers, vehicles, etc.) should be undertaken to ensure that the proportion of fees paid by each participant is relatively equal to the administration and enforcement costs associated. Administration recommends that this fee review be completed by 2019 Q2.

Current and Future Capital Budget:

The proposed elimination of the maximum fee associated with the combined TNC licence fee option means that TNCs using this system would contribute to the LTS reserve fund, if the fees paid in a one-year period equal more than the cost of TNC administration and enforcement. This fund is used to stabilize LTS' operating budget, fund one-time operating expenditures and finance capital expenditures that directly support LTS. Analysis of the reserve fund will be included as part of the livery fee review and will be presented to Council in 2019 Q2.

Risk Assessment

Administration continues to focus efforts on increasing transportation options, supporting public safety and providing better customer service. Continued use of annual livery citizen satisfaction survey results, industry best practices and research serves to mitigate potential risks.

If Council decides not to approve Administration's recommendation to undertake a full fee review, a risk exists that livery fees for all industry participants may not be equitable. With the evolution of the industry and the shift towards the automation of licensing processes, it is imperative that a thoughtful review of licence fees be performed.

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REASON(S) FOR RECOMMENDATION(S):

Following the conclusion of the one year pilot for the combined licence fee option for TNCs, Administration recommends a number of changes to Livery Transport Bylaw 6M2007. Administration is recommending proposed amendments that address public safety, improve clarity for livery fee calculation and encourage operational flexibility, competition and service innovation. Administration also recommends that a full review of livery fees be performed, reporting back to Council in 2019 Q2. This will ensure that the fee structure of the Livery Transport Bylaw is reflective of the changing livery landscape and allows for a level playing field for all industry participants.

ATTACHMENT(S)

1. **Attachment 1 – Proposed Bylaw 20M2018** to amend Livery Transport Bylaw 6M2007
2. Attachment 2 – Summary of Proposed Amendments to Livery Transport Bylaw 6M2007
3. Attachment 3 – Summary of Engagement and Communication with Stakeholders
4. Attachment 4 – 2017 Livery Transport Services Financial Information and Trip/Driver Data
5. Attachment 5 – Summary of Existing and Proposed Combined TNC Licence Fee Option

PROPOSED

CPS2018-0378
ATTACHMENT 1

BYLAW NUMBER 20M2018

BEING A BYLAW OF THE CITY OF CALGARY TO AMEND BYLAW 6M2007, THE LIVERY TRANSPORT BYLAW

WHEREAS Council has considered CPS2018-0378 and deems it necessary to amend Bylaw 6M2007, the Livery Transport Bylaw;

NOW, THEREFORE, THE COUNCIL OF THE CITY OF CALGARY ENACTS AS FOLLOWS:

1. Bylaw 6M2007, as amended, is hereby further amended.
2. Subsection 11(b.1) is deleted and replaced with the following:

“(b.1) a **Motor Vehicle**, other than a **Taxi, Accessible Taxi, Limousine or Private For Hire Vehicle**, that is carrying passengers pursuant to a contract with the **City**.”.
3. The following is added after section 31 as section 31.1:

“31.1 No **Person** shall attach more than one **Plate** to a **Motor Vehicle**.”.
4. In subsection 37(e)(v), the words “paper printout” are deleted and replaced with “paper or electronic receipt”.
5. The following is added after section 37 as section 37.1:

“37.1 Despite sections 37(c) and 38(a), the **Chief Livery Inspector** may approve a **Motor Vehicle** that is more than eight model years old as a **Taxi or Accessible Taxi** and **Issue a Livery Vehicle Registration Certificate** if, in the opinion of the **Chief Livery Inspector**, the **Motor Vehicle** is in good mechanical condition and appearance.”.
6. Section 39.1 is deleted and replaced with the following:

“39.1 (1) A **Brokerage** with which a **Taxi or Accessible Taxi** is affiliated must ensure the **Taxi or Accessible Taxi** is equipped with:

 - (a) a fully-operational security camera:
 - (i) that has been approved by the **Chief Livery Inspector**; and
 - (ii) that is mounted on the inside of the windshield, or in another suitable position, facing rearward and that is continually recording audio and video of all occupants in the **Taxi or Accessible Taxi** at all hours of the day or night, and;

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- (b) a decal or sign satisfactory to the **Chief Livery Inspector** that is installed in a conspicuous location that indicates that a security camera is installed and images of the passengers are being recorded.
 - (2) The **Brokerage** with which the **Taxi** or **Accessible Taxi** is affiliated must retain recordings from the security camera for no less than 5 days.
 - (3) A **Brokerage** must disclose recordings from the security camera to the **Chief Livery Inspector** or the Calgary Police Service upon request within 3 days of the request.
 - (4) Despite subsections (1), (2) and (3), for a **Taxi** or **Accessible Taxi** that is an **Independent Livery Vehicle**, the **Person** who holds the **T.P.L.** or **A.T.P.L.** that is joined to the **Independent Livery Vehicle** is responsible for fulfilling the requirements of those subsections.
 - (5) A **Person** must not:
 - (a) tamper or interfere with a security camera; or
 - (b) block, obstruct or disable a security camera so that it cannot capture audio and video of all occupants in the **Taxi** or **Accessible Taxi**.
 - (6) A **Driver** must not **Operate** a **Taxi** or **Accessible Taxi** if the equipped security camera is turned off, blocked or obstructed, disabled or otherwise inoperable.”.
7. Section 54.1 is deleted and replaced with:
- “54.1 (1) A **Person** that **Operates** a **Livery Vehicle**, other than a **Taxi** or **Accessible Taxi**, must not:
- (a) offer, promote or solicit a **Street Hail**, or
 - (b) accept a **Street Hail**.
- (2) Subsection (1) does not apply to a **Person** that operates a **Limousine** who offers, promotes, solicits or accepts a **Street Hail** at the main passenger terminal building at the Calgary International Airport.”.
8. The following is added after subsection 54.5(2) as subsections 54.5(3) and (4):
- “(3) The functions required for the approval of an **App** pursuant to sections 54.6, 54.7 or 54.8 must be maintained after the **App** is approved pursuant to subsection (1).

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- (4) The **Chief Livery Inspector** may suspend or revoke the approval of an **App** that does not maintain the required functions set out in sections 54.6, 54.7 or 54.8, as applicable.”.
9. In subsection 54.6(e), the words “subsection (1)(d)” are deleted and replaced with “subsection (d)”.
10. In subsection 54.8(2), after the word “cash”, the words “or by means of an **Electronic Payment System** that is separate from the **App**” are added.
11. In subsection 54.11(2), the word “**Licence**” is deleted and replaced with “**Livery**”.
12. The following is added after section 71 as section 71.1:
- “71.1 (1) If a **T.P.L.** or **A.T.P.L.** expires and an application to renew is not made within thirty (30) days of expiry, then the **T.P.L.** or **A.T.P.L.** is deemed to have been abandoned and the right to renew is forfeited.
- (2) Despite subsection 71.1(1), the **Chief Livery Inspector** may accept an application to renew a **T.P.L.** or **A.T.P.L.** after thirty (30) days of expiry if circumstances warrant.”.
13. Section 76 is deleted and replaced with the following:
- “76. The **Chief Livery Inspector** may:
- (a) set the term; and
- (b) vary the term;
- of any **Licence Issued** pursuant to this Bylaw.”.
14. In section 86, the following is added after subsection 86(h) as subsection 86(h.1):
- “(h.1) may charge a passenger a fee of up to \$100 for soiling the interior of the **Taxi** or **Accessible Taxi** with vomit or bodily fluids; and”.
15. The following is added after subsection 88.5(3) as subsection 88.5(4):
- “(4) A **Taxi**, **Accessible Taxi** or **Limousine** cannot be registered as a **Private For Hire Vehicle**.”.
16. Section 88.6 is deleted and replaced with the following:
- “88.6 (1) A **Person** must not use a **Private For Hire Vehicle** that is more than ten model years old to provide **App Based Service**.
- (2) Despite subsection (1), the **Chief Livery Inspector** may permit a **Private For Hire Vehicle** that is more than ten model years old to provide **App Based Service** if, in the opinion of the **Chief Livery Inspector**, the

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Private For Hire Vehicle is in good mechanical condition and appearance.”.

17. Section 163 is deleted and replaced with the following:
 - “163. (1) At a hearing, instead of suspending or revoking a **Licence**, the **Chief Livery Inspector** may allow the **Licence** to continue with conditions respecting the operation of the livery business to which the **Licence** applies.
 - (2) It is an offence for a **Licencee** to fail to comply with a condition imposed by the **Chief Livery Inspector** pursuant to subsection (1).”.
18. In **SCHEDULE "A" – RATES**, subsection 8(e) is deleted.
19. In **SCHEDULE "B" – FEES**, in **TABLE 1 – Licence Fees**:
 - (a) for item 18, the 2018 Annual **Brokerage Licence** fee is changed from “\$1897” to “\$1824”; and
 - (b) for item 18.1, the 2017 **Transportation Network Company Licence** Application Fee is changed from “\$141” to “\$135”.
20. In **SCHEDULE "B" – FEES**, under the heading **Combined Transportation Network Company/Transportation Network Driver Licence Fee**, sections 1, 2, 3, 4, 5, 6 and 7 are deleted and replaced with the following:
 - “1. The Combined Fee comprises the fee for a **Transportation Network Company’s Licence** and the fee for the **Transportation Network Driver Licences** for all **Drivers** that are authorized during a calendar year, to use any **App** that is administered or promoted by the **Transportation Network Company**.
 2. A **Transportation Network Company** that elects to pay the Combined Fee must advise the **Chief Livery Inspector** accordingly at the time of the **Transportation Network Company’s Licence** application or renewal.

Calculation of Fee

3. The Combined Fee consists of an Administration Fee plus a Per Trip fee payable as follows:
 - (a) the Administration Fee is payable by the **Transportation Network Company** at the time of its **Licence** application or renewal, and is based on the number of **Licensed**
 - (b) **Transportation Network Drivers** authorized, at the time of the **Licence** application or renewal, to use any **App** administered by the **Transportation Network Company** as follows:

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Number of Transportation Network Drivers	Administration Fee
1-100	\$5,000
101-1000	\$15,000
1001-3000	\$30,000
3001 or more	\$50,000

In addition to the initial Administration Fee payable, if during a calendar year, the number of **Licensed Transportation Network Drivers** authorized to use any **App** administered or promoted by the **Transportation Network Company** increases such that a higher Administration Fee would be payable, the **Transportation Network Company** must immediately pay the difference; and

- (c) a Per Trip Fee of \$0.20 for each trip arranged, during a calendar year, through any **App** that is administered or promoted by the **Transportation Network Company**, payable by the **Transportation Network Company** on a quarterly basis.

Minimum Fee amount

4. If at the end of a calendar year, the total amount paid by the **Transportation Network Company** is less than the following:

cumulative number of Licensed Transportation Network Drivers who were authorized, at any time during the calendar year to use any App that is administered or promoted by the Transportation Network Company	X	\$229
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("the Minimum Fee")

the **Transportation Network Company** must pay the difference within 30 days of the end of the term of the **Transportation Network Company's Licence**.

Reimbursement of excess fees

5. If at December 31 of any year, the total Combined Fee received by the **Chief Livery Inspector** from any **Transportation Network Company** exceeds the Minimum Fee for that **Transportation Network Company**, the **Chief Livery Inspector** shall reimburse that **Transportation Network Company** for the excess amount."

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21. In **SCHEDULE “D” – OFFENCE AND PENALTY**, under the headings indicated:

(1) the following is deleted:

OFFENCE		PENALTY	
Section	Description	Minimum	Specified
“s. 39.1(4)	Tamper, interfere, block or obstruct a security camera	\$200.00	\$700.00”

and replaced with:

OFFENCE		PENALTY	
Section	Description	Minimum	Specified
“s. 39.1(5)	Tamper, interfere, block or obstruct a security camera	\$200.00	\$700.00
s. 39.1(6)	Operate a Taxi or Accessible Taxi with an inoperable security camera	\$200.00	\$700.00”

(2) the following is deleted:

OFFENCE		PENALTY	
Section	Description	Minimum	Specified
“s. 54.1	Accept Street Hail	\$300.00	\$1000.00”

and replaced with:

OFFENCE		PENALTY	
Section	Description	Minimum	Specified
“s. 54.1(1)	Offer, promote, solicit or accept a Street Hail	\$300.00	\$1000.00”

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(3) after:

OFFENCE		PENALTY	
Section	Description	Minimum	Specified
"s. 86(a)	Refusal to accept passenger	\$200.00	\$700.00"

the following is added:

OFFENCE		PENALTY	
Section	Description	Minimum	Specified
"s. 87(h)	Refusal to accept passenger with Service Animal	\$200.00	\$700.00"

(4) the following is deleted:

OFFENCE		PENALTY	
Section	Description	Minimum	Specified
"s. 158(6) (a)-(d)	Fail to comply with LTS Inspector's Order interfere with Order	\$300.00	\$1000.00"

and replaced with:

OFFENCE		PENALTY	
Section	Description	Minimum	Specified
"s. 158(6) (a)-(d)	Fail to comply with LTS Inspector's Order or interfere with Order	\$300.00	\$1000.00"

(5) after:

OFFENCE		PENALTY	
Section	Description	Minimum	Specified
"s.158(6) (a)-(d)	Fail to comply with LTS Inspector's Order interfere with Order	\$300.00	\$1000.00"

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the following is added:

OFFENCE		PENALTY	
Section	Description	Minimum	Specified
"s.163(2)	Fail to comply with Licence conditions	\$700.00	\$1500.00"

22. This Bylaw comes into force on the day it is passed.

READ A FIRST TIME ON _____

READ A SECOND TIME ON _____

READ A THIRD TIME ON _____

MAYOR

SIGNED ON _____

CITY CLERK

SIGNED ON _____

Summary of Amendments to Livery Transport Bylaw 6M2007

Subject	Summary	Related Bylaw Sections
Combined Licence Fee Option	In order to improve clarity for the combined TNC licence fee option. Administration recommends that the per-driver fee be eliminated, and the Administration Fee be increased in order to ensure that administrative and enforcement costs to The City are covered. The 'maximum fee' and 'reimbursement of excess fee' provisions are being amended to improve clarity and provide certainty around total fees owing at the end of the calendar year.	Schedule B
Taxi Camera Footage	<p>The Livery Transport Bylaw currently requires taxi plate holders to retain three days of security camera footage for each taxi affiliated with their company. This footage is used to protect passenger and driver safety and is often an important piece of evidence if an incident occurs.</p> <ul style="list-style-type: none">• Operationally, LTS has identified that the three-day requirement can pose challenges if there is a delay in the time between an incident occurring and it being reported or investigated. For that reason, Administration recommends that the requirement to retain camera footage be extended to five days.• Further to this, Administration also recommends amendments to the bylaw that prohibit a taxi driver from operating a taxi with an inoperable camera.	39.1 and Schedule D
Street Hailing	<p>TNCs and Limousines are not permitted to accept street-hailed trips. Their interactions with customers are required to be pre-arranged and both parties are known to one another. This is the reason that security cameras are only required for taxis, who are permitted to accept street hails.</p> <ul style="list-style-type: none">• A gap has been identified in the bylaw, where there is currently no prohibition for soliciting a	54.1 and Schedule D

Summary of Amendments to Livery Transport Bylaw 6M2007

	street-hailed trip by TNCs or Limousines. The proposed amendments make clear that TNCs and Limousines are not permitted to offer or solicit street hailed trips, and also provide a minimum and specific penalty for enforcement action if this practice occurs.	
Vehicle Age	<p>Currently the Livery Transport Bylaw specifies the maximum age of a taxi or accessible taxi as eight years. The maximum age for a Private For Hire Vehicle (PFHV) is 10 years. Some industry members have asked for the ability to relax these requirements.</p> <ul style="list-style-type: none"> The proposed amendments give the Chief Livery Inspector the ability to extend the vehicle life for a taxi, accessible taxi or PFHV if the vehicle is shown to be in good condition as demonstrated through mechanical inspections submitted to LTS. 	37.1 and 88.6
TNC-Specific Amendments	<p>Several TNC-related amendments have been identified and are proposed.</p> <ul style="list-style-type: none"> In order to clarify fee collection, Administration recommends that the Chief Livery Inspector have the ability to require that all TNC licences expire yearly on December 31, which aligns with taxi and limousine brokers. Currently renewals occur on the anniversary of initial application, which is administratively confusing for the collection of the combined TNC licence fee. A condition of a TNC app is that the financial interaction (i.e. payment for the trip) must occur within the app. An amendment is proposed to provide clarity that no cash or debit/credit card transactions should be handled by the driver. An amendment is proposed in order to ensure that following 	<p>76</p> <p>New sections 54.8 (2)</p> <p>New sections 54.5(3) and (4)</p>

Summary of Amendments to Livery Transport Bylaw 6M2007

	<p>the approval of a TNC app, the app must be maintained in order to remain in approved status.</p> <ul style="list-style-type: none"> An amendment is proposed to add a specified and minimum penalty for a Transportation Network driver that refuses a passenger. 	Schedule D
Other Housekeeping Amendments	<p>Several other minor housekeeping amendments are recommended:</p> <ul style="list-style-type: none"> Clarity that Private for Hire Vehicles are subject to the Livery Transport Bylaw when carrying passengers pursuant to a contract with The City Allowing taxis to provide a receipt either electronically, or on paper. Add a new minimum and specified penalty for drivers failing to adhere to licencing conditions imposed through a Licence Review Hearing Providing clarity around the status of a Taxi Plate Licence that is not renewed Providing clarity that a livery vehicle cannot fall under multiple licence categories (ie. Cannot be a limousine and a TNC) Correcting an error that references the Chief Licence Inspector instead of the Chief Livery Inspector Moving the provision that allows taxi and limousine drivers to charge up to \$100 to a passenger for soiling the interior of their vehicle to improve clarity Clarifying that it is an offence to fail to comply with a condition imposed by the Chief Livery Inspector in a hearing Correcting typos in the 2017 and 2018 fee schedule 	<p>Section 11 (b.1)</p> <p>37(e)(v)</p> <p>New section 163(2)</p> <p>New section 71.1</p> <p>New section 31.1 and new section 88.5(4)</p> <p>54.11(2)</p> <p>New section 86(h.1), delete section 8(e) in Schedule A</p> <p>163 and Schedule D</p> <p>Schedule B - sections 18, 18.1</p>

Summary of Engagement and Communication with Stakeholders

CPS2018-0378
ATTACHMENT 3

Stakeholder Group	Summary of Feedback
Transportation Network Companies (TNCs)	<p>Administration met with representatives of TNCs on 2017 December 12. TNCs were generally in support of the proposed amendments to the Livery Transport Bylaw. Concerns were raised about the current calculation method for the combined TNC licence fee option. Concerns were focused mainly around simplification of the fee calculation, and that TNC fees were perceived to be too high. A suggestion was also made to change the expiry date of the TNC licence to December 31, rather than one year from the date of issue.</p> <p>Additionally, it was requested that vehicle inspections should be performed only once per year (eliminating the requirement to obtain an inspection every six months for vehicles driving over 50,000 km/year); and allow all AMVIC approved garages to complete livery inspections, rather than only those approved by Livery to complete inspections.</p> <p>Livery Transport Services has been asked to review the possibility of amending the Livery Transport Bylaw to allow TNCs to partner with existing taxi or limousine companies/vehicles.</p>
Taxi Brokers	<p>An Engagement Session was held on 2017 December 13 and attended by several companies. The proposed bylaw amendments were reviewed and the following comments were received:</p> <ul style="list-style-type: none"> • TNCs do the same work as taxis – treat them the same; • Maintaining taxi security camera footage for 5 days is feasible; • The 311 system should be enhanced to send an automatic alert to the broker requesting the camera footage; • Some brokers supported the electronic receipts; • Felt that it should be mandatory for TNCs to have cameras; • Increased enforcement required to prevent TNCs from street hailing (especially during Stampede); • Allow “Power of Attorney” for taxi plate renewals; • Limousines should be permitted to charge a ‘clean up’ fee; • Agreed with ‘no refusal’ provision for TNC drivers; and • Driver fees should be the same for taxi and TNC – same service same fees
Limousine Brokers	<p>An Engagement Session was held on 2017 December 19 and two companies attended. The proposed bylaw amendments were reviewed and the following comments were received:</p> <ul style="list-style-type: none"> • TNC drivers that are previous taxi/limo drivers are circumventing the App system by taking pre-arranged

**Summary of Engagement and Communication
with Stakeholders**

CPS2018-0378
ATTACHMENT 3

	<p>trips and customer not using the App until vehicle shows up which guarantees the trip for the driver;</p> <ul style="list-style-type: none"> • Limousine vehicle age limit should be based on kilometers not years; • Allow every entity in the industry to take cash; and • Cameras should be mandatory for both taxi and TNCs and not required for limousines;
Taxi Drivers	<p>Three Engagement Sessions for taxi drivers were held on 2018 Feb 7, 8 and 16. Methods for advertising the sessions included emailing drivers directly, communicating to drivers at the Livery Transport Services front counter, posting bulletins at brokerages and Livery Officers speaking directly to several hundred drivers while on patrol, which included providing them with bulletins containing information about the sessions. A total of 28 drivers participated in the three sessions. For the most part, participants support the proposed bylaw amendments, providing the following additional comments:</p> <ul style="list-style-type: none"> • Cameras should be mandatory for both taxis and TNCs; • The number of annual vehicle inspections required for taxis and TNCs should be the same, and required once a vehicle has been driven for 50,000 kilometers; • Taxi Plate Licence fees need to be reviewed to ensure there is a level playing field across the livery industry; • Taxi drivers want enforcement increased to stop TNCs from accepting street hails, indicating this activity occurs regularly in the late evenings; and • one participant requested that The City allow for an open livery system.
General Public	<p>On 2018 January 18, Administration met with representatives of the general public, the Calgary Hotel Association, Tourism Calgary, the Airport Authority and the Advisory Committee on Accessibility and received the following comments regarding the proposed bylaw amendments:</p> <ul style="list-style-type: none"> • All taxi drivers must automatically provide receipts to the customer (rather than current practice to wait until the customer requests a receipt); • Cameras footage should be retained for a minimum 7 days, 21 days preferred; • Discretionary section in the Livery Transport Bylaw which allows the Chief Livery Inspector to approve trade dress for TNCs should be eliminated from the bylaw - trade dress should not be an option; and • Request that 2017/2018 revenues/expenditures be provided in Council report.

**2017 Livery Transport Services Financial Information
and Trip/Driver Data**

CPS2018-0378
ATTACHMENT 4

LTS Revenues and Expenditures: 2017

Description	Year End 2017 Actual (\$000's) TNC Breakdown
REVENUE (Taxi and Limousine)	(3,461)
REVENUE (TNC)	(779)
Salary & Wages (Taxi and Limousine)	1,948
Salary & Wages (TNC)	621
Contract & General Services (Taxi and Limousine)	610
Contract & General Services (TNC)	94
Materials Equipment & Supplies (Taxi and Limousine)	259
Materials Equipment & Supplies (TNC)	64
EXPENDITURES (Taxi and Limousine)	3088
EXPENDITURES (TNC)	779
Net Deficit (Surplus)	(373)

Note: Total Salary & Wage expense includes position salaries, other salary costs such as overtime, shift differential, S&A, logistics, training, and safety.

2015-2017 Taxi, Limousine and TNC Data

Market Segment	# of Trips Delivered			# of Licensed Drivers		
	2015	2016	2017	2015	2016	2017
Taxi	7,472,367	7,022,090	6,650,069	5,064	5,257	5,017
Limousine	N/A	N/A	N/A	496	395	378
Transport Network Company (TNC)	0	66,181	2,278,467	0	671	3,415
Total	7,472,367	7,088,271	8,928,536	5,064	5,928	8,432

Provision	Existing Rule	Proposed Rule																				
Per Trip Fee	\$0.20/trip	\$0.20/trip																				
Per Driver Fee	\$15/driver	deleted																				
TNC Administration Fee	<table><tr><th>Number of TNC Drivers</th><th>Administration fee</th></tr><tr><td>1-100</td><td>\$5,000</td></tr><tr><td>101-500</td><td>\$10,000</td></tr><tr><td>501-1000</td><td>\$15,000</td></tr><tr><td>1001 or more</td><td>\$20,000</td></tr></table>	Number of TNC Drivers	Administration fee	1-100	\$5,000	101-500	\$10,000	501-1000	\$15,000	1001 or more	\$20,000	<table><tr><th>Number of TNC Drivers</th><th>Administration fee</th></tr><tr><td>1-100</td><td>\$5,000</td></tr><tr><td>101-1000</td><td>\$15,000</td></tr><tr><td>1001-3000</td><td>\$30,000</td></tr><tr><td>3001 or more</td><td>\$50,000</td></tr></table>	Number of TNC Drivers	Administration fee	1-100	\$5,000	101-1000	\$15,000	1001-3000	\$30,000	3001 or more	\$50,000
Number of TNC Drivers	Administration fee																					
1-100	\$5,000																					
101-500	\$10,000																					
501-1000	\$15,000																					
1001 or more	\$20,000																					
Number of TNC Drivers	Administration fee																					
1-100	\$5,000																					
101-1000	\$15,000																					
1001-3000	\$30,000																					
3001 or more	\$50,000																					
Minimum Fee	<div>Cumulative number of Licensed Transportation Network Drivers who were authorized at any time during the term of the TNC’s Licence to use any App that is administered or promoted by the TNC</div> <div>x\$220</div>	<div>Cumulative number of Licensed Transportation Network Drivers who were authorized at any time during the term of the TNC’s Licence to use any App that is administered or promoted by the TNC</div> <div>x\$229</div>																				
Maximum Fee Amount	If at any time during the calendar year, the total amount of the Combined Fees collected from the TNC by the Chief Livery Inspector equals or exceeds the projected annual costs for regulating the TNC and all Licensed Transportation Network Drivers authorized to use any App administered or promoted by the TNC, the Chief Livery Inspector shall discontinue the collection of the Driver Fee and Per Trip Fee from that TNC for the remainder of the calendar year.	deleted																				
Reimbursement of excess fees	If at December 31 of any year, the total amount of Combined Fees collected by the Chief Livery Inspector for all TNCs who have elected the Combined Fee option exceeds the projected annual costs for regulating such TNCs and their affiliated Transportation Network Drivers (“the surplus”), the Chief Livery Inspector shall reimburse all such TNCs from the surplus. The reimbursement shall be proportional based on the total fees paid by each such TNC during the calendar year.	If at December 31 of any year, the total Combined Fee received by the Chief Livery Inspector from any TNC exceeds the minimum fee for that TNC, the Chief Livery Inspector shall reimburse the TNC for the excess amount.																				



Report Number: C2018-0506

Meeting: Regular Meeting of Council

Meeting Date: 2018 April 23

NOTICE OF MOTION

RE: Tax Status of Bingo Facilities

Sponsoring Councillor(s): Ray Jones

WHEREAS there are three bingo facilities located in Calgary (the “Bingo Facilities”):

- Bingo Barn located at #10 1107 33 Street NE (roll number 054013503);
- The Bingo Palace located at 2604 35 Avenue NE (roll number 031007297 with parking stalls located on roll numbers 031007107 and 031007008); and
- Five Star Bingo & Pub located at 4980 25 Street SE (roll number 093167906).

AND WHEREAS the Bingo Facilities are operated by non-profit organizations and are required to distribute their proceeds to their members, which facilitates fundraising for over 100 non-profit and charitable organizations;

AND WHEREAS property tax exemptions are governed by the *Municipal Government Act* (MGA) and the *Community Organization Property Tax Exemption Regulation* (COPTER);

AND WHEREAS each Alberta municipality administers property assessment and tax rolls, including property tax exemptions, within this legislative framework as part of the process of maintaining the municipality's property assessment roll;

AND WHEREAS the Bingo Facilities are subject to Class A bingo facility licences;

AND WHEREAS section 8 of COPTER states property in respect of which a bingo facility licence or casino facility licence is issued is not exempt from taxation;

AND WHEREAS the Bingo Facilities have requested tax relief due to their taxable status;

AND WHEREAS the Province is in the process of revising COPTER, which includes reviewing the tax status of properties subject to bingo facility licences;

AND WHEREAS pursuant to its authority under section 347 of the *Municipal Government Act*, Council can cancel or refund property taxes for a particular property when it considers equitable to do so;

NOW THEREFORE BE IT RESOLVED that Council direct Administration to cancel the municipal portion of the 2018 property taxes for the properties or portions of the properties occupied by the Bingo Facilities, excluding any liquor licence areas or other gaming activities, being:

- \$76,617.00 for The Bingo Barn (roll number 054013503);
- \$102,207.08 for The Bingo Palace (specifically, \$66,963.26 for roll number 031007297, \$17,621.91 for roll number 031007107 and \$17,621.91 for roll number 031007008); and
- \$47,196.07 for The Five Star Bingo & Pub (roll number 093167906);

for a total of \$226,020.15, with the conditions that the Bingo Facilities maintain their Class A bingo facility licences and the property owners of the properties occupied by the Bingo Facilities confirm in writing that they will provide the full benefit of the tax cancellations to the Bingo Facilities.



Report Number: C2018-0509

Meeting: Regular Meeting of Council

Meeting Date: 2018 April 23

NOTICE OF MOTION

RE: CCIS PURCHASE OF ROAD RIGHT OF WAY

Sponsoring Councillor(s): Councillor Gian-Carlo Carra

WHEREAS City Council has agreed strategically to support communities through Action Plan and Council Priorities through ensuring communities are safe;

AND WHEREAS residents of the community of Bridgeland-Riverside are working towards improving safety and social integration between its community institutions and residents;

AND WHEREAS the Calgary Catholic Immigration Society (the "CCIS") provides settlement and integration services to immigrants and refugees in Southern Alberta out of its community facility located in Bridgeland-Riverside (the Margaret Chisholm Resettlement Centre located at 23 McDougall Court NE);

AND WHEREAS the CCIS has identified the need to expand its services through the purchase of City of Calgary-owned municipal land adjacent to its current location, for a nominal fee;

AND WHEREAS that municipal land comprises portions of road right of way within Plan 6753FU and Plan 7410892 and Plan 8511072 (the "Parcel") adjacent to 23 McDougall Court NE, with no street access and no future municipal use planned;

AND WHEREAS the Parcel has become a site for social disorder and problematic for residents of the community Bridgeland-Riverside and for the CCIS and their clients;

AND WHEREAS City Council and the City of Calgary have acknowledged the need to increase public safety and social integration in the community through the efficient, coordinated use of municipal land that have been identified as underutilized or surplus;

AND WHEREAS the expansion of the CCIS facility and services on this Parcel will substantially address public safety concerns through *Crime Prevention Through Environmental Design* (CPTED) principles and best practices in programming the Parcel for community benefit;

AND WHEREAS the community of Bridgeland-Riverside will be going through a substantial transformation with the investment in the next-generation Bridgeland-Riverside Area Redevelopment Plan;

NOW THEREFORE BE IT RESOLVED that Real Estate and Development Services be directed to:

- a) enter into direct negotiations with the CCIS regarding the sale at nominal value, with an access easement for maintenance at the Memorial Drive sound attenuation wall, for the Parcel, and
- b) report back to Council through the Standing Policy Committee on Utilities and Corporate Services for approval of the sale no later than end of Q4 2018



Report Number: C2018-0512

Meeting: Regular Meeting of Council

Meeting Date: 2018 April 23

NOTICE OF MOTION

RE: Improving Safety for Thousands of Calgary Households

Sponsoring Councillor(s): Councillor Gian-Carlo Carra

WHEREAS studies suggest up to 60,000 households exist illegally in conditions associated with secondary suites;

AND WHEREAS a large portion of these illegal dwellings are mistakenly considered illegal secondary suites but are instead multi-family conditions existing within semi-detached housing forms that have been illegally converted into four-plexes;

AND WHEREAS the condition exists ubiquitously in many wards throughout Calgary in a specific semi-detached form mostly constructed in the 1960s;

AND WHEREAS throughout the secondary suite debates there was broad consensus among City Council and Calgarians that life safety is of broad concern for all Calgarians regardless of individual positions regarding secondary suites;

AND WHEREAS there is no path to safety where there is no path to legality and thousands of Calgarians are living within illegal four-plexes;

AND WHEREAS City Council has on numerous occasions established a path to safety for one-off examples of this condition through owner-initiated conversion to the R-CG land use;

NOW THEREFORE BE IT RESOLVED that City Council direct Administration to:

- a) explore options for a path to legality for illegal dwellings existing within this four-plex condition throughout the city potentially through City-initiated conversion to R-CG or by some other appropriate means; and
- b) explore enforcement mechanisms for landlords unwilling to bring these four-plexes into compliance with the Building Code once a path to safety through legality has been established; and
- c) report back to Council through the Standing Policy Committee on Planning and Urban Development with a scoping report no later than Q2 2019.



Report Number: C2018-0504

Meeting: Regular Meeting of Council

Meeting Date: 2018 April 23

NOTICE OF MOTION

RE: RE: MULTILINGUAL COMMUNICATIONS & ENGAGEMENT POLICY

Sponsoring Councillor(s): COUNCILLOR GEORGE CHAHAL

WHEREAS Council Priorities identify the need to include opportunities for all Calgarians to participate in civic life to help create a prosperous city;

AND WHEREAS Calgary has a large and growing immigrant community, representing almost 30% of Calgary's Population. Between 2011 and 2016, the population of immigrants in Calgary which increased by 28 per cent totaling 383,065 immigrants grew faster than the general population in 2016;

AND WHEREAS approximately 30% of Calgary's current population is comprised of residents whose mother tongue languages are not English or French and this trend is likely to continue to grow into the foreseeable future;¹

AND WHEREAS public participation rates of immigrants are typically lower than those of non-immigrants;²

AND WHEREAS the Government of Canada projects that immigration will be the main driver of population growth within Calgary until at least 2036;³

AND WHEREAS in 2006, The City of Calgary became a member of the Canadian Coalition of Municipalities Against Racism and Discrimination (CCMARD), making a commitment to involve residents by giving them a voice in initiatives and decision making; and to include multi-cultural communities into the cultural fabric of the municipality;

AND WHEREAS Council approved the Welcoming Community Policy in 2011, to engage with senior governments and the local community in providing successful integration for immigrants to Calgary and addressing their needs as they relate to the municipal mandate of creating a welcoming and inclusive community;

AND WHEREAS City Administration has created the Channel Strategy for ethno-cultural communities in Calgary to assist The City in communicating and engaging with these communities;

AND WHEREAS City Administration has been exploring joint opportunities with other orders of government to reduce barriers for public participation with ethno-cultural and immigrant communities;

AND WHEREAS recent City public engagements for Chinatown and the Genesis Centre have required specialized translation and communications resources that had to be contracted out at significant expense;

¹<http://www12.statcan.gc.ca/census-recensement/index-eng.cfm>

²<http://www.statcan.gc.ca/pub/89-652-x/89-652-x2015006-eng.pdf>

³<http://www.statcan.gc.ca/pub/91-551-x/91-551-x2017001-eng.pdf>

AND WHEREAS lessons learned from the recent engagements have shown that having in-house or on-retainer translation and language expertise would have added value to the public engagements and would have improved the efficiency of Administration's work;

AND WHEREAS other major Canadian municipalities have established policies, standards and dedicated resources related to multi-cultural relations and inclusivity;⁴

THEREFORE, BE IT RESOLVED that City Council directs City Administration to develop and report back to Council no later than Q3 2018 on a short-term communications and engagement approach for translation and increasing access for ethno-cultural communities, including resourcing and based on the Channel Strategy for Ethno-cultural Communities, for current and upcoming City projects;

AND FURTHER BE IT RESOLVED that City Council directs City Administration to develop and report back to Council through the Standing Policy Committee on Community and Protective Services no later than Q2 2019 on recommendations for a policy, strategies and implementation plan that includes standards of service for translation and interpretation, timelines, resources and budgets that incorporates the work done on the Channel Strategy for Ethno-Cultural Communities;

AND FURTHER BE IT RESOLVED that City Council directs City Administration to research and report back to Council through the Standing Policy Committee on Community and Protective Services no later than Q4 2018 on the resourcing needs of the Office of the Councillors and the Office of the Mayor as they relate to communications and engagement with ethnically diverse communities in Calgary.

⁴<https://www.toronto.ca/legdocs/mmis/2017/ex/bgrd/backgroundfile-103523.pdf>



Report Number: C2018-0495

Meeting: Regular Meeting of Council

Meeting Date: 2018 April 23

NOTICE OF MOTION

RE: SILVERA FOR SENIORS PROPERTY TAX CANCELLATION

Sponsoring Councillor(s): COUNCILLOR WARD SUTHERLAND

WHEREAS property tax exemptions in the Province of Alberta are governed by the *Municipal Government Act* (MGA) and ancillary regulations;

AND WHEREAS each Alberta municipality administers property tax exemptions in its jurisdiction within this legislative framework as part of the process of maintaining the municipality's property assessment roll;

AND WHEREAS to qualify for property tax exemption for seniors housing under MGA section 362(1)(m)(ii) there is a requirement that there be actual operational use of the property for the exempt purpose, and not an intended use such as a construction stage towards future operations;

AND WHEREAS Silvera owns the properties with roll numbers 202366720 (previously roll number 086157203), 065006207 and 201443702 (The Properties) which were, in 2014 and years prior, exempt from taxation under MGA section 362(1)(m)(ii), pursuant to Silvera's use of the properties as seniors housing;

AND WHEREAS Silvera's use and operation of The Properties, ceased in 2014 when the buildings were demolished for Silvera's construction of the new Elbow Valley and Jacques Lodge facilities;

AND WHEREAS The Properties will be under development throughout 2018 and thus are not eligible for a 2018 property tax exemption because the use requirement in MGA section 362(1)(m)(ii) is not being met;

AND WHEREAS Silvera is a designated "management body" under the Alberta *Housing Act* operating within Calgary providing Lodge housing under the Ministry of Seniors and Housing, with Silvera and the City of Calgary intricately and uniquely associated by Ministerial Order wherein the City of Calgary is responsible for Silvera's annual deficits and amounts necessary to establish a reserve related to Lodge facilities;

AND WHEREAS any budgetary deficit in the Lodge Program caused by said payment can be requisitioned through The City's budget process, an entitlement of Silvera under its Ministerial Order and the *Housing Act*;

AND WHEREAS Silvera's liability for property taxes for The Properties for 2015 and 2016 and municipal property taxes for 2017 were cancelled by Council through Notices of Motion;

AND WHEREAS Silvera will be levied property taxes for 2018 totaling \$ 216,029.66 for The Properties. This amount includes \$ 133,487.18 in municipal property taxes and \$ 82,542.48 in provincial property taxes.

AND WHEREAS through its authority under section 347 of the MGA, Council can cancel property taxes for a particular property when it considers equitable to do so;

NOW THEREFORE BE IT RESOLVED that the 2018 property taxes for The Properties, specifically roll numbers 202366720, 065006207 and 201443702, be cancelled for the Municipal portion of \$ 133,487.18, representing the 12 months in 2018.

AND FURTHER BE IT RESOLVED that the City of Calgary request the Province of Alberta cancel the Provincial requisition portion of the property taxes on Silvera's properties for the 2018 tax year.



Report Number: C2018-0510

Meeting: Regular Meeting of Council

Meeting Date: 2018 April 23

NOTICE OF MOTION

RE: Tax Cancellation for Calgary Housing Company (CHC) Properties

Sponsoring Councillor(s): Councillor Farrell

WHEREAS, property tax exemptions in the Province of Alberta are governed by the Municipal Government Act (MGA) and ancillary regulations;

AND WHEREAS, each Alberta municipality administers property tax exemptions in its jurisdiction within this legislative framework as part of the process of maintaining the municipality's property assessment roll;

AND WHEREAS, Calgary Housing Company (CHC), being a wholly-owned subsidiary of The City of Calgary, operates as a "management body" under the Alberta Housing Act, providing Community Housing under the Ministry of Seniors and Housing;

AND WHEREAS, the MGA does not provide for an exemption for property tax for CHC-owned properties;

AND WHEREAS, in 2017, Council passed Notice of Motion NM2017-14, as amended, to cancel the total municipal property taxes incurred by CHC for 2017;

AND WHEREAS, in 2018, CHC will be levied property taxes of \$ 2,184,221.76, consisting of municipal property taxes of \$ 1,345,125.40 and provincial property taxes of \$ 839,096.36;

AND WHEREAS, through its authority under section 347 of the MGA, Council can cancel property taxes for a particular property when it considers it equitable to do so;

NOW THEREFORE BE IT RESOLVED THAT the 2018 property taxes for the Calgary Housing Company properties be cancelled for the Municipal portion of \$ 1,345,125.40;

AND FURTHER BE IT RESOLVED that the City of Calgary requests that the Province of Alberta cancel the Provincial requisition portion of the property taxes on CHC properties for the 2018 tax year.

**Chief Financial Officer's Report to
Audit Committee
2018 April 17**

**ISC: UNRESTRICTED
AC2018-0473
Page 1 of 5**

The City of Calgary 2017 Annual Report

EXECUTIVE SUMMARY

The 2017 financial statements included in the attached The City of Calgary 2017 Annual Report have been audited, by Deloitte LLP, Chartered Professional Accountants and received an unmodified audit opinion. Administration is seeking approval to issue The City of Calgary 2017 Annual Report.

ADMINISTRATION RECOMMENDATION:

That the Audit Committee:

1. Consider this report in conjunction with Report AC2018-0270 "2017 External Auditor's Report";
2. Recommends Council approval of The City of Calgary 2017 Annual Report, and
3. Forward to Council as a matter of urgent business to the 2018 April 23 Regular Meeting of Council.

RECOMMENDATION OF THE AUDIT COMMITTEE, DATED 2018 APRIL 17:

That Council approve Revised Attachment, The City of Calgary 2017 Annual Report.

PREVIOUS COUNCIL DIRECTION / POLICY

The Audit Committee's Terms of Reference (included in Bylaw 48M2012) as approved by Audit Committee and Council, state that the Audit Committee, with respect to The City's Financial Disclosure and Accounting Practices:

- a) Oversee the integrity of and review the Annual Financial Statements and recommends their approval to Council;
- b) Review and discuss The City's compliance with financial reporting procedures with Administration, the City Auditor and External Auditor;
- c) Engage Administration, the City Auditor, and the External Auditor in candid discussions regarding issues that may alter judgement or affect the quality of the reporting process and search for insight into the results;
- d) Review and discuss areas where changes in accounting standards could have a material impact on financial results, and may request a detailed analysis, prepared by Administration in consultation with the External Auditor, of the implications of those changes;
- e) Maintain open lines of communication with the External Auditor, the City Auditor and Administration.

BACKGROUND

Section 276(3) of the Municipal Government Act provides:

"Each municipality must make its financial statements, or a summary of them, and the auditor's report of the financial statements available to the public in the manner the Council considers

**Chief Financial Officer's Report to
Audit Committee
2018 April 17**

**ISC: UNRESTRICTED
AC2018-0473
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The City of Calgary 2017 Annual Report

appropriate by May 1 of the year following the year for which the financial statements have been prepared.”

Further to this, Section 276(1)(a) specifies that the financial statements be prepared in accordance with “Canadian generally accepted accounting principles for municipal governments, which are the standards approved by the Public Sector Accounting Board included in the CPA Canada Public Sector Accounting Handbook published by the Chartered Professional Accountants of Canada, as amended from time to time”.

INVESTIGATION: ALTERNATIVES AND ANALYSIS

The City of Calgary 2017 Annual Report (“Annual Report”) will be published in a one-book landscape format, consistent with the multi-year business plan and budget. The publication provides readers with financial and operational information for 2017. The Annual Report contains the following sections:

- Citizen Satisfaction;
- Calgary at a Glance;
- Message from the Mayor;
- Corporate Governance and Accountability;
- City Council;
- Message from The City Manager;
- City of Calgary Administration;
- Audit Committee;
- Infrastructure Calgary;
- The Economy;
- Making life better every day;
- Financial Information;
 - Financial Statement Discussion and Analysis;
 - Financial Synopsis;
- Consolidated Financial Statements;
 - Responsibility for Financial Reporting;
 - Independent Auditor’s Report;
 - Consolidated Financial Statements (audited); and
- Financial and Statistical Schedules (unaudited).

Upon Council’s approval of the Annual Report, a Report to Citizens will be placed in the Calgary Herald summarizing the Statement of Financial Position, Statement of Operations, other financial highlights, as well as details for where the public can obtain complete copies of the Annual Report. The Annual Report will also be available electronically on www.calgary.ca.

Prior Period Adjustments:

In 2009, The City of Calgary (“The City”) adopted the new accounting standards recommended by the Canadian Institute of Chartered Accountants (“CICA”) Public Sector Accounting Standards (“PSAS”) handbook. These new standards include Tangible Capital Assets (“TCA”) (PS 3150, *Tangible Capital Assets*).

In 2017, as a result of continued usage and refinement of capital asset accounting and management systems, certain asset balances were identified that required correction and the

**Chief Financial Officer's Report to
Audit Committee
2018 April 17**

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The City of Calgary 2017 Annual Report

financial statements have been retroactively adjusted. The TCA previously reported in the 2016 financial statements as \$16,014 million has been restated to \$16,003 million, resulting in a decrease of \$11 million. The change represents less than 0.1% of TCA.

In 2017, The City identified adjustments to land inventory and miscellaneous revenue for an intercompany transaction that required correction. This correction has been reflected in these financial statements as a prior period adjustment to 2016 figures. The land inventory previously reported in the 2016 financial statements as \$236 million has been restated to \$248 million, resulting in an increase of \$12 million to miscellaneous revenue.

These restated amounts had no effect on The City's cash balances, property tax revenues or any other balances influencing The City's grants received, property tax assessments or any other related balances.

Summary of Financial Results:

The PSAS reporting model prescribes five indicators of performance: net financial assets (debt), accumulated surplus (deficit), annual surplus (deficit); cash flow in the year, and the change in net financial assets (debt) in the year. Together, these indicators help the reader understand how well The City has managed its finances in the year and where it stands in terms of resources held and debts owed at the end of the year.

The 2017 consolidated financial statements of The City of Calgary continue to reflect a strong and healthy financial picture of a municipality investing in infrastructure.

Each of the five indicators of financial health is described in detail, as follows:

On the Consolidated Statement of Financial Position:

Net Financial Assets: calculated as total financial assets less financial liabilities. The focus on financial assets as separate from non-financial assets is critical, as financial assets can be used to discharge liabilities or provide services, while non-financial assets are normally only used to provide services in the future. The City has a net financial assets position of \$1,580 million. This is an increase of \$208 million from the net financial asset position of \$1,372 million at the end of 2016. This means The City has more financial assets than financial liabilities (including debt). This is primarily due to decreases in accounts payable and accrued liabilities, capital deposits, long term debt, bank indebtedness and deferred revenue as well as increases in our investment in ENMAX and land inventory. This is partially offset by a decrease in cash and cash equivalents, investments and increase in employee benefit obligations.

Accumulated Surplus: This indicator represents The City's total net economic resources, both financial and non-financial and it is the sum of net financial performance since the beginning of time. The City has an accumulated surplus of \$18,560 million as at December 31, 2017, comprised of \$1,580 million in net financial assets and \$16,980 million in non-financial assets.

This surplus means that there are net resources (both financial and physical) that can be used to provide future services. This total accumulated surplus also indicates that, over time, The City has raised enough funds to cover annual operations and contributions to capital programs and that borrowing has been for capital purposes only. A further breakdown of the elements of the accumulated surplus is provided in Note 17 of the consolidated financial statements.

**Chief Financial Officer's Report to
Audit Committee
2018 April 17**

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The City of Calgary 2017 Annual Report

On the Consolidated Statement of Operations and Accumulated Surplus:

Annual Surplus: The City has an annual surplus position of \$1,091 million, meaning enough funds were raised in the year to afford the total cost of providing services and a contribution to investment in new capital assets in the year.

On the Consolidated Statement of Cash Flows:

Decrease in cash and cash equivalents in the year: The decrease in cash and cash equivalents in the year represents that, from a cash perspective, The City raised enough cash to afford the required cash outflows in the year, but ultimately required use of additional sources of funds to finance its activities, such as investing in capital projects. Cash was raised through \$1,093 million in operating activities and \$251 million in investing activities. Cash was spent through a combination of \$1,263 million in capital activities and \$174 million in financing activities.

On the Consolidated Statement of Changes in Net Financial Assets:

Change in Net Financial Assets in the year: From December 31, 2016 to December 31, 2017, The City increased its net financial asset position by \$208 million, from \$1,372 million in 2016 to \$1,580 million in 2017. The change in the year is a measure of whether the revenues raised were sufficient to cover the spending in the year, including any capital spending to acquire new assets. The increase in the year was primarily a result of the excess of 2017 revenues over expenses and amortization of existing tangible capital assets, less the acquisition and contributions of new capital assets in the year.

STAKEHOLDER ENGAGEMENT, RESEARCH AND COMMUNICATION

Upon Council's approval of the Annual Report, a Report to Citizens will be placed in the Calgary Herald summarizing the Statement of Financial Position, Statement of Financial Activities, and other financial highlights as well as advising the public where complete copies of the Annual Report can be obtained. The Annual Report will also be available electronically on The City's home page at www.calgary.ca.

STRATEGIC ALIGNMENT

The 2017 External Auditor's Year End Audit Report is needed for Audit Committee to fulfill its audit governance responsibilities, with respect to confirming the integrity of The City's Annual Financial Statements and recommending its approval to Council. The External Auditor's Year End Audit Report will be brought forward to Council as report AC2018-0270. Financial Reporting compliance with provincial legislation is essential to ensure public confidence and fulfill the public's need for transparency and accountability.

SOCIAL, ENVIRONMENTAL, ECONOMIC (EXTERNAL)

The Annual Report identifies key messages and accomplishments by The City in 2017 in the area of "Making Life Better Every Day".

Chief Financial Officer's Report to
Audit Committee
2018 April 17

ISC: UNRESTRICTED
AC2018-0473
Page 5 of 5

The City of Calgary 2017 Annual Report

FINANCIAL CAPACITY

Current and Future Operating Budget:

The Annual Report highlights current operating results for 2017, however, there are no specific financial implications associated with this report.

Current and Future Capital Budget:

The Annual Report highlights current capital results for 2017, however, there are no specific financial implications associated with this report.

RISK ASSESSMENT

Each municipality must make its financial statements, or a summary of them, and the auditor's report of the financial statements available to the public by May 1 of the year following the year for which the financial statements have been prepared. If Council does not approve this report at the 2018 April 23 Regular Meeting of Council, then The City would not be in compliance with this legislative requirement.

REASON(S) FOR RECOMMENDATION(S):

Council approval of The City of Calgary 2017 Annual Report is required to comply with Section 276(3) of the Municipal Government Act:

"Each municipality must make its financial statements, or a summary of them, and the auditor's report of the financial statements available to the public in the manner the Council considers appropriate by May 1 of the year following the year for which the financial statements have been prepared."

ATTACHMENT

Revised - The City of Calgary 2017 Annual Report

Calgary



AC2018-0473
Revised Attachment



Delivering value for citizens

The City of Calgary 2017 ANNUAL REPORT

The City of Calgary, Alberta, Canada | For the year ended December 31, 2017

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The City of Calgary, Alberta | ANNUAL REPORT
FOR THE YEAR ENDED DECEMBER 31, 2017
Produced by the Chief Financial Officer's
Department of The City of Calgary, in cooperation
with all civic departments, offices and agencies.

CITIZEN SATISFACTION

The annual citizen satisfaction survey provides opinions to what The City is doing well and what needs improvement. This year, 2,500 Calgarians, 18 and older, provided their thoughts.

QUALITY OF LIFE IN CALGARY

85%

rate their quality of life
as good

84%

agree we are on track to
becoming a better city

82%

agree Calgary is a great
place to make a life

85%

are proud to live in their
neighbourhood

81%

perceive their
neighbourhood as safe

CITY PROGRAMS AND SERVICES



94%

are satisfied with
the quality of
drinking water



94%

are satisfied with
Calgary's parks,
playgrounds and
open spaces



83%

are satisfied
with land use
planning



91%

are satisfied
with The City's
environmental
performance



85%

are satisfied
with roads and
infrastructure



82%

are satisfied with
Calgary Transit

AREAS CALGARIANS THINK THE CITY SHOULD INVEST IN

64%

Affordable housing for
low-income families

59%

Traffic flow management

56%

Calgary Transit including
bus and CTrain service

60%

Social services, for
individuals such as
seniors or youth

CALGARY AT A GLANCE

1,246,337

Population

800 km

City pathways

0.9%

Population growth

275

City-supported events

36.3

Median age

\$487,505

MLS average selling price

8.7%

Unemployment
rate

4,199

Single family housing starts

848 km²

City area

\$4,574,171,245

Value of building
permits issued

MESSAGE FROM THE MAYOR

At The City of Calgary, we work hard every day to make life better for Calgarians – 2017 was no different.

As our economy moves towards recovery, Calgary is emerging stronger and more resilient. Yes, we have faced our fair share of challenges over the last few years. But Calgarians continue to love our city. According to the 2017 Citizen Satisfaction Survey, 85 per cent of Calgarians rate their quality of life as good and 82 per cent agree Calgary is a great place to make a life. Our city was, once again, listed as one of the top five most liveable cities by The Economist Intelligence Unit.

My colleagues at The City of Calgary and your City Council are dedicated to ensuring Calgary remains one of the best cities in the world. We are proud to provide great value for the services we deliver. In 2017, 79 per cent of Calgarians told us they were satisfied with the overall level and quality of services provided by The City. That's good news, but we will always strive for better. We continue to work with Calgarians to make improvements and adapt to serve all Calgarians.

Over the course of the last year, we have made strategic investments in building the infrastructure that Calgary needs now and for the future. Through building this much-needed infrastructure, we are facilitating economic growth, stimulating job creation, preparing for growth and building a more resilient city.

Of course, 2017 was a municipal election year in our city—a great opportunity to connect with Calgarians about our common vision for the future of our city. Every member of your City Council met with thousands of Calgarians and brought what they learned back into City Hall. As we look to the future—especially as we work together on One Calgary, our 2019-2022 service plans and budgets—Calgarians will see those hopes and dreams reflected in how we operate as a municipal government.

We have a lot to be proud of in Calgary. This look back at the previous year lets us celebrate our successes while learning about how we can serve our citizens by building a better economy, stronger and safer communities, and an even smarter City Hall. We look forward to continuing to work alongside Calgarians to make life better every day.



Naheed Nenshi
Mayor



CORPORATE GOVERNANCE AND ACCOUNTABILITY

The role of City Council is to govern The City of Calgary, Calgary's municipal corporation, to ensure it provides the civic services Calgarians need and want. In carrying out its many duties, City Council must respond to citizens' concerns, as well as anticipate emerging opportunities and plan for the community's long-term development and growth.

Accordingly, City Council members participate in a variety of boards, commissions and committees. Their involvement provides a critical link between Calgary's communities, agencies and the workings of the municipal government.

City Council is comprised of 14 Councillors, each representing a ward, and the Mayor, representing the entire city. They are elected by and accountable to the people of Calgary. The Mayor and Councillors hold office for four-year terms. After every civic election, the City Clerk and City Solicitor brief new Members of Council on the responsibilities of their office, the Procedures Bylaw, and other information pertinent to their positions, including ethical guidelines which require them to excuse themselves from all discussions involving issues in which they have a financial interest. Throughout their term in office, Members of Council pursue ongoing training and education.

One of these meetings is a regular Council meeting where the recommendations from the Standing Policy Committees (SPC) are approved and the results of any strategic planning sessions are shared. The other meeting is a combined Council meeting and public hearing where planning matters

are also discussed. Regular and open communication with Administration is central to setting and achieving The Corporation's mission, vision, goals, strategies and actions.

CITY OF CALGARY COMMITTEES

In 2017, Council set priorities, established policies and made decisions through the Standing Policy Committees, which include the SPC on Community and Protective Services, SPC on Planning and Urban Development, SPC on Transportation and Transit, and SPC on Utilities and Corporate Services, along with Council Strategic Sessions, the Priorities and Finance Committee, the Intergovernmental Affairs Committee, the Gas, Power and Telecommunications Committee and the Audit Committee. The public is welcome to attend and make presentations at SPCs.

The decisions and directions that come out of committee meetings are forwarded to City Council for final approval. The Priorities and Finance Committee generally meets twice monthly. During 2017, the committee recommended appointments to various boards, commissions, committees and other bodies when vacancies occurred throughout the year following Council's Organizational Meeting after

the civic election. The committee maintained a process for regular review and reporting of Council's legislative governance practices and proposed legislative amendments related to governance. The Priorities and Finance Committee also provides annual written performance evaluations of the City Manager and ongoing monitoring as required by the Municipal Government Act. The Audit Committee oversees the activities of the City Auditor's Office, the external auditor, and The City's internal controls and management information systems. This ensures Administration's accountability to Council and adherence to the Integrated Risk Management Policy.

For more information about City Council, the various boards, commissions and committees, and any of the Administration and Council policies referenced here, visit calgary.ca.

CITY COUNCIL



Ward 1 Councillor
Ward Sutherland
calgary.ca/ward1



Ward 2 Councillor
Joe Magliocca
calgary.ca/ward2



Ward 3 Councillor
Jyoti Gondek
calgary.ca/ward3



Ward 4 Councillor
Sean Chu
calgary.ca/ward4



Ward 5 Councillor
George Chahal
calgary.ca/ward5



Ward 6 Councillor
Jeff Davison
calgary.ca/ward6



Ward 7 Councillor
Druh Farrell
calgary.ca/ward7



Ward 8 Councillor
Evan Woolley
calgary.ca/ward8



Ward 9 Councillor
Gian-Carlo Carra
calgary.ca/ward9



Ward 10 Councillor
Ray Jones
calgary.ca/ward10



Ward 11 Councillor
Jeremy Farkas
calgary.ca/ward11



Ward 12 Councillor
Shane Keating
calgary.ca/ward12



Ward 13 Councillor
Diane Colley-Urquhart
calgary.ca/ward13



Ward 14 Councillor
Peter Demong
calgary.ca/ward14



MESSAGE FROM THE CITY MANAGER

2017 was a year of recovery for The City of Calgary. Calgary's most recent economic downturn has had a significant impact on the community. As your municipal government, we responded by quickly shifting our focus from accommodating rapid growth to supporting the economy, keeping Calgarians working and reducing our costs. To do this we centred our attention on:

- Intentionally managing our costs and making our organization as efficient as possible
- Strategically managing our infrastructure projects and investments
- Ensuring we were providing services that are of value to Calgarians
- Continuing to change our culture to truly reflect a desire to make citizens' lives better every day

Although this downturn has been difficult, The City continues to be financially stable and fiscally responsible. We remain a young city (average age is 37), that is rich in diversity (28 per cent of Calgarians are visible minorities) and one of the most livable cities in the world (fifth most livable city as recognized by The Economist Intelligence Unit).

In 2017, The City of Calgary was recognized as one of Canada's best employers by Forbes Magazine (first place in Government Services and 13th overall), one of Alberta's top 70 employers and one of the greenest employers in Canada. None of this would have been possible without all the hard work done by City employees who continue to work every day to meet the needs of Calgary's over 1.2 million citizens.

I'm also pleased to report that, despite our economic challenges, almost 80 per cent of Calgarians continued to say they were satisfied with the overall level and quality of services and programs provided by The City as noted in 2017's annual Citizen Satisfaction Survey. Also reassuring is that City of Calgary employees continue to remain proud of the work we do and committed to continuing to work collaboratively to serve citizens and make Calgary a great place to make a living and a great place to make a life!

I encourage you to read the stories in this report to find out more about some of The City's successes in 2017.



Jeff Fielding
City Manager



CITY OF CALGARY ADMINISTRATION

Calgary's municipal government is responsible for supporting, encouraging and strengthening our community's dynamic development.

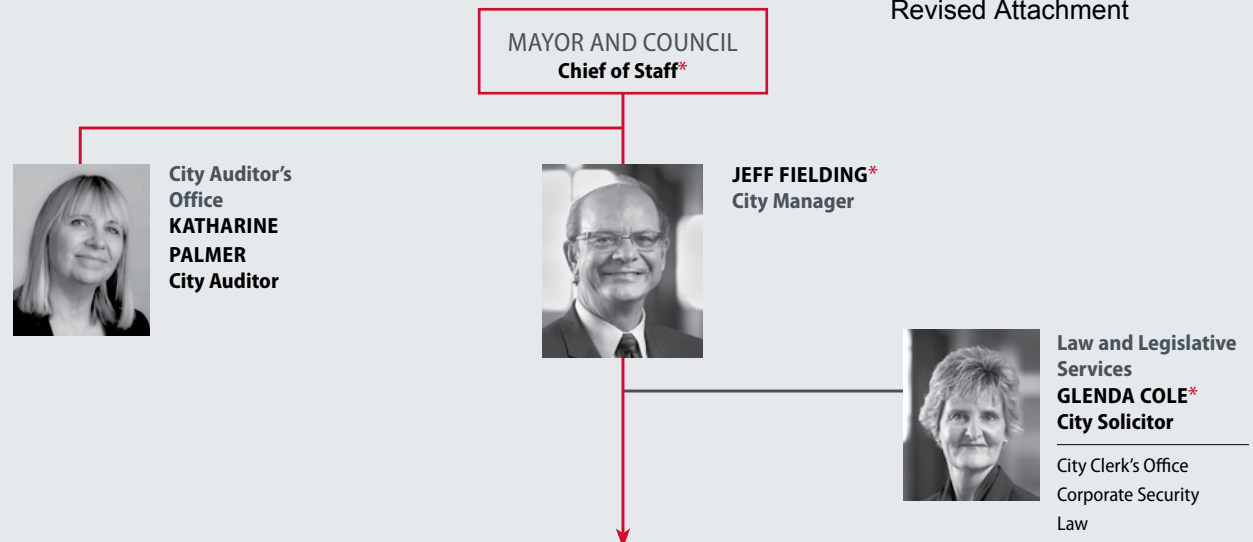
It is Administration's responsibility to provide, manage and sustain civic infrastructure, facilities and programs that support the quality of life that is so much a part of Calgary's appeal.

THE ROLE OF THE CITY MANAGER

The City Manager leads the Administrative Leadership Team (ALT) and works closely with Council. The City Manager implements the decisions of Council, provides advice and manages City Administration. He is responsible and accountable for ensuring all City work, projects, operations and services comply with Council's policies, priorities and direction.

ADMINISTRATIVE LEADERSHIP TEAM

The ALT oversees all City operations and strategic management by leading, managing and co-ordinating The City's programs, projects and initiatives. The ALT also plays a major role in developing and implementing public policy as well as balancing the priorities and best interests of the community with The City's corporate goals and available resources.



ERIC SAWYER* Chief Financial Officer	KURT HANSON* General Manager	BRAD STEVENS* Deputy City Manager	STUART DALGLEISH* General Manager	MICHAEL THOMPSON* General Manager Acting General Manager in 2017	DAVID DUCKWORTH* General Manager Hired in 2018	ROLLIN STANLEY* General Manager
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Chief Financial Officer's Department	Community Services Department	Deputy City Manager's Office	Planning & Development Department	Transportation Department	Utilities & Environmental Protection Department	Urban Strategy
Assessment Customer Service & Communications* Finance Human Resources* Information Technology*	Calgary Community Standards Calgary Emergency Management Agency Calgary Fire Calgary Housing Calgary Neighbourhoods Calgary Parks Calgary Recreation	Corporate Analytics & Innovation Facility Management Fleet Services Real Estate & Development Services Resilience & Infrastructure Calgary Supply Management	Calgary Approvals Calgary Building Services Calgary Growth Strategies Community Planning	Green Line Roads Transit Transportation Infrastructure Transportation Planning	Environmental & Safety Management Waste & Recycling Services Water Resources Water Services	

*Members of ALT

AUDIT COMMITTEE

The Audit Committee plays an integral role in financial and governance matters at The City of Calgary and oversees risk management, internal controls and the integrity of The City's annual financial statements.

The diverse role of the Audit Committee at The City of Calgary reflects a wider trend in North America of Audit Committees participating in more than just financial governance matters, playing an increasingly important role in oversight, risk management and corporate governance.

The Audit Committee is comprised of seven independent members who were appointed by City Council, with the Mayor serving as an ex-officio member. The membership includes four City Councillors and three volunteer citizen members who demonstrate extensive financial expertise.

In 2017 the following major autonomous civic entities delivered presentations to the Audit Committee on their risk management, internal controls, financial reporting and governance structure:

- Attainable Homes Corporation Calgary
- Calgary Arts Development Authority
- Calgary Convention Centre Authority
- Calgary Economic Development
- Calgary Housing Company
- Calgary Municipal Land Corporation
- Calgary Parking Authority
- Calgary Police Commission
- Calgary Public Library
- ENMAX


Deloitte, LLP are the independent external auditors fulfilling The City's legislated audit requirements and providing assurance over The City's annual financial statements and reporting processes. Deloitte, LLP carried out the audit of The City of Calgary's 2017 financial accounts in accordance with Canadian Generally Accepted Auditing Standards, and had full and unrestricted access to the Audit Committee to discuss the audit and related findings.

The City Auditor's Office is the independent internal auditor for The City of Calgary, operating autonomously from City Administration and reporting directly to Council through Audit Committee. The City Auditor's authority, mandated in the City Auditor's Bylaw and Charter, provides the City Auditor with unrestricted access to all municipal personnel, records, property, policies, procedures, processes and systems necessary to conduct audits. The risk-based activities of the City Auditor's Office are approved annually by Audit Committee through a rolling two-year audit plan. The results of formal audits by the City Auditor's Office, as well as follow-up on audit recommendations, are presented to Audit Committee and Council for discussion, and made public through The City's website: www.calgary.ca/auditor.

An equally important role of the City Auditor's Office is the oversight of the Whistle-blower Program. This program ensures reports received from City employees or members of the public regarding waste or wrongdoing are subject to an appropriate investigation and resolution. The City Auditor provides to Council through the Audit Committee, at least on an annual basis, information related to reports received and investigations conducted during the year.

The Audit Committee is comprised of the right professionals working together with the Chief Financial Officer, the City Auditor and the External Auditor, to successfully fulfill its mandate. I am proud of the important work performed by the Audit Committee in support of City Council's priority of "A well-run city".

On behalf of the Audit Committee, it is my pleasure to recommend to City Council approval of The City's Annual Financial Statements as audited and presented in this 2017 Annual Report.



Evan Woolley,
Ward 8 Councillor
Chair, Audit Committee



Infrastructure Calgary

Infrastructure Calgary is a corporate initiative that provides governance and oversight of The City of Calgary's Capital Infrastructure Investment Principles and Capital Investment Plan. The program is focused on intentional management of The City's capital investment across all departments with a goal of strengthening investment decision making to maximize value for Calgarians. This is done through enhancing capital planning and delivery processes, and increased reporting and analysis of investment activities.

Infrastructure Calgary also works with the private sector and public institutions to align and optimize capital investments – and to foster social, environmental and economic value in the Calgary community.

In 2016, IC was directed by Council to identify capacity for reinvestment to support The City's continued efforts to support capital investment. This capacity was identified from capital reserves, off-site levy funds, unallocated and relinquished capital funds and grant funding. As a result of this process IC recommended 25 programs/projects that Council received and approved in principle in March of 2017.

The reinvestment of capital has enabled The City to support needed infrastructure that provided short term economic stimulus, added resilience in the community, including flood protection, maintained and preserved The City's existing infrastructure and community assets through lifecycle funding, built a great community through legacy investments, and leveraged public and private investment. Project funding has enabled the selected projects to advance their work and in many cases, advance investment in communities.

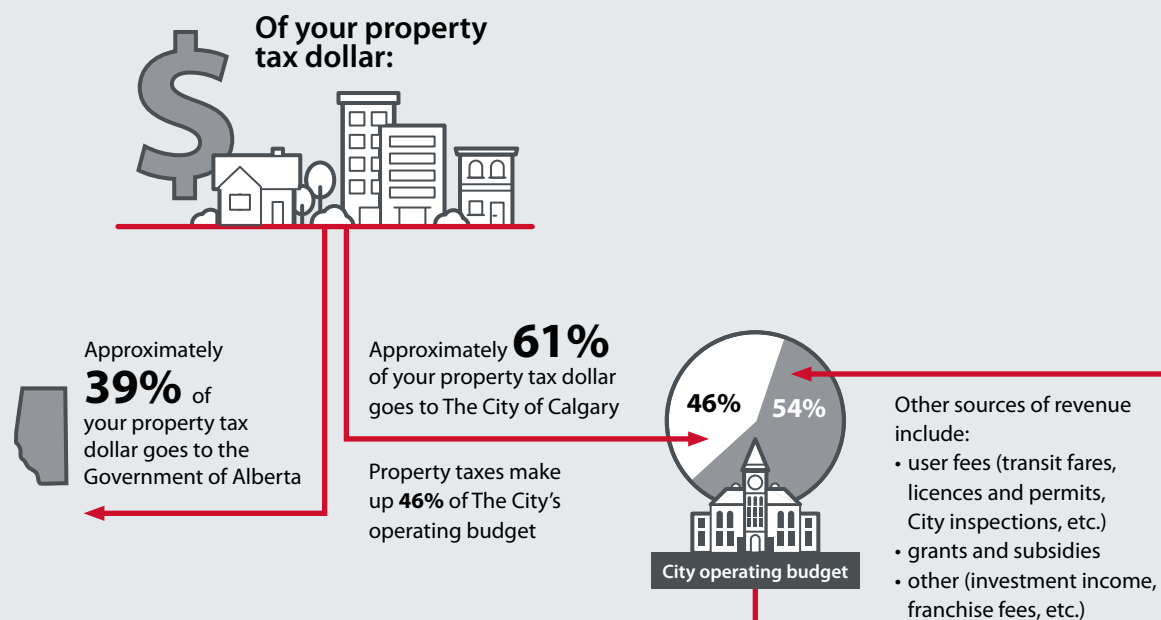


The Economy

In 2017, The City made significant progress reducing costs and becoming more efficient. The focus was on finding ways to deliver high quality services at a lower cost, evaluating what services are truly needed by citizens and how to deliver these services more efficiently.

Since Council's approval of the 2015-2018 Budget in late 2014, The City achieved approximately \$523 million in savings and efficiencies. In 2017 alone, The City intentionally managed costs and spending, resulting in cost savings of \$112.1 million from initial budget projections.

Better communications with citizens has also been a priority to ensure a high level of public trust and confidence in municipal government.



The City's portion of your property tax pays for services that you use every day.



On the road – construction and maintenance of pedestrian pathways and roads; streetlights and traffic control; street cleaning and snow clearing; and public transit.

In your community – police, fire and emergency services; youth programs; planning for the future of new and existing communities; recreation and arts programs, events and festivals; wellness initiatives; and bylaw services.

In your city – disaster response services; swimming pools, skating rinks, golf courses, dog parks and cemeteries; maintenance of public spaces; protection of historical resources.

In the environment – the collection of waste and recycling from our homes; climate change action; and the care and management of parks and green spaces.

Other essential services provide citizens access to information through 311; operate and maintain City-owned facilities; and ensure planning and resources are in place to build a great city.

Making Life Better Every Day

At The City, we collectively strive to make life better every day for Calgarians.

We contribute to people's well-being - their comfort, security and satisfaction with life in our city. We are accountable for the financial, social and environmental resources that have been entrusted to us.

To be successful, we require a corporate culture and inclusive public service environment where employees with diverse backgrounds, varied perspectives, skills, and experiences work together to provide exceptional municipal public service.

We continue to shift and improve our corporate culture in many ways:

- Supporting a safe and respectful work environment where all employees are afforded the same concern, trust, respect and caring attitude they are expected to share with every Calgary resident, business and visitor.
- Holding ourselves to a higher standard. As public servants, we must ensure that our actions and behaviours reflect the values of the organization we represent and the community we serve.
- Providing an open, respectful and safe environment where both employees and members of the public have multiple ways to contribute. That includes avenues to share concerns about actions or behaviours and know they will be taken seriously and addressed appropriately without fear of intimidation or retaliation.

Ensuring a high level of engagement and satisfaction among our citizens, customers and employees is paramount in achieving our future and making Calgary as a great place to live and work.

Our Vision

Calgary: a great place to make a living, a great place to make a life.



FINANCIAL INFORMATION

THE CITY OF CALGARY, ALBERTA



2017 Financial Statement Discussion and Analysis

INTRODUCTION

The City of Calgary ("The City") 2017 Annual Financial Report contains the audited consolidated financial statements prepared in accordance with principles and standards established by Canadian Public Sector Accounting Standards (PSAS) of Chartered Professional Accountants (CPA) Canada, as required by the *Alberta Municipal Government Act*.

The financial statements consist of:

- Consolidated statement of financial position (summary of financial assets and liabilities, net financial assets, non-financial assets and accumulated surplus) at year end,
- Consolidated statement of operations and accumulated surplus (summary of the annual surplus for the year, consisting of revenues reflecting what operating and capital funds were raised in the year and expenses reflecting how funds were used during the year, including the annual costs for owning and using capital assets (amortization), plus the change in the net value of the government business enterprise),
- Consolidated statement of cash flows (summary of how The City's cash position changed during the year, highlighting sources and uses of cash, including the use of cash to acquire capital assets), and
- Consolidated statement of changes in net financial assets (a reconciliation between the net revenues earned in the year to the change in net financial assets). This statement shows the annual surplus, with a reversal of the non-cash accruals for amortization and sale of assets, less donated assets and the spending to acquire new capital assets in the year. The change in net financial assets is an indicator of whether revenues raised in the year were sufficient to cover the spending in the year.

The City Administration is responsible for preparing the following financial statement discussion and analysis (FSD&A) and the audited consolidated financial statements. The FSD&A and the consolidated financial statements should be read in conjunction with the financial and statistical schedules.

The FSD&A reports to stakeholders on how the financial resources entrusted to The City are being managed to provide municipal infrastructure and services. It explains the significant differences in the financial statements between the reported year and the previous year as well as between budgeted and actual results. The FSD&A also identifies trends, risks and anticipated events that could have financial implications.

For 2017, The City was able to implement its business plans and budgets essentially as expected. The City enters 2018 as the fourth and final year of a four-year planning and budgeting cycle that reflects its long-term goals, and it continues to monitor its financial performance carefully so that it can address local effects resulting from the recent economic downturn. These issues are discussed further on in the Risk Management and The Outlook sections of the FSD&A.

In 2017, as a result of continued usage and refinement of capital asset accounting and management systems, certain prior year asset balances were identified that required correction and the financial statements have been retrospectively adjusted. These tangible capital asset balances primarily consisted of land, land improvements, engineered structures, buildings, and machinery and equipment. As a result, approximately \$11.0 million in net adjustments was restated for 2016. The change represents less than 0.1 per cent of tangible capital assets.

In addition, The City identified an adjustment to their land inventory and miscellaneous revenue amounts due to an intercompany transaction that required correction. This correction has been reflected in these financial statements as a prior period adjustment to 2016 figures, resulting in an increase to land inventory, miscellaneous revenue and accumulated surplus of \$12.4 million.

These restated amounts had no effect on The City's cash balances, property tax revenues or any other balances influencing The City's grants received, property tax assessments or any other related balances.

Economic Environment

Economic growth in the Calgary Economic Region was estimated at 3.1 per cent in 2017, while Calgary's population increased by 0.9 per cent.

	2017	2016	Change
Calgary			
Population (April census)	1,246,337	1,235,171	0.9%
Employment ⁽¹⁾	754,850	734,800	2.7%
Building permit applications	16,434	15,144	8.5%
Building permit value (\$ billions)	4.6	4.7	(2.1%)
Calgary Census Metro Area			
CPI inflation rate	1.6%	1.0%	0.6%
Calgary Economic Region			
Unemployment rate	8.7%	9.1%	(0.4%)

Sources: see schedule of demographic and other information on page 89 excerpt:

(1) Estimated by The City of Calgary – Corporate Economics based on Statistics Canada Labour Force Survey.

Population growth from April 2016 to April 2017 was 11,166 (0.9 per cent) compared to 4,256 (0.35 per cent) for the year ending April 2016. The annual rate of population growth is estimated at 1.3 per cent per year over the next ten years.

Population growth for the next 4 years is expected to be quite moderate with positive, but relatively low net migration. Continued effects of the recession of 2015/2016 will result in relatively high unemployment rates until 2020 and only after unemployment rates dip into the 5 percent range do we expect net migration to approach 10,000 persons per year.

FINANCIAL HIGHLIGHTS

Revenues and Expenses

The City had consolidated revenues of \$3.756 billion in 2017 before external transfers for infrastructure (grants and revenue sharing recognized from other governments plus funds and tangible capital assets from developers totaling \$1.055 billion) (2016 – \$3.766 billion, before external transfers of \$1.177 billion).

The City consolidated expenses were \$3.821 billion before net ENMAX Corporation (“ENMAX”) adjustments of \$0.101 billion (2016 – \$3.673 billion, before net ENMAX adjustments of (\$0.065) billion). Included in expenses is amortization in the amount of \$0.629 billion (2016 – \$0.596 billion) as the estimated annual cost of owning and using The City’s capital assets.

For 2017, net revenues including external contributions to infrastructure of funds and tangible capital assets totaled \$0.990 billion (2016 – \$1.270 billion).

Consolidated Financial Position

As at December 31 (in thousands of dollars)

	2017	2016 (Restated)
A. Financial Assets	\$ 7,055,340	\$ 7,301,551
B. Liabilities	5,475,518	5,929,908
C. Net Financial Assets (A minus B)	1,579,822	1,371,643
D. Non-Financial Assets	16,980,420	16,097,912
E. Accumulated Surplus (C plus D)	18,560,242	17,469,555

The City’s net financial assets increased by \$208 million (2016 – \$127 million) primarily due to decreases in accounts payable and accrued liabilities, capital deposits, long term debt, bank indebtedness and deferred revenue as well as increases in our investment in ENMAX and land inventory. This is partially offset by a decrease in cash and cash equivalents, investments and increase in employee benefit obligations.

The City’s accumulated surplus increased by \$1,091 million (6.2 per cent) in 2017, primarily from the net increase in tangible capital assets (purchased and donated) of \$888 million, a decrease in capital deposits of \$191 million, and a decrease in long-term debt of \$150 million.

The City’s long-term debt ratings were affirmed at AA+ by Standard and Poor’s and AA (high) by Dominion Bond Rating Service (DBRS) in 2017.

Cash Flow

The City’s cash and cash equivalents decreased by \$94 million to \$134 million while investments decreased by \$203 million to \$3,894 million. The decrease in cash and investments largely reflects an acceleration in the investment of capital through Infrastructure Calgary and the Capital Investment Plan. Investments were further reduced due to a decrease in corporate investments, which were held in cash for reinvestment given a change in investment policy, these decreases were partially offset by an increase in the federal grant investment balance to fund capital projects, as well as increases in global fixed income and equity investments.

Cash provided by operating activities

In 2017, cash provided by operating activities was \$1,093 million, compared to \$1,565 million in 2016. This decrease was primarily due to intentional management decisions to use capital deposits to build infrastructure, a reduction in accounts payable and accrued liabilities partially offset by an increase in employee benefit obligations, a decrease in developer contributions-in-kind related to capital, and lower equity in earnings of ENMAX.

Cash used in capital activities

Cash used in capital activities was \$(1,263) million, compared to \$(1,378) million in 2016, consistent with our goal to increase the quality and speed of capital investment in our city. It includes:

- Additions to capital assets of \$(1,344) million; and
- Proceeds from sale of tangible capital assets of \$81 million.

Cash provided by investing activities

Cash provided by investing activities was \$251 million, compared to \$69 million used in investing activities in 2016, and includes:

- Net sales of investments of \$203 million; and
- Dividends from ENMAX of \$48 million.

Cash used in financing activities

Cash used in financing activities was \$(174) million, compared to \$(132) million of cash used in 2016, and includes:

- Proceeds from long-term debt issued of \$290 million;
- Long-term debt repayments of (\$440) million; and
- Net decrease in bank indebtedness of (\$24) million.

FINANCIAL ANALYSIS REVIEW

Revenues – Budget to Actual Comparison

For the year ended December 31 (in thousands of dollars)

	Budget 2017	Actual 2017	Favourable/ (Unfavourable)	Percent Change
Net taxes available for municipal purposes	\$ 1,983,487	\$ 1,955,429	\$ (28,058)	(1%)
Sales of goods and services	1,312,865	1,274,060	(38,805)	(3%)
Government transfers and revenue sharing agreements				
Federal	2,191	4,693	2,502	114%
Provincial	128,162	140,475	12,313	10%
Investment income	58,301	104,520	46,219	79%
Fines and penalties	87,713	92,040	4,327	5%
Licences, permits and fees	95,431	124,356	28,925	30%
Miscellaneous revenue	29,645	90,806	61,161	206%
(Loss)/equity in earnings of ENMAX	85,400	\$ (30,312)	(115,712)	(135%)
Total revenues (before external transfers for infrastructure)	\$ 3,783,195	\$ 3,756,067	\$ (27,128)	(1%)
Developer contributions	\$ 223,716	\$ 138,557	\$ (85,159)	(38%)
Government transfers related to capital	785,652	711,186	(74,466)	(9%)
Developer contributions-in-kind related to capital	–	204,778	204,778	100%
Total external transfers for infrastructure	\$ 1,009,368	\$ 1,054,521	\$ 45,153	4%

Total City revenues (before external transfers for infrastructure) were approximately 1 per cent lower than budgeted for 2017, mainly as a result of lower than anticipated net municipal taxes, sales of goods and services, and lower equity in earnings of ENMAX partially offset by higher than budgeted investment income, licences, permits and fees, provincial government transfers, and miscellaneous revenue.

Government transfers and revenue sharing agreements (Provincial) were approximately 10 per cent higher than budgeted primarily due to reimbursements for The City's work on flood recovery activities and wildfires in Northern Alberta. The City does not budget for these reimbursements. The City also received provincial grants for 9-1-1 cell phones to help fund operational and capital projects.

Investment income was approximately 79 per cent higher than budgeted due to higher principal balances invested, and a higher than budgeted blended yield which resulted in realized capital gains on The City's equity holdings.

Fines and penalties were approximately 5 per cent higher than budgeted mainly due to a greater number of parking tickets that were issued than was originally expected by the Calgary Parking Authority.

Licences, permits and fees were approximately 30 per cent higher than budgeted as a result of sustained development activities and increased excavation permit issuances, despite forecasted decreases in economic conditions.

Miscellaneous revenue was approximately 206 per cent higher than budgeted mainly due to proceeds from the sale of tangible capital assets.

(Loss)/equity in earnings of ENMAX was 135 per cent lower than budgeted due to increases in electricity and natural gas costs, as well as higher than anticipated hedging costs experienced by ENMAX.

Developer contributions were approximately 38 per cent below budget due to differences in the estimates of anticipated contributions used during the year, as well as lower than anticipated growth which was aligned with the economic downturn experienced by The City.

Government transfers related to capital were approximately 9 per cent lower than budgeted primarily due to decelerated use of government grants for capital infrastructure.

Developer contributions-in-kind related to capital were higher than budgeted as capital contributions of this nature are not budgeted.

Expenses – Budget to Actual Comparison

For the year ended December 31 (in thousands of dollars)

	2017 Budget (excluding Amortization)	2017 Actual (excluding Amortization)	Favourable/ (Unfavourable)	Percent Change	2017 Budget Amortization Expense	2017 Actual Amortization Expense
Police	492,655	490,192	2,463	<1%	–	18,761
Fire	305,272	307,592	(2,320)	(1%)	–	17,588
Public transit	451,172	433,644	17,528	4%	–	121,036
Roads, traffic and parking	265,561	303,304	(37,743)	(14%)	8,869	158,435
Water services and resources	390,129	393,265	(3,136)	(1%)	79,042	120,922
Waste and recycling services	157,217	123,577	33,640	21%	–	13,333
Community and social development	75,607	82,861	(7,254)	(10%)	–	104
Social housing	130,190	121,139	9,051	7%	3,454	12,140
Parks and recreation facilities	246,134	262,379	(16,245)	(7%)	–	58,521
Societies and related authorities	72,738	80,988	(8,250)	(11%)	–	2,051
Calgary Public Library Board	57,357	57,266	91	<1%	–	6,905
General government	404,207	261,519	142,688	35%	508	31,393
Public works	243,470	234,170	9,300	4%	29,186	59,391
Real estate services	116,963	40,353	76,610	65%	–	8,076
	3,408,672	3,192,249	216,423	6%	121,059	628,656

The four year budget cycle 2015-2018 has incorporated amortization charges for information purposes only. The City has yet to integrate these standards for budget preparation.

Overall, the City has been able to achieve savings in 2017. The savings in expenses have allowed The City to keep taxes and fees as low as possible while still responding to the priorities and needs of citizens.

The following variance explanations exclude the impact of amortization expense.

Public transit expenses were approximately 4 per cent lower than budgeted primarily due to the use of workforce planning strategies to decrease salary and wages and lower than budgeted fuel costs experienced in 2017.

Roads, traffic and parking expenses were approximately 14 per cent higher than budgeted due to increased pavement and infrastructure rehabilitation activities to meet infrastructure lifecycle requirements and higher provision for contingencies than expected.

Waste and recycling services expenses were approximately 21 per cent lower than budgeted due to lower costs on salary and wages, lower recyclable processing fees as a result of less tonnage than expected in response to lower revenues, and lower fleet maintenance costs.

Community and social development expenses were approximately 10 per cent higher than budgeted due to an increase in initiatives that were considered temporary or emergent, such as The City's Community Associations – Practices, Process and Participation project and Calgary Local Immigration Partnership program, as well as the implementation of the sliding scale fare structure for the Low Income Transit Subsidy Program which is supported by the province.

Social housing expenses were lower than budgeted by approximately 7 per cent mainly due to expense reduction strategies that were implemented in alignment with 2017's strategic objectives.

Parks and recreation facilities expenses were approximately 7 per cent higher than budgeted primarily due to capital losses arising from the disposition of tangible capital assets and higher than budgeted repairs and maintenance costs which were incurred to address infrastructure lifecycle requirements.

Societies and related authorities expenses were approximately 11 per cent higher than budgeted primarily due to higher than budgeted capital transfers to related authorities.

General government expenses include the costs of Council, City Manager, Finance, Supply, Mayor, City Auditor, City Clerk's, Law, Assessment, Customer Service & Communications, Human Resources, Information Technology and Corporate Revenues and Costs. Expenses were approximately 35 per cent lower than budgeted primarily due to lower provisions for corporate contingencies than expected, lower employee benefit costs arising from changes in actuarial assumptions, and lower costs for utilities due to lower natural gas and electricity prices experienced in 2017.

Public works expenses were approximately 4 per cent lower than budgeted primarily due to cost-reduction initiatives, such as implementation of the workforce planning strategy and reduction of spending for materials and equipment, which were implemented in response to the economic downturn.

Real estate services expenses were approximately 65 per cent lower than anticipated due to lower salary and wages costs arising from vacancies and lower than budgeted industrial land sale costs.

Revenues – Comparison to Prior Year

For the years ended December 31 (in thousands of dollars)

	Actual 2017	Actual 2016 (Restated)	Increase/ (Decrease)	Percent Change
Net taxes available for municipal purposes	\$ 1,955,429	\$ 1,938,199	\$ 17,230	1%
Sales of goods and services	1,274,060	1,211,983	62,077	5%
Government transfers and revenue sharing agreements				
Federal	4,693	4,660	33	1%
Provincial	140,475	128,157	12,318	10%
Investment income	104,520	77,451	27,069	35%
Fines and penalties	92,040	89,796	2,244	2%
Licences, permits and fees	124,356	114,988	9,368	8%
Miscellaneous revenue	90,806	56,794	34,012	60%
(Loss)/equity in earnings of ENMAX	(30,312)	143,597	(173,909)	(121%)
Total revenues (before external transfers for infrastructure)	\$ 3,756,067	\$ 3,765,625	\$ (9,558)	<1%
Developer contributions	\$ 138,557	\$ 198,394	\$ (59,837)	(30%)
Government transfers related to capital	711,186	679,736	31,450	5%
Developer contributions-in-kind related to capital	204,778	298,678	(93,900)	(31%)
Total external transfers for infrastructure	\$ 1,054,521	\$ 1,176,808	\$ (122,287)	(10%)

Sales of goods and services were approximately 5 per cent higher in 2017 primarily as a result of higher land sales and due to rate increases for water, wastewater and drainage, as well as higher water volumes used by customers given the increased temperatures and minimal precipitation that occurred during the summer. These increases were partially offset by decreases across The City which include lower landfill tipping fees from decreased tonnage received at waste management facilities, lower transit fare revenue given reduced ridership, lower parking revenue from a decline in monthly parking contracts and lower recreation revenues from programs, rentals, admission and pass sales.

Government transfers and revenue sharing agreements (Provincial) were approximately 10 per cent higher than prior year due to introduction of the provincial Low Income Transit Subsidy Program beginning in 2017 and the increase in provincial grants for the lifecycle maintenance of affordable housing.

Investment income was approximately 35 per cent higher primarily due to higher average bond and equity balances, higher bond returns and recognition of realized gains on the sale of investments.

Licences, permits and fees in 2017 were approximately 8 per cent higher than 2016 primarily due to increased excavation permit applications and residential and commercial development activities.

Miscellaneous revenue increased by 60 per cent over prior year due to unusually high gains on the sale of land.

(Loss)/equity in earnings of ENMAX was lower by approximately 121 per cent primarily due to fixed electricity contracts, higher supply costs, increased gas prices and hedging costs which led to increases in portfolio supply costs partially offset by increases in revenues from transmission, distribution, and contractual services.

Developer contributions were approximately 30 per cent lower in 2017 primarily due to a decline in capital development activities related to water and wastewater services, transportation infrastructure, interchange projects, bus purchases, fire stations and recreation centres.

Government transfers related to capital were approximately 5 per cent higher primarily due to an increase in the use of Federal Gas Tax Fund funding received partially offset by a decrease in the use of Municipal Sustainability Initiative ("MSI") and Green Transit Incentive Programs ("GreenTRIP") funding received.

Developer contributions-in-kind related to capital were approximately 31 per cent lower than 2016 due to the timing of completion of developer donated assets which is highly volatile from year to year.

Expenses – Comparison to Prior Year

For the years ended December 31 (in thousands of dollars)

	Actual 2017	Actual 2016	Increase/ (Decrease)	Percent Change
Police	\$ 508,953	\$ 494,546	\$ 14,407	3%
Fire	325,180	312,732	12,448	4%
Public transit	554,680	546,375	8,305	2%
Roads, traffic and parking	461,739	409,420	52,319	13%
Water services and resources	514,187	525,185	(10,998)	(2%)
Waste and recycling services	136,910	131,726	5,184	4%
Community and social development	82,965	76,180	6,785	9%
Social housing	133,279	122,718	10,561	9%
Parks and recreation facilities	320,900	303,334	17,566	6%
Societies and related authorities	83,039	77,141	5,898	8%
Calgary Public Library	64,171	63,182	989	2%
General government	292,912	262,412	30,500	12%
Public works	293,561	304,598	(11,037)	(4%)
Real estate services	48,429	43,001	5,428	13%
	\$ 3,820,905	\$ 3,672,550	\$ 148,355	4%

Police expenses were approximately 3 per cent higher due to increased salaries and wages and the addition of new members.

Fire increase of approximately 4 per cent in expenses in 2017 includes costs associated with a salary settlement in 2017, new growth positions added and the replacement cost of self-containing breathing apparatuses for firefighters.

Public transit increase of approximately 2 per cent in expenses due to salary settlements offset by a decrease in salary and wages due to workforce management and increased snow and ice control and maintenance costs.

Roads, traffic and parking increased by 13 per cent over the prior year due to an increase in pavement degradation, traffic detours, signal construction and street cleaning and an increase in the cost to operate vehicles and materials used due to an increase in the number of snow days and average snowfall offset by lower interest costs.

Water services and resources were approximately 2 per cent lower due to decreased spending on the Bonnybrook Wastewater Treatment Plant D expansion and Nose Creek Trunk upgrades that were incurred in 2016, and a decrease in professional fees, composting and storm pond maintenance.

Waste and recycling services were approximately 4 per cent higher primarily due to costs incurred for the Green Cart program that were not incurred in 2016.

Community and social development expenses were approximately 9 per cent higher than prior year, given the introduction of the sliding scale fare structure for the Low Income Transit Subsidy Program in 2017, as well as increased expenses in Fair Entry and the Economic Resiliency Fund, programs that increased support to citizens and non-profit organizations as a result of the economic downturn.

Social housing expenses increased by approximately 9 per cent over the prior year due to Calgary Housing Company hiring more resources to execute strategic projects, an increase in utility costs compared to 2016 and an increase in depreciation and materials and supplies.

Parks and recreation facilities expenses were approximately 6 per cent higher than the prior year to address lifecycle requirement maintenance costs, increased wage settlement costs and overall salary and wage increases.

Societies and related authorities expenses from prior year increased by approximately 8 per cent primarily due to transfer payments made to entities operating in the Calgary art sector and an increase in depreciation resulting from the completion of the King Edward School renovation project.

General government was approximately 12 per cent higher due to many contributing factors such as increased costs due to the 2017 election, increased security and monitoring services, higher fringe benefits and salary and wages and corporate costs incurred for the truss structural issue at the Municipal Building.

Public Works was approximately 4 per cent lower due to costs incurred in prior year that were recorded in Recreation facilities for 2017 related to transfer payments to community associations and a decrease in building lifecycle costs.

Real estate services were approximately 13 per cent higher than the prior year primarily due to higher costs of sales for industrial land sold partially offset by a reduction in amortization expense and reduction in contract and general services.

Tangible Capital Assets

For the years ended December 31 (in thousands of dollars)

	2017 Net book value	2016 Net book value (Restated)	Increase/ (Decrease)
Land	\$ 2,195,335	\$ 2,163,392	31,943
Land improvements	537,247	701,450	(164,203)
Engineered structures	10,017,947	9,201,287	816,660
Buildings	1,794,835	1,568,408	226,427
Machinery and equipment	299,754	295,456	4,298
Vehicles	770,134	725,338	44,796
	15,615,252	14,655,331	959,921
Work in progress			
Land	60,900	16,390	44,510
Construction	1,214,954	1,331,574	(116,620)
Tangible capital assets	\$ 16,891,106	\$ 16,003,295	887,811

During 2017, The City spent \$1,857 million on capital projects (2016 – \$1,763 million), which included \$1,548 million for tax-supported projects (2016 – \$1,406 million). Spending on capital projects was primarily on roads and water infrastructure projects, the composting facility, and the Green Line LRT project.

Tangible capital assets are recorded at cost, which includes all amounts that are directly attributable to the acquisition, construction, development or betterment of the asset. The cost, less estimated salvage value of the tangible capital assets is amortized on a straight-line basis over the assets' estimated useful lives, ranging from 2 to 100 years.

During the year, there were no write-downs. Donated assets (related to water and wastewater distribution and collection systems, parks and roads) are capitalized and are recorded at their estimated fair value upon acquisition. Parks, roads, recreation and water assets contributed to The City totaled \$205 million (2016 – \$299 million).

SIGNIFICANT TRENDS

Revenues (before external transfers for infrastructure)

For the years ended December 31 (in thousands of dollars)

	Actual 2017	Actual 2016 (Restated)	Actual 2015 (Restated)	Actual 2014 (Restated)	Actual 2013 (Restated)
Net taxes available for municipal purposes	\$ 1,955,429	1,938,199	\$ 1,926,218	\$ 1,801,262	\$ 1,805,666
Sales of goods and services	1,274,060	1,211,983	1,285,280	1,214,406	1,116,298
Government transfers					
Federal	4,693	4,660	3,812	4,507	4,462
Provincial	140,475	128,157	128,431	150,584	108,906
Investment income	104,520	77,451	79,185	61,794	47,357
Fines and penalties	92,040	89,796	80,451	72,121	69,503
Licences, permits and fees	124,356	114,988	124,358	116,331	103,645
Miscellaneous revenue	90,806	56,794	68,235	44,082	95,292
Equity in earnings of ENMAX	(30,312)	143,597	9,725	184,069	352,483
Equity in earnings of Co-Ownership	–	–	618	1,992	–
Total revenues (before external transfers for infrastructure)	\$ 3,756,067	\$ 3,765,625	\$ 3,706,313	\$ 3,651,148	\$ 3,703,612

The five year trend for revenues largely reflects rate and growth-related increases for the prior four years.

Net taxes available for municipal purposes generally increases with growth and tax rate increases; however, it includes local access fees that are charged in lieu of taxes to some utilities for using The City right-of-way based on the cost of the service and commodity being provided. Fluctuations in commodity prices affect this revenue.

Sales of goods and services increased in 2017 compared to 2016. In 2017, The City experienced higher land sales in a favourable market compared to prior year which contributed to a \$62 million increase over 2016. In addition, water and wastewater rates and drainage rate were increased by 2.5 per cent and 7.4 per cent respectively, which combined with an increase in water usage over the summer and population growth, contributed to an increase of approximately \$32 million over 2016. However, reduced transit ridership, decreased tonnage received at waste management facilities, a decline in monthly parking contracts and use of recreation services partially offset the overall increase.

Government transfers (Provincial) in 2017 were higher than 2016 as a result of provincial grants received by Calgary Housing Company for capital and lifecycle maintenance of properties and due to the introduction of the provincial Low Income Transit Subsidy Program in 2017.

Investment income for 2013 was influenced by much lower interest rates than previous years, decreasing the amount of investment income earned. Investment income resumed a favourable trend in 2014 primarily due to better yields and increased investment balances over the years. This trend of increased principal balances continued through 2015 and resulted in higher investment income than previous years. Investment income in 2016 was slightly lower than 2015 primarily due to lower bond returns which offset the increase from higher portfolio balances. In 2017 investment income trended upwards due to larger average bond and equity balances, higher bond returns and recognition of realized gains on the sale of investments.

Licences, permits and fees reflect the building permit revenues driven by Calgary's growth, which was steady from 2013 to 2015 but decreased in 2016. Revenues increased as a result of increased activities and growth in development and building permit acquisitions, driven by rapid population growth during 2013 to 2015. Licences, permits and fees in 2016 were lower than 2015 primarily due to decreased residential and commercial development activities and lower building permit applications resulting from the economic downturn. In 2017, revenues rebounded to 2015 levels as a result of increased excavation permits and the completion of residential and commercial development activities.

Miscellaneous revenue decreased for 2016 from 2015 primarily due to less revenue received from insurance companies for costs related to the 2013 flood. The significant increase in miscellaneous revenue for 2017 is primarily due to land sale gains.

Equity in earnings of ENMAX comprises the net equity increase in The City's government business enterprise ENMAX. For 2013, ENMAX experienced higher revenues due to a one-time, non-recurring sale of ENMAX Envision Inc. (Envision) for a gain of \$175 million which resulted in a decline in 2014 revenues. Also, in 2014 a realized loss on derivative designated cash flow hedges contributed to the decrease in earnings. The equity in earnings of ENMAX decreased in 2015 as a result of lower electricity prices. In addition, ENMAX identified an adjustment in their deferred income tax calculation that resulted in a decrease of \$39 million to the 2015 income tax recovery. In 2016, ENMAX experienced higher net earnings due to continued growth in ENMAX power delivery resulting from steady growth in rate base and customer sites, and its integrated strategy on hedging and cost and capital spending management. In 2017, ENMAX experienced lower net earnings due to increasing portfolio supply costs in ENMAX power delivery.

Equity in earnings of Co-Ownership comprises of Attainable Homes Calgary Corporation's share of net income earned from the Co-Ownership that was entered into in 2013. The project was completed in the year ended December 31, 2015 and was dissolved on January 9, 2017.

LIQUIDITY AND DEBT**Financial Position – Net Financial Assets**

As at December 31 (in thousands of dollars)

	Actual 2017	Actual 2016 (Restated)	Actual 2015 (Restated)	Actual 2014 (Restated)	Actual 2013 (Restated)
FINANCIAL ASSETS					
Cash and cash equivalents	\$ 134,006	\$ 227,884	\$ 104,499	\$ 81,085	\$ 62,021
Investments	3,893,757	4,096,462	4,117,988	3,702,773	3,317,463
Receivables	327,725	328,499	267,216	248,099	312,617
Land inventory	276,418	248,008	206,477	235,108	229,765
Other assets	109,434	109,390	98,291	96,887	90,231
Investment in ENMAX	2,314,000	2,291,308	2,260,205	2,281,064	2,460,204
Investment in Co-ownership	–	–	–	1,539	3,438
	7,055,340	7,301,551	7,054,676	6,646,555	6,475,739
LIABILITIES					
Bank indebtedness and short-term borrowing	46,200	70,255	58,424	35,261	29,215
Accounts payable and accrued liabilities	860,453	945,890	731,184	728,516	749,870
Deferred revenue	92,926	111,502	89,108	86,738	69,771
Capital deposits	826,901	1,018,173	1,028,323	946,576	929,765
Provision for landfill rehabilitation	88,905	87,263	87,488	86,946	64,700
Employee benefit obligations	493,870	480,153	455,249	423,740	398,827
Long-term debt	3,066,263	3,216,672	3,360,602	3,626,177	3,661,382
	5,475,518	5,929,908	5,810,378	5,933,954	5,903,530
NET FINANCIAL ASSETS	\$ 1,579,822	\$ 1,371,643	\$ 1,244,298	\$ 712,601	\$ 572,209

In 2013 and 2014, net financial assets increased by \$432 million and \$140 million respectively due to increases in liquid assets. The growth trend continued in 2015 with an increase of \$532 million compared to 2014. In 2016, net financial assets further increased by another \$127 million compared to 2015. This trend continued for 2017 with net financial assets increasing by \$208 million. Although there was an overall reduction in financial assets in 2017, there

was a further reduction in liabilities resulting in the net increase. Financial assets are offset primarily by liabilities which are governed by agreements with the parties involved, including funds owed for goods and services already received (accounts payable and accrued liabilities), and capital deposits that must be spent on specific types of capital.

Long-Term Debt

As at December 31 (in thousands of dollars)

	2017	2016	2015	2014	2013
Opening Balance	\$ 3,216,672	\$ 3,360,602	\$ 3,626,177	\$ 3,661,382	\$ 3,420,540
Increase (Decrease)					
Tax-supported	(43,667)	(39,837)	(38,424)	(41,985)	209,329
Self-sufficient tax-supported	(205,404)	(202,514)	(275,895)	(142,183)	74,378
Self-supported	98,662	98,421	48,744	148,963	(42,865)
Net (Decrease)/Increase during the year	(150,409)	(143,930)	(265,575)	(35,205)	240,842
Closing balance	3,066,263	3,216,672	3,360,602	3,626,177	3,661,382
ENMAX debt in The City's name	1,078,522	1,145,184	1,211,055	1,088,771	915,510
Total debt attributable to The City	\$ 4,144,785	\$ 4,361,856	\$ 4,571,657	\$ 4,714,948	\$ 4,576,892

In 2017, DBRS reaffirmed the long-term debt rating of The City at AA (high), and The City's commercial paper rating at R-1 (high), with stable trends. In affirming the rating, DBRS stated that "the ratings are supported by a low DBRS-adjusted tax-supported debt burden, a high level of liquidity and reserves, stability in key revenue sources and disciplined fiscal management amid a still-challenging economic climate in Alberta". In addition, Standard & Poor's affirmed The City's long-term debt rating at AA+ and commercial paper rating of A-1+ reflecting healthy operating cash flows, robust liquidity and strong financial management.

The City utilizes debt to finance certain capital projects on the premise that the cost of these projects should be borne by the taxpayers and utility users who will benefit from the projects. Debt financing smoothes the impact on annual property tax rates while providing appropriate infrastructure to meet citizens' needs.

The City has three categories of debt, including:

- Tax-supported – debt issued for capital expenditures that is funded in whole or in part from tax revenues;
- Self-sufficient tax-supported – debt for non-utility operations or programs that are self-funded by revenues or cash flows from a dedicated funding source; and
- Self-supported – debt mainly for utility services which is not funded by tax revenues but by rates charged directly to users and cash flows generated from operations.

Council's capital financing policy allows for increasing the tax-supported debt outstanding as long as annual debt servicing charges do not exceed 10 per cent of the tax-supported gross expenditure (net of recoveries). The policy would allow The City to provide some additional growth-related capital infrastructure if desired.

In 2017, The City issued \$1 million in new tax-supported debt to finance growth-related projects, and repaid \$44.7 million in tax-supported debt, resulting in a net reduction in tax-supported debt of \$43.7 million to \$406.9 million as at December 31, 2017.

The ratio of debt servicing charges to tax-supported gross expenditure (net of recoveries) was 9.6 per cent (including MSI) and 1.9 per cent (excluding MSI) which is within The City's 10 per cent policy limitation.

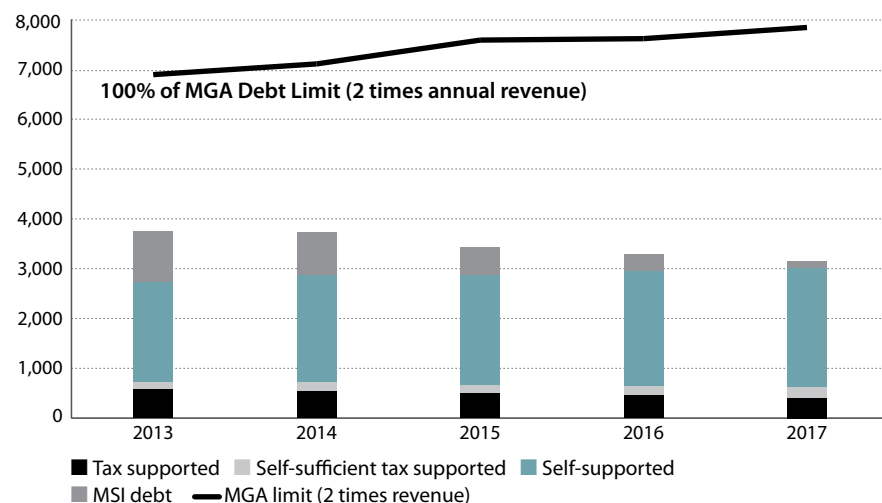
Self-sufficient tax-supported debt comprises debt for CMLC's programs and activities whose operating costs, including debt servicing, have historically been funded in whole or in part, directly or indirectly, by revenue from municipal property and business taxes, but that are currently being funded by revenues resulting from their own operations. Self-sufficient tax-supported debt also includes short-term debt that will be funded from future grant receipts from the Alberta Government's MSI. As at December 31, 2017, CMLC has \$208 million in outstanding debt. In 2009, Council approved a maximum debt of \$1,000 million to provide bridge financing for MSI-funded projects. Additional bridge financing for MSI-funded projects was approved in 2011, bringing the total capacity to approximately \$1,600 million. As at December 31, 2017, The City has total outstanding debt of \$140.5 million for these projects.

Also in 2017, \$259.5 million in new self-supported debt (primarily related to water services and resources) was obtained and \$160.8 million was repaid, resulting in a net increase in self supported debt of \$98.7 million to \$2,310.8 million (excluding \$1,078.5 million in debt attributable to ENMAX).

The Municipal Government Act (MGA) requires The City to comply with two separate debt related limits which are expressed as a percentage of revenue. The MGA Debt Limit stipulates the maximum amount of debt principal that The City can have outstanding, including loan guarantees, and is calculated at two times revenue. Chart A below reports The City's total historical outstanding debt from 2013 to 2017. It indicates that as at December 31, 2017 The City had used 40.1 per cent of its MGA debt limit.

**Chart A — The City Historic Debt Levels
MGA Debt Limits Trend 2013-2017**

(in millions of dollars)

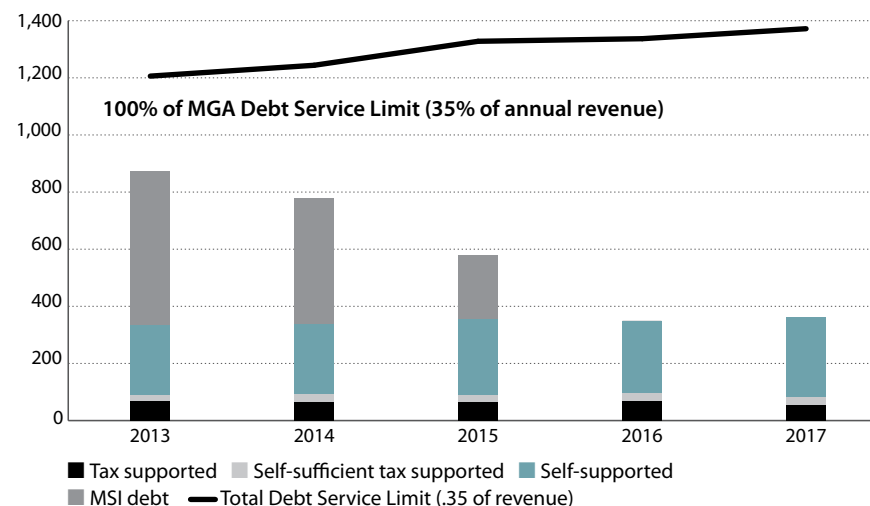


The MGA Debt Service Limit sets out the maximum amount of annual debt servicing (principal and interest) that The City can incur and is calculated at 35 per cent of revenue. For MSI bullet debt, the total principal and interest is recognized as debt servicing in the year the debt matures. Chart B reports The City's Debt Servicing Charges is at 26 per cent of the MGA debt service limit at the end of 2017.

**Chart B — Debt Service Limit vs. Debt Servicing Charges
(Principal and Interest)**

MGA Debt Service Limit Trend 2013-2017

(in millions of dollars)



Administration continues to monitor and report on an internal maximum level of 80 per cent, as well as the mandated 100 per cent maximums of the MGA limits, ensuring that The City has a sufficient cushion of debt capacity room available to provide financial flexibility. In 2011, the Provincial government enacted a regulation that exempted The City's MSI related debt issued after December 31, 2011 from the debt service limit calculation. As a result, debt servicing for MSI bridge financing originated in 2012 or beyond is not included in the figures above.

Reserves

As at December 31 (in thousands of dollars)

	2017	2016 (Restated)	2015 (Restated)	2014 (Restated)	2013 (Restated)
	\$ 2,044,048	\$ 1,975,809	\$ 1,915,176	\$ 1,626,276	\$ 1,437,065

The reserve balances totaled \$2,044 million at the end of 2017 (2016 – \$1,976 million). The net increase was primarily the result of increases in the fiscal stability reserve, budget savings account, and reserves for utilities sustainment, partially offset by reductions in reserves for future capital projects, community investment, and lifecycle maintenance and upgrades reserves.

The City allocates funds to reserves to meet specific future operating and capital expenditure requirements and to provide for emergencies. In 2010, Council approved an updated Financial Reserve Policy that establishes guidelines and criteria for the proper creation and administration of reserve funds. This policy includes a triennial review process requiring that each reserve be reviewed at least once every three years. This review includes ensuring that reserves are being administered as approved by Council and in accordance with The City's policies and procedures, that reserve purpose and requirements are still relevant, and whether reserves are still required or can be closed. During 2017, City staff undertook a review of nine reserves totaling \$551 million, representing approximately one quarter of all reserve balances as at December 31, 2016. Findings and recommendations of the review were approved by Council in December 2017.

Maintaining financial reserves is good management, allowing funds to be collected as available and spent judiciously as needed to ensure service levels to citizens are maintained. The City classifies reserves into three categories to be used for three distinct purposes:

- Operating reserves are used to fund operating expenses for one-time projects/pilot programs; to stabilize operating budgets for unanticipated fluctuations in revenue or expenses; to comply with a contractual agreement; or for contingency funds for operational emergencies.
- Capital reserves are used to fund capital expenses.
- Sustainment reserves are used to fund both operating and capital expenses for activities that are treated as self-sustaining. Surpluses from these activities are retained in these reserves to offset any future deficits.

The largest reserve is the Fiscal Stability Reserve (2017 – \$493 million; 2016 – \$519 million) which is a contingency reserve for urgent situations with significant financial implications and is also used to fund one-time operating costs. Included in the amounts are commitments of \$7 million for 2018 Budget Adjustments related initiatives, \$21 million for Mid-Cycle Adjustments related initiatives, \$15 million for budgeted one-time expenditures, and \$108 million for flood and resiliency related projects. The second largest reserve is the reserve for future capital (2017 – \$308 million; 2016 – \$327 million) which funds capital projects.

Risk Management

The City is committed to an integrated approach to risk management, where it is viewed as a key component of sound business practice and due diligence. The City Manager is responsible for ensuring compliance with Council's Integrated Risk Management (IRM) Policy and promoting a proactive, corporate-wide and systematic approach to managing risks that could affect The City's objectives. As an example, risk management has been embedded into multi-year business planning and reporting to enhance the level of accountability, transparency and comparability of operations. Through the IRM framework, risks are identified at all levels across the organization. Some specific risks and mitigation approaches are presented below.

Economic Monitoring

The City was materially impacted by the sharp fall in world oil prices as it is the head office location for Canada's energy sector. The local economy swings in response to volatile global energy prices. In keeping with Council's IRM policy, The City continues to monitor economic conditions and The City's financial status so that Council is promptly informed of any changes requiring adjustment to business plans and budgets.

On March 22, 2018 the Alberta government released its 2018/2019 budget. The Province's financial situation is still challenging with significant deficits anticipated for the next few years. The Provincial carbon levy, which was introduced in 2017, further rose to \$30 per tonne in January 2018. This has increased The City's operating costs in terms of costs for diesel fuels. The economy's impact on provincial government revenues has resulted in deferral of a portion of capital grants to The City for infrastructure construction underway and planned for the near future. This year's Alberta budget also confirmed significant reduction on capital grants, especially the Municipal Sustainability Initiative. The City will be monitoring the economy and the Provincial fiscal situation, and taking action to mitigate any negative impacts.

Economic activity, population, and the tax assessment grew at a modestly higher rate in 2017 compared to 2016. Property tax revenue is not anticipated to be significantly impacted in 2018. Lower oil prices have resulted in reduced business investment and correspondingly, less employment in Calgary, particularly among higher paying occupations like engineering and construction. This, in turn, has resulted in slower population growth than Calgary has experienced only a few short years ago. Economic activity in Calgary is expected to improve modestly in 2018 though most of the improvement in employment will be from an increase in lower paying jobs.

Normal Operational Risk

In the usual course of business, The City is exposed to various risks that are mitigated through operational and financial controls under the umbrella of corporate integrated risk management. These risks include the normal operational risks associated with each of The City's businesses as well as social, legal and regulatory issues and changes to the economy that could impact City operations, human resource availability and cost, and investment risk related to volatile financial markets.

All activities undertaken by The City are covered under the Civic Insurance Program. This program is composed of purchased insurance coverage as well as a self-funded component for any losses below the deductible level of a purchased policy. Certain types of risks will be fully self-funded, as the costs to insure these risks are either prohibitive or unnecessary.

A \$7 million reserve is set aside and is utilized to offset any large claim against The City either in excess of a purchased policy limit or for a loss that is not covered by an insurance policy.

The City has fully met its current year cash contributions for employee benefit obligations at December 31, 2017. The City sponsored registered and non-registered defined benefit pension plans currently have a total unamortized net actuarial loss of \$6.6 million (2016 – \$21 million). The City has put in place a plan of action to set aside funding for these losses. The action plans are reviewed and adjusted annually. In addition, there are certain employee benefit obligations that inherently relate to The City with respect to multi-employer pension plans. Civic employees, with the exception of police officers, are members of the Local Authorities Pension Plan ("LAPP"). Police officers are members of the Special Forces Pension Plan ("SFPP"). Both plans are multi-employer, defined-benefit pension plans and are sponsored by the Alberta Minister of Finance and administered by Alberta Pension Services ("APS"). Both plans currently have a plan deficit, where the actuarial value of accrued benefit obligations is greater than the net assets available for benefits. The total deficit at December 31, 2016 for LAPP is \$637 million and for SFPP is \$108 million. At December 31, 2016, The City employees represented approximately 8.5 per cent of the employees in LAPP and 49 per cent of the employees in SFPP. The City, in conjunction with other participating employers (such as Alberta Health Services, other Alberta municipalities, universities, colleges and school boards), and its employees, share in funding the future plan deficits through contribution rates. The contributions by each participating employer are not segregated in a separate account or restricted to provide benefits only to employees of The City, but rather are used to provide benefits to employees of all participating employers. The City includes a provision for expected LAPP and SFPP contributions in its multiple-year budget plans.

The City is continuing to improve efficiency and effectiveness through a variety of approaches. In 2015, a Budget Savings Account program (PFC2016-0181) was set up to encourage business units to seek annual savings, innovation and efficiencies, within their operating and capital budgets. Funding for the Budget Savings Account is generated by favourable budget variances identified by business units through the management of their operating and capital budgets. During 2017, business units' contributed operating savings of \$34 million (2016 – \$24 million) from tax-supported programs to the Budget Savings Account Reserve. Capital savings of \$101 million (2016 – \$83 million) were contributed to the Budget Savings Account program and subsequently committed to additional capital investments through Infrastructure Calgary. The unallocated amount remaining in the capital Budget Savings Account program is \$9 million.

Environmental Risk

Environmental risk at The City is considered and managed in three ways. First, risks to the environment from City operations are primarily managed through the employment of environmental management professionals to assist business units in achieving and maintaining compliance with environmental laws and regulations. In addition, some business units have implemented Environmental Management Systems (EMS) based on the ISO 14001 international standard. Currently, nine business units are registered, providing a sound model to effectively deal with environmental impacts associated with The City's activities. Environmental concerns related to corporate capital works projects are managed through the ECO (Environmental Construction Operations) Plan program.

Second, risks related to corporate land development and The City's role as a development approving agency are managed through policies and procedures. For example, there are policies in place addressing environmental concerns involved with the purchase, sale or redevelopment of contaminated land. The City also has an established environmental liability assessment program to identify, assess, and manage liability arising from corporately owned contaminated sites, along with measures to address contamination of City lands by others. Further, the Environmental Development Review policy exists to determine the suitability of a site for its intended use with respect to environmental conditions and to ensure that environmental conditions are considered in the planning approval process.

Third, there are risks to The City related to environmental conditions such as climate change and air quality which are dealt with through programs designed to mitigate their occurrence and impacts. Regional air quality concerns are managed through the efforts of the Calgary Region Airshed Zone (CRAZ) of which The City is a founding member. Programs addressing greenhouse gas emission reduction are also being developed and implemented for both The City and the community at large. Infrastructure concerns related to climate change adaptation are also being addressed.

Commodity Price and Foreign Exchange Risk

To stabilize operating budgets in the face of energy price volatility, The City purchases diesel fuel forward when deemed beneficial and has a long-term fixed-rate contract for electricity. The City has a natural hedge against natural gas price increases because franchise fee revenue increases when the price of natural gas rises. The City hedges any foreign currency requirements in excess of \$0.250 million Canadian. At December 31, 2017, The City had 17 (2016 – 25) U.S. foreign exchange fixed contracts and 1 (2016 – 2) Swiss Franc foreign exchange fixed contract in place. At December 31, 2017, The City had U.S. dollar foreign exchange fixed contract arrangements at exchange rates ranging from 1.27 to 1.36 Canadian dollars for U.S. dollar contracts. A similar arrangement is in place for the Swiss Franc contract with a rate of 1.52 Canadian dollars. The Canadian dollar equivalent of these contracts at December 31, 2017 is \$31 million (2016 – \$57 million) Canadian dollars. During the fiscal year ended December 31, 2017, the various arrangements for foreign merchandise purchases cost The City \$3 million less (2016 – \$7 million less) than if the arrangements had not been entered into.

The City had also purchased hedges for future purchases relating to the light rail transit system. At December 31, 2017, no additional hedge investments were held (2016 – \$5 million U.S. dollars). The City has remaining committed future foreign merchandise purchases of \$25 million U.S. dollars (2016 – \$41 million U.S. dollars). Under the terms of the purchase order agreement, The City has fixed exchange risk on foreign purchases for Canadian dollar trades against the U.S. dollar with the supplier at rates ranging from 1.03 to 1.07. During the fiscal year ended December 31, 2017, the hedges allowed The City to reduce its foreign exchange exposure by \$4 million (2016 – \$7 million). The City continues to monitor economic conditions and impacts on The City's financial status and adjusts strategies accordingly.

ENMAX (The City's Wholly-Owned Subsidiary)

The City Electric System was a department of The City until 1998 when its assets, responsibilities and liabilities were transferred to ENMAX, a wholly-owned subsidiary of The City. The new structure was deemed necessary to respond to deregulation of the electricity industry in Alberta.

Deregulation resulted in the introduction of commodity price and volume risk, wholesale and retail competition, and political and regulatory risks to ENMAX's business. Additional risks identified by ENMAX and presented in detail in its annual financial report include operational, development, environmental, legal, human resources, financial resources/liquidity, credit/default, reporting/disclosure, technological, tax, reputation, corporate structure and strategic risks. ENMAX has an integrated approach to risk management across all ENMAX companies and has implemented an Enterprise Risk Management (ERM) framework. The Risk Management Committee, consisting of ENMAX senior management team members, oversees risk management and reports risk exposures to the Board of Directors.

ENMAX Power Corporation, ENMAX's electricity distribution and transmission subsidiary, has been regulated by the Alberta Utilities Commission since January 1, 2008 and prior to that by the Alberta Energy and Utilities Board starting in 2004.

ENMAX is a private Alberta corporation owned by The City. In 2017, The City, as ENMAX's shareholder, reviewed and confirmed the company's strategic direction and annual operating plans. Approvals for ENMAX's annual budget and major capital projects in excess of \$75 million are sought from the shareholder, and ENMAX provides The City with annual dividends.

ENMAX's 2017 consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS).

Summary financial information for ENMAX, which includes the discussion of the entity's transition to IFRS, is included in Note 7 to the consolidated financial statements.

THE OUTLOOK

Calgary Economy and Management of Growth

Calgary's economic prospects are closely connected to shifts in external economic events. These external pressures include: shifts in expenditures by other orders of government, changes in interest rates, global energy prices, availability of pipeline export capacity, growth rates in emerging economies, and the economic activity level in the United States. Modest improvement in energy prices along with improvement in the U.S. economy have buoyed the Calgary economy recently. However, when oil prices were quite high business investment decisions in Calgary resulted in overbuilding, particularly in downtown office space and apartment/condos. At the current pace of economic growth it will take several years for excess capacity in these sectors to be absorbed.

Economic activity in the local economy is estimated to have improved by 3.1 per cent in 2017 and is expected to improve by 2.0 per cent to 2.5 per cent per year over the next 4 years. Compared to other cities and Organisation for Economic Co-operation and Development countries that is reasonably good growth, however, the recent recession was fairly deep so that it will take several years of good growth before local employment levels return to longer term normal levels. The unemployment rate averaged 8.7 per cent in 2017 and is expected to slowly trail off to the long term normal range of 6 per cent during 2019-2022.

The rapid swings in Calgary's economic prospects, with two extreme economic business cycles over 2006-2017, have validated the flexibility built into The City's process for strategic and business planning. In 2014, Council approved the 2015-2018 Action Plan, The City's four year operating and capital budget. The City is now beginning work on its next business plan and budget for 2019-2022 entitled "One Calgary", and will continue to maintain its flexibility to respond to economic, social, environmental and political changes through the mid-cycle budget review and annual budget adjustment process.

The City has been a major contributor to regional planning efforts for over a decade and was a founding member of the voluntary Calgary Regional Partnership. The regional context in Calgary's region is heading for significant change in the future, as it moves from voluntary to mandatory. The *Modernized Municipal Government Act* was passed by the legislature requiring that The City be a mandatory member to the new Calgary Metropolitan Region Board. The Calgary Metropolitan Region Board is effective January 1, 2018, and is responsible for preparing a new metropolitan scaled plan and regional servicing plan. This change represents a formalized shift towards legislated regional planning and regional coordination of municipal service delivery.

The City's rapid growth in the last decade has created a substantial challenge to provide for the maintenance of City assets. Work will continue to address the magnitude of required lifecycle maintenance for the organization's approximately \$60 billion (estimated replacement cost) in assets through continued asset management planning.

From 2014 through 2022, The City is investing in a number of infrastructure improvements at the Bonnybrook Wastewater Treatment Plant to address the City's growing demand. The Bonnybrook Wastewater Treatment Plant is the largest of Calgary's three wastewater treatment plants, with a capacity to serve an equivalent population of 946,000 people. The investments include capacity and process equipment upgrades, as well as a major plant expansion. The construction of the capacity and process equipment upgrades are well underway and will allow The City to more efficiently utilize existing Bonnybrook Wastewater Treatment Plant infrastructure and will provide an incremental capacity increase of 95,000 people to accommodate growth in the short term. The total cost of these upgrades is estimated at \$160 million and the project is scheduled for completion by the end of 2018. The major plant expansion (Plant D) will increase the capacity by a further 325,000 people by 2022, bringing the total capacity at Bonnybrook to 1.37 million equivalent population. It will include the addition of new primary, secondary and tertiary treatment infrastructure as well as a new, enhanced sludge treatment facility. The expansion project will also include upgrades and life-cycle replacements of existing processes, ancillary facilities and systems, as well as a flood resiliency component. Detailed design of the plant expansion is almost complete and initial phases of construction have already begun. The cost estimate for the plant expansion project is approximately \$714 million.

The City entered into a Public Private Partnership (P3) agreement with Chinook Resources Management Group to design, build, operate, and maintain The City's new organics composting facility. Located at the Shepard Waste Management Facility, the composting facility will accept food and yard waste collected from single detached dwellings as well as dewatered biosolids from The City's wastewater treatment plants. Construction was completed on schedule and on budget in 2017 with processing of food and yard waste beginning in July. The composting facility is an integral part of The City's plan to achieve the target of 70 percent waste diversion in all sectors by 2025 and provide additional benefits of reducing greenhouse gas emissions, extending the life of existing landfill assets, and transforming waste into high quality compost.

Throughout 2017, The City continued to evaluate procurement and delivery model options for building the Green Line LRT. In the first quarter of 2018, Council approved the procurement stage for the Green Line LRT with a Design/Build/Finance ("DBF") delivery model. Funding discussions with the Federal and Provincial Government are ongoing with the intent to finalize agreements in 2018. Major construction of the Green Line LRT is currently scheduled to commence in 2020.

To facilitate strategic and efficient growth in new communities, developers and The City continue to work together to resolve matters related to infrastructure needs, timing and financial impact of proposed developments. A shared goal is to realize new communities that are financially sustainable, address market demand, and help achieve the goals of the Municipal Development Plan (MDP) and Calgary Transportation Plan (CTP). This work is part of continuing efforts to improve The City's strategic growth decision processes. Future work through the Industry/City Work Plan will expand beyond new communities to address strategic growth in established areas and industrial areas.

Intergovernmental & Corporate Strategy

In the current environment, The City must not only identify local methods of spurring growth in the local economy, but also identify how to support those efforts with funding from, and collaboration with, other orders of government. As the lead on intergovernmental government relations, Intergovernmental & Corporate Strategy (ICS) has and will continue to be critical in allowing The City to respond to the needs of a changing economic environment. On the one hand, ICS works collaboratively with City departments and business units to identify issues and opportunities to advocate for positive change to other orders of government. On the other hand, ICS helps The City ensure a state of readiness in response to these changes from other orders of government, providing clarity and understanding of this evolving legislative framework and supporting the development of actionable opportunities to reach our full corporate potential. This is true generally, but also specifically with regard to the way The City is financed.

Besides own-source revenues (e.g. property tax), the most significant sources of funding for The City are grants and contributions from the provincial government. While more generous than in the past, the current arrangements continue to present problems of insufficiency as well as unpredictability. Some provincial grants, for instance, have failed to grow with inflation (e.g. Municipal Police Grant) while others have been the subject of unilateral provincial discretion to either reduce or defer municipal funding (e.g. the Municipal Sustainability Initiative). The unpredictability of provincial funding, in particular, compromises The City's ability to plan for and carry-out the large scale infrastructure investments and deliver the services necessary for a city of its size.

Although the province has undertaken a widespread review of the MGA, the release of Bill 21 in May of 2016 revealed that this process would not include any significant changes to the way municipalities are funded in the province. Instead, ICS has continued to work with the Government of Alberta and the City of Edmonton through the City Charter process to develop a new fiscal framework for the two big cities that will "recognize and address the needs and challenges facing all parties," as per the Framework Agreement on Charters. The City Charters are anticipated to come into effect in 2018 while work on a new fiscal framework continues.

On the national scale, although constitutional division of powers generally prevents the federal government from providing funding directly to municipalities, the current Government of Canada has signaled a desire to re-engage municipal governments as key partners in its agenda. A key component of this agenda includes major investments in infrastructure. Budget 2016 announced \$14.4 billion in new infrastructure funding for Canada's communities. Delivery of this funding to municipalities has required the Government of Canada to negotiate and adopt a bilateral agreement with the Government of Alberta, however, this funding can suffer from the same issues of adequacy and sustainability described above. It is not always clear what percentage of federal funding The City is entitled to, or when (or if), that funding can be expected to flow. ICS has therefore continued to work with our partners in the Federation of Canadian Municipalities, and supported the Mayor's participation in the Big City Mayors' Caucus, to ensure that current federal funding, as well as the \$81.2 billion of new infrastructure funding announced in the 2017 Fall Economic Statement, reaches its intended recipients in The City and municipalities everywhere. ICS has also urged the provincial government to provide the big cities with a voice in the negotiation of federal-provincial agreements through the City Charters, the Framework Agreement for which commits the province to include the cities in these discussions or seek their feedback in a timely fashion.

In addition to advocating for changes to The City's fiscal framework and funding opportunities, ICS has also worked with our partners across The City to ensure we are prepared and able to respond to changes to The City's fiscal framework. For instance, although the City Charter fiscal framework conversations continue, both the MGA review and the City Charter agreements to date include important changes to the way The City conducts property assessments. ICS works closely with both Finance and Assessment to ensure The City is ready to respond to these changes. ICS also works with senior administration and other business units to ensure awareness of new funding opportunities announced by other orders of government.

Civic and Community Initiatives

The Community Revitalization Levy is an example of an innovative, own-source approach to obtaining funding that has been approved for a major downtown infrastructure redevelopment project called The Rivers District Community Revitalization Plan. The plan was initiated as a self-sufficient tax-supported program in 2007 under the then newly formed CMLC, a controlled corporation of The City that is accountable for development and sale of land transferred from The City.

The City currently has two P3's in progress and continues to evaluate major capital projects for P3 suitability. The City Composting Facility Project achieved substantial completion in June 2017 and is in operation. The Stoney Compressed Natural Gas Bus Storage and Transit Facility completed its financing agreements in September 2016 and is now under construction. The facility is scheduled for substantial completion of construction in January 2019.

Infrastructure Calgary is a corporate-wide initiative created to provide governance and oversight of the Council approved Capital Infrastructure Investment Strategy. Over the past year, Infrastructure Calgary oversaw two capital budget recasts which provided improved insight into the status of capital projects across The City and allowed Administration to better inform Council about The City's planned investment.

To support new investments that align with the Capital Investment Plan, business units contributed to the capital budget savings account during the recast process and Infrastructure Calgary conducted a review within the organization to identify funding capacity. In 2017, Infrastructure Calgary brought forward 25 recommendations for new, or currently unfunded investment projects that provide both short and long term benefits and deliver social, economic and environmental value to Calgarians.

Council and City Administration Actions

Action Plan 2015 -2018 represents The City's four-year spending plan for meeting Council's priorities. It includes total operating expenditures of \$15 billion over the four years (\$3.5 billion in 2015, rising to \$4.1 billion by 2018), and \$7 billion in capital investment. This is based on delivering services to an additional 100,000 people over the four-year period. The City revises the Action Plan to reflect changing conditions through the annual budget adjustment process. In 2016, The City conducted a more comprehensive mid-cycle budget adjustment in advance of the 2017 budget year, in accordance with the Multi-Year Business Planning and Budgeting Policy. Council's decision was to reduce the approved 2018 tax rate increase from 4.7 per cent to 0.9 per cent, to dedicate funding of \$0.208 billion for the Calgary Police Service for 55 new members, additional human resources, and for the purchase of new body-worn cameras. One-time funding of \$0.007 billion from the Fiscal Stability Reserve was approved to fund the low income transit pass for Calgarians in need and to fund Community Services for safe communities, youth and low income programs and crime prevention for 2018 and restoring recommended reductions for Civic Partners, excluding the Calgary Public Library. In addition, Council had also set aside \$0.045 billion in one-time funding from the Fiscal Stability Reserve through a transfer from intentional savings in 2017 Corporate Programs to provide tax relief to businesses in 2018 and \$1.7 billion for capital investment in Calgary Infrastructure was approved for 2018. The 2017 tax room of \$0.0237 billion was dedicated to fund the Green Line financing costs for 27 years ending in 2044. Reduction to previously approved 2018 basic sanitary tipping fees from \$119 to \$113 per tonne and Planning & Development fees, to reduce the burden on Calgary businesses was also approved. Approval of the 2018 adjustments allowed for the closure of a \$0.146 billion operating budget gap through a combination of cost savings and service reductions based on the least harm approach to help reduce the impact on citizens.

The "Zero-Based Review" (ZBR) program complements The City's other continuous improvement activities by adding a periodic, more thorough review of whether the right services are being provided in the right way. This work is especially important in the current economic climate where resources are limited but the demand for City services is not. By the end of 2017, the ZBR Program has completed eight reviews, identified \$57.3 (low estimate) to \$68.2 million (high estimate) in annual financial gains and realized \$27.3 million of those identified gains.

City Council continues to provide policy guidance and to support the longer-term planning perspective afforded by the multi-year approach to business plans and budgets. Administration will use these as a framework to provide recommendations on how best to supply required infrastructure and services for Calgarians within available funding. The recent economic downturn has reinforced the need to respond to our cyclical economy and to monitor the economy and The City's financial status to ensure continuing adaptation to economic uncertainties. In meeting its mandate for public service, The City will continue to make effective and efficient use of experienced and new City staff, whose combined knowledge and skill will provide maximum value from the financial resources provided by citizens.

Calgary, Canada
April 23, 2018



Government Finance Officers Association

Canadian Award for Financial Reporting

Presented to

**The City of Calgary
Alberta**

For its Annual
Financial Report
for the Year Ended

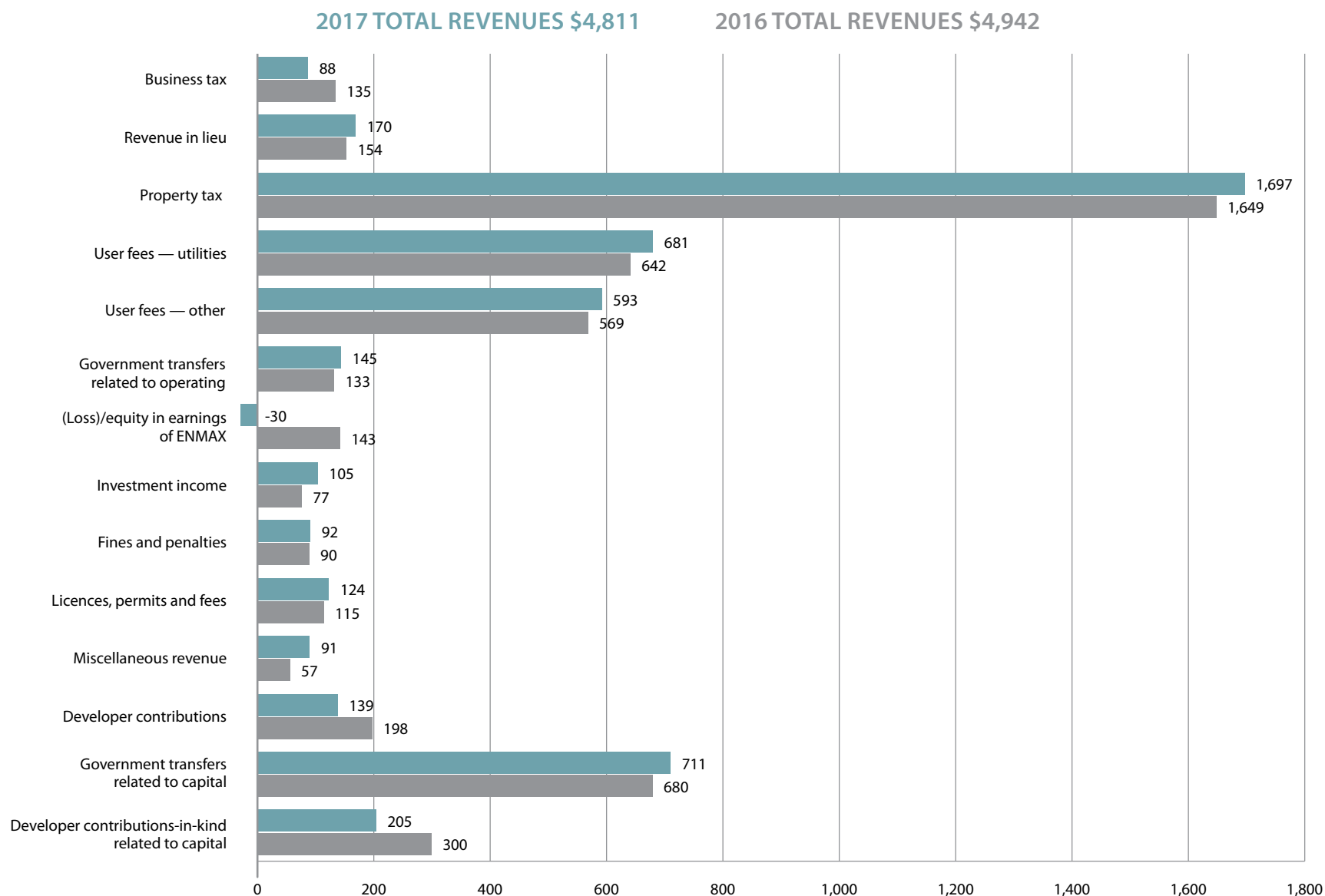
December 31, 2016

Christopher P. Morrell

Executive Director/CEO

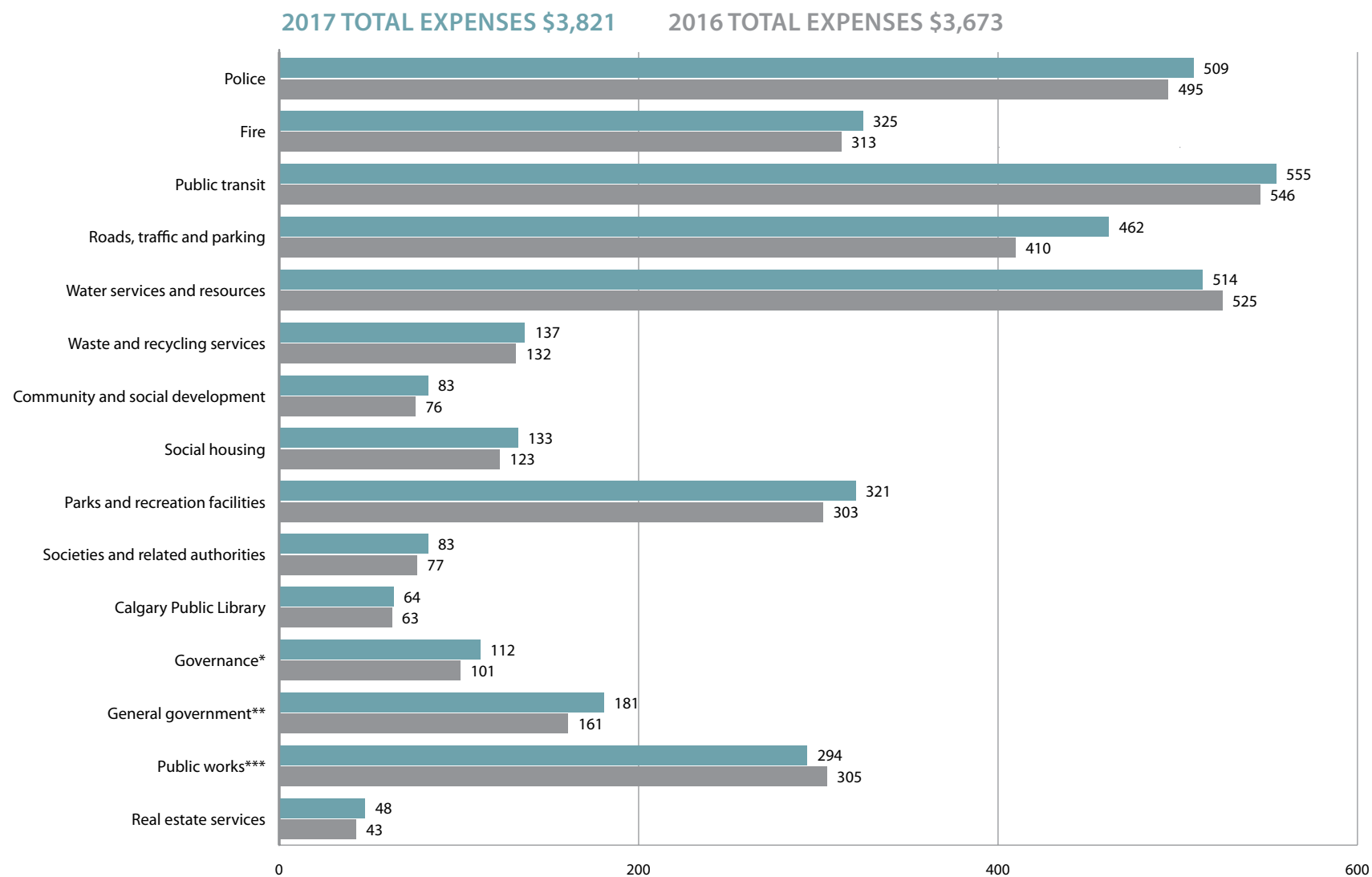
Financial Synopsis 2017 Sources of Revenue

For the Year Ended December 31 (in millions of dollars)



Financial Synopsis 2017 Expenses

For the Year Ended December 31 (in millions of dollars)



* Includes offices of the Mayor, Councillors, City Manager, Finance, Supply, City Auditor, City Clerk and Law.

** Includes Assessment, Customer Service & Communications, Human Resources, Information Technology and Corporate Revenue & Costs.

*** Includes Calgary Community Standards, Calgary Growth Strategies, Community Planning, Environmental & Safety Management, Urban Strategy, Calgary Approvals Coordination, Corporate Analytics & Innovation, Calgary Building Services, Facility Management and Fleet Services.

CONSOLIDATED FINANCIAL STATEMENTS

THE CITY OF CALGARY, ALBERTA



Responsibility for Financial Reporting

MANAGEMENT'S REPORT

The integrity, relevance and comparability of the data in the accompanying consolidated financial statements are the responsibility of management.

The consolidated financial statements are prepared by management, in accordance with Canadian Public Sector Accounting Standards. They necessarily include some amounts that are based on the best estimates and judgments of management. Financial data elsewhere in the report is consistent with that in the consolidated financial statements.

To assist in its responsibility, management maintains accounting, budget and other controls to provide reasonable assurance that transactions are appropriately authorized, that assets are properly accounted for and safeguarded, and that financial records are reliable for preparation of the consolidated financial statements.

The City Auditor's Office reports directly to Council, through the Audit Committee, on an ongoing basis, carrying out its audit program to ensure internal controls and their application are reviewed and financial information is tested and independently verified.

In 2017, City Council fulfilled its responsibility for financial reporting through the Priorities and Finance Committee and its Audit Committee. The Priorities and Finance Committee, which consists of the Mayor, the Chairs of each of the four Standing Policy Committees, the Chair of the Audit Committee and a Councillor at large, meets regularly to deal with, among other issues, financial planning and reporting matters. The Audit Committee consists of four Councillors and three citizen representatives, who meet regularly with both the independent external auditor and the City Auditor to review financial control and reporting matters.

Deloitte LLP, Chartered Professional Accountants, has been appointed by City Council to express an audit opinion on The City's consolidated financial statements. The report follows.

Jeff Fielding, City Manager

Eric Sawyer, Chief Financial Officer

Calgary, Canada
April 23, 2018

Responsibility for Financial Reporting

INDEPENDENT AUDITOR'S REPORT

To His Worship Mayor Naheed Nenshi and Members of City Council, The City of Calgary

We have audited the accompanying consolidated financial statements of The City of Calgary, which comprise the consolidated statement of financial position as at December 31, 2017, and the consolidated statements of operations and accumulated surplus, cash flows and changes in net financial assets for the year then ended, and accompanying notes to the consolidated financial statements.

City Administration's Responsibility for the Consolidated Financial Statements

City Administration is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with Canadian public sector accounting standards, and for such internal control as City Administration determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting principles used and the reasonableness of accounting estimates made by City Administration, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of The City of Calgary as at December 31, 2017 and the results of its operations, cash flows and changes in net financial assets for the year then ended in accordance with Canadian public sector accounting standards.

Chartered Professional Accountants

Calgary, Alberta
April 23, 2018

Consolidated Statement of Financial Position

As at December 31 (in thousands of dollars)

	2017	2016 (Restated Note 30)
FINANCIAL ASSETS		
Cash and cash equivalents (Note 2)	\$ 134,006	\$ 227,884
Investments (Note 3)	3,893,757	4,096,462
Receivables (Notes 4 and 7 iii)	327,725	328,499
Land inventory (Note 5)	276,418	248,008
Other assets (Note 6)	109,434	109,390
Investment in ENMAX Corporation (Note 7)	2,314,000	2,291,308
	7,055,340	7,301,551
FINANCIAL LIABILITIES		
Bank indebtedness (Note 8)	46,200	70,255
Accounts payable and accrued liabilities (Notes 7 iii) and 9)	860,453	945,890
Deferred revenue (Note 10)	92,926	111,502
Capital deposits (Note 11)	826,901	1,018,173
Provision for landfill rehabilitation (Note 12)	88,905	87,263
Employee benefit obligations (Note 13)	493,870	480,153
Long-term debt (Note 14)	3,066,263	3,216,672
	5,475,518	5,929,908
NET FINANCIAL ASSETS	1,579,822	1,371,643
NON-FINANCIAL ASSETS		
Tangible capital assets (Notes 15, 30 and 31)	16,891,106	16,003,295
Inventory	53,942	57,821
Prepaid assets	35,372	36,796
	16,980,420	16,097,912
ACCUMULATED SURPLUS (Note 17)	\$ 18,560,242	\$ 17,469,555

Commitments, contingent liabilities and guarantees (Notes 25 and 26)

See accompanying notes to the consolidated financial statements

Approved on behalf of City Council:

Mayor Naheed Nenshi

Consolidated Statement of Operations and Accumulated Surplus

For the year ended December 31 (in thousands of dollars)

	Budget 2017 (Note 16)	Actual 2017	Actual 2016 (Restated Note 30)
REVENUES			
Net taxes available for municipal purposes (Note 20)	\$ 1,983,487	\$ 1,955,429	\$ 1,938,199
Sales of goods and services	1,312,865	1,274,060	1,211,983
Government transfers and revenue sharing agreements (Note 23)			
Federal	2,191	4,693	4,660
Provincial	128,162	140,475	128,157
Investment income	58,301	104,520	77,451
Fines and penalties	87,713	92,040	89,796
Licences, permits and fees	95,431	124,356	114,988
Miscellaneous revenue (Note 32)	29,645	90,806	56,794
(Loss)/equity in earnings of ENMAX Corporation (Note 7)	85,400	(30,312)	143,597
	3,783,195	3,756,067	3,765,625
EXPENSES			
Police	492,655	508,953	494,546
Fire	305,272	325,180	312,732
Public transit	451,172	554,680	546,375
Roads, traffic and parking	274,430	461,739	409,420
Water services & resources	469,171	514,187	525,185
Waste and recycling services	157,217	136,910	131,726
Community and social development	75,607	82,965	76,180
Social housing	133,644	133,279	122,718
Parks and recreation facilities	246,134	320,900	303,334
Societies and related authorities (Note 33)	72,738	83,039	77,141
Calgary Public Library Board (Note 33)	57,357	64,171	63,182
General government	404,715	292,912	262,412
Public works	272,656	293,561	304,598
Real estate services	116,963	48,429	43,001
	3,529,731	3,820,905	3,672,550
(DEFICIENCY)/EXCESS OF REVENUES OVER EXPENSES BEFORE OTHER	253,464	(64,838)	93,075
OTHER			
Developer contributions	223,716	138,557	198,394
Government transfers related to capital (Note 23)	785,652	711,186	679,736
Developer contributions-in-kind related to capital	–	204,778	298,678
NET REVENUES	1,262,832	989,683	1,269,883
ENMAX Corporation – other comprehensive gain/(loss) adjustment (Note 7)	–	101,004	(65,494)
ANNUAL SURPLUS	1,262,832	1,090,687	1,204,389
ACCUMULATED SURPLUS, BEGINNING OF YEAR	17,469,555	17,469,555	16,265,166
ACCUMULATED SURPLUS, END OF YEAR	\$ 18,732,387	\$ 18,560,242	\$ 17,469,555

See accompanying notes to the consolidated financial statements.

Consolidated Statement of Cash Flows

For the year ended December 31 (in thousands of dollars)

	2017	2016
		(Restated Note 30)
NET INFLOW (OUTFLOW) OF CASH AND CASH EQUIVALENTS:		
OPERATING ACTIVITIES		
Annual Surplus	\$ 1,090,687	\$ 1,204,389
Deduct items not affecting cash:		
Equity in earnings of ENMAX Corporation (Note 7)	30,312	(143,597)
ENMAX Corporation– other comprehensive gain/(loss) (Note 7)	(101,004)	65,494
Amortization of tangible capital assets	628,646	596,106
Net Loss on disposal of tangible capital assets	(48,452)	7,343
Developer contributions-in-kind related to capital	(204,778)	(298,678)
Change in non-cash items:		
Receivables	774	(61,283)
Land inventory	(28,410)	(41,531)
Other assets	(44)	(11,099)
Inventory	3,879	2,554
Prepaid assets	1,424	(6,394)
Accounts payable and accrued liabilities	(85,437)	214,706
Deferred revenue	(18,576)	22,394
Capital deposits	(191,272)	(10,150)
Provision for landfill rehabilitation	1,642	(225)
Employee benefit obligations	13,717	24,904
	1,093,108	1,564,933
CAPITAL ACTIVITIES		
Acquisition of tangible capital assets	(1,344,160)	(1,416,262)
Proceeds on sale of tangible capital assets	80,933	38,287
	(1,263,227)	(1,377,975)
INVESTING ACTIVITIES		
Dividends from ENMAX Corporation	48,000	47,000
Net sales of investments	202,705	21,526
	250,705	68,526
FINANCING ACTIVITIES		
Proceeds from long-term debt issued	290,027	307,601
Long-term debt repaid	(440,436)	(451,531)
Net (decrease)/increase in bank indebtedness	(24,055)	11,831
	(174,464)	(132,099)
DECREASE/INCREASE IN CASH AND CASH EQUIVALENTS	(93,878)	123,385
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	227,884	104,499
CASH AND CASH EQUIVALENTS, END OF YEAR	\$ 134,006	\$ 227,884

See accompanying notes to the consolidated financial statements.

Consolidated Statement of Changes in Net Financial Assets

For the year ended December 31 (in thousands of dollars)

	Budget 2017	Actual 2017	Actual 2016
	(Note 16)		(Restated Note 30)
ANNUAL SURPLUS	\$ 1,262,832	\$ 1,090,687	\$ 1,204,389
Amortization of tangible capital assets	121,059	628,646	596,106
Proceeds on sale of tangible capital assets	–	80,933	38,287
Acquisition of supplies inventories	350	170,104	175,937
Use of supplies inventories	–	(166,225)	(173,383)
Acquisition of prepaid assets	–	262,604	267,540
Use of prepaid assets	–	(261,180)	(273,934)
Tangible capital assets received as contributions	–	(204,778)	(298,678)
Net (gain)/loss on disposal of tangible capital assets	–	(48,452)	7,343
Acquisition of tangible capital assets	(593,085)	(1,344,160)	(1,416,262)
INCREASE IN NET FINANCIAL ASSETS	791,156	208,179	127,345
NET FINANCIAL ASSETS, BEGINNING OF YEAR	1,371,643	1,371,643	1,244,298
NET FINANCIAL ASSETS, END OF YEAR	\$ 2,162,799	\$ 1,579,822	\$ 1,371,643

See accompanying notes to the consolidated financial statements.

Notes to the Consolidated Financial Statements

December 31, 2017 (in thousands of dollars)

The City of Calgary ("The City") is a municipality in the Province of Alberta incorporated in 1884 as a town and in 1894 as a city and operates under provisions of the *Municipal Government Act*.

1. SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements of The City are prepared by management in accordance with Canadian Public Sector Accounting Standards ("PSAS").

a) Basis of Consolidation

The consolidated financial statements reflect the assets, liabilities, revenues and expenses of the operating fund, capital fund and reserves fund of The City.

The consolidated financial statements include all organizations that are controlled by The City, except for The City's government business enterprise, ENMAX Corporation ("ENMAX").

Related Authorities

The eight related authorities (Note 21) included in the consolidated financial statements are:

Attainable Homes Calgary Corporation
Calgary Arts Development Authority Ltd.
Calgary Economic Development Ltd.
Calgary Municipal Land Corporation
Calgary Parking Authority
Calgary Public Library Board
Calhome Properties Ltd. (operating as Calgary Housing Company)
The Calgary Convention Centre Authority
(operating as Calgary TELUS Convention Centre)

Inter-departmental and inter-entity transactions and balances between The City and the related authorities have been eliminated.

Government Business Enterprise

ENMAX, a wholly owned subsidiary of The City, is accounted for on a modified equity basis, consistent with the generally accepted accounting treatment for a government business enterprise (Note 7). Under the modified equity basis, the government business enterprise's accounting principles are not adjusted to conform with those of The City, and inter-organizational transactions and balances are not eliminated. Other comprehensive income (loss) due to fair value adjustments is reported on the consolidated statement of operations and accumulated surplus as an adjustment to accumulated surplus.

Civic Partners

The City has fiscal relationships with many organizations for which control lies outside of Calgary City Council. These consolidated financial statements include operating and capital requisitions for certain educational, cultural, social and other external organizations, but do not include the financial results of these organizations. Separate financial information may be sought directly from such organizations and registered pension plans, which include the following:

Aerospace Museum Association of Calgary
Alberta Health Services
Calgary Bid Exploration Committee
Calgary Board of Education
Calgary Centre for the Performing Arts
Calgary Convention & Visitors Bureau (operating as Tourism Calgary)
Calgary Exhibition and Stampede Limited
Calgary Roman Catholic Separate School District No.1
Calgary Science Centre & Creative Kids Museum Society
Calgary Technologies Inc.
Fort Calgary Presentation Society
Heritage Park Society
Parks Foundation Calgary
Repsol Sports Centre (formerly Lindsay Park Sports Society)
Saddledome Foundation
Silvera for Seniors (formerly Metropolitan Calgary Foundation)
St. Mary's University College
The Calgary Zoological Society
Vibrant Communities Calgary

Registered Pension Plans

Civic employees and elected officials participate in one or more registered defined-benefit pension plans and/or multi-employer pension plans provided by The City.

City-sponsored registered pension plans

The City records its share of the obligations net of plan assets which are held in trust by external parties. These plans include:

- Calgary Firefighters' Supplementary Pension Plan;
- Calgary Police Supplementary Pension Plan;
- Pension Plan for Elected Officials of The City of Calgary; and
- The City of Calgary Supplementary Pension Plan.

Multi-employer registered pension plans

Obligations related to plan deficiencies of the multi-employer pension plans are not recorded by The City as The City's share is not determinable. These plans include:

- Local Authorities Pension Plan; and
- Special Forces Pension Plan.

Further details about these pension plans are available in Notes 1k) and 13.

Funds Held in Trust

Funds held in trust and their related operations administered by The City for the benefit of external parties are not included in the consolidated financial statements, but are reported separately in Note 29, Funds Held in Trust.

b) Basis of Accounting

- i) Revenues are accounted for in the period in which the transactions or events giving rise to the revenue occur, providing the revenues are reliably measured and reasonably estimated. Funds from external parties and earnings thereon restricted by agreement or legislation are accounted for as deferred revenue until used for the purpose specified.
- ii) Taxation revenues are recorded at the time tax billings are issued. Taxation billings are subject to appeal. A provision has been recorded in accounts payable and accrued liabilities for potential losses on taxation revenue appeals outstanding as of December 31, 2017.
- iii) Local improvements are recognized as revenue, and established as a receivable, for the property owners' share of the improvements in the period that the project expenses are incurred.
- iv) Government transfers and grants are recognized in the consolidated financial statements as revenues in the period in which the events giving rise to the transfer occur, providing the transfers are authorized, any eligibility criteria and stipulations have been met and reasonable estimates of the amounts can be made. Where transfers are received but eligibility criteria or stipulations are not met, government transfers are recognized in Capital Deposits (Capital Grants) or Deferred Revenue (Operating Grants) until eligibility criteria or stipulations are met.
- v) Expenses are recognized in the period the goods and services are acquired and a liability is incurred or transfers are due.
- vi) Authorized transfers from The City are recorded as expenses when eligibility criteria have been met by the recipient and the amount can be reasonably estimated.

c) Cash and Cash Equivalents

Cash and cash equivalents consist of cash on deposit, treasury bills and Guaranteed Investment Certificates ("GICs") with original maturities of 90 days or less at the date of acquisition and are recorded at cost.

d) Investments

Included in investments are internally managed portfolios consisting of investments in money market instruments and short term bonds. The City also has externally managed investment portfolios consisting of short and long term investments including money market securities, bonds, mortgages, equities and fixed-income securities. Investments are recorded at the lower of original cost net of amortized discounts and premiums and market value on a portfolio basis. When there has been a loss in value that is other than a temporary decline, the respective investment is written down to recognize the loss.

e) Land Inventory

Land inventory is carried at the lower of cost and net realizable value. Cost includes amounts for land development expenses. These amounts are held for sale in the normal course of business.

f) Bank Indebtedness

Bank indebtedness consists of cheques outstanding in excess of deposits with commercial banks and short term borrowing.

g) Deferred Revenue

Deferred revenue represents amounts received from third parties for a specified operating purpose. These amounts include deferred government transfers, which are externally restricted until used for the purpose intended. Also included in deferred revenue are private contributions, advance sales of goods and services and amounts received for licenses, permits, and application fees, which are recognized as revenue in the period when the related expenses are incurred to reflect the completion of The City's performance obligations.

h) Capital Deposits

Capital deposits represent amounts received from third parties for specified capital projects. Deposits must be expended on projects for which they are designated, and are recognized as revenue when expenditures are made.

i) Provision for Landfill Rehabilitation

The *Environmental Enhancement and Protection Act* (Alberta) sets out the regulatory requirements to properly close and maintain all landfill sites. Under environmental law, there is a requirement for closure and post-closure care of landfill sites. This requirement is being provided for over the estimated remaining life of the landfill sites based on usage, and is funded through tipping fees. The annual provision is reported as an operating fund expense in Waste and Recycling Services, and the accumulated provision is reported as a liability on the consolidated statement of financial position.

j) Provision for Contaminated Sites

The *Environmental Enhancement and Protection Act* (Alberta) sets out the regulatory requirements in regards to contaminant releases. Under this Act, there is a requirement for the persons responsible to address a contaminant release that is causing or has caused an adverse effect. A provision in PSAS 3260 is provided for non-productive sites where contamination exists that exceeds an environmental standard. The City is legally responsible or has accepted responsibility for the contamination, future economic benefits are expected to be given up and a reasonable estimate for the provision can be made. Non-productive sites include any site where the contamination is a result of past on-site activities not related to the current use of the site.

The provision reflects The City's best estimate of the amount required to remediate sites to a condition that is suitable for the sites' intended use, as of the financial statement date. The provision is determined on a site-by-site basis, and is adjusted to reflect the passage of time, new obligations, and changes to management's intent and actual remediation costs incurred.

The provision for future remediation is an estimate of the minimum costs known for sites where an assessment has been conducted and where there is available information that is sufficient to estimate costs. Where sites require ongoing monitoring or maintenance as part of the remediation plan, the present value of all estimated future costs are discounted using The City's weighted average cost of capital. The provision is included in accounts payable and accrued liabilities.

k) Employee Benefit Obligations

The City has fully met its current year cash contribution requirements for employee benefit obligations at December 31, 2017. Long term unamortized actuarial losses will be funded in future periods.

- i) Contributions to multi-employer plans are expensed when the contributions are due.
- ii) The cost of City-sponsored registered and non-registered defined-benefit pension plans and post-retirement benefits are recognized when earned by plan members. These costs are actuarially determined using the projected benefit method prorated on service, applying management's best estimate of expected salary and benefit escalation, retirement ages of employees, and plan investment performance. Plan obligations are discounted using The City's cost of borrowing based on estimated rates for debt with maturities similar to expected future benefit payments.
- iii) The City records the actuarially determined net fund benefit asset or liability for City-sponsored, registered defined-benefit pension plans. For jointly sponsored plans, The City records its proportionate share of that asset or liability. For non-registered defined-benefit plans and other retirement benefit obligations, The City records the actuarially determined accrued benefit liability; assets are held within The City's cash and investments accounts to fund these obligations. No obligations are recorded for multi-employer defined-benefit pension plans administered by external parties as The City's share of those obligations is not readily determinable.

- iv) Adjustments arising from actuarial gains and losses for active plans are amortized on a straight-line basis over the expected average remaining service period of the active employee group. Adjustments arising from: actuarial gains and losses for plans closed to new entrants, prior service costs related to plan amendments, and changes in the valuation allowance, are fully recognized in the year they arise.

l) Non-Financial Assets

Non-financial assets are not available to discharge existing liabilities and are held for use in the provision of services. They have useful lives extending beyond the current year and are not intended for sale in the normal course of operations. The change in non-financial assets during the year, together with the excess of revenues over expenses, provides the consolidated Change in Net Financial Assets for the year.

m) Accumulated Surplus/Deficit

Accumulated surplus/deficit represents The City's net economic resources. It is an amount by which all assets (financial and non-financial) exceed liabilities. An accumulated surplus indicates that The City has net resources (financial and non-financial) that can be used to provide future services. An accumulated deficit means that liabilities are greater than assets.

n) Tangible Capital Assets

Tangible capital assets, including assets held under capital leases, are recorded at cost which includes all amounts that are directly attributable to acquisition, construction, development or betterment of the asset. Donated and contributed assets are capitalized and recorded at their estimated fair value at the time they are transferred to The City. At that same time, the corresponding revenue is recognized. Interest charges are not capitalized.

Work in progress represents assets which are not available for use and therefore are not subject to amortization.

Works of art for display are not recorded as tangible capital assets.

Tangible capital assets are written down when there is permanent and measureable impairment in value and the tangible capital asset still exists.

The cost, less residual value, of tangible capital assets is amortized on a straight line basis over the estimated useful life as follows:

	Years
Buildings	
Buildings	10 – 75
Leasehold improvements	5
Vehicles	
Light rail transit	25
Transit buses and fire trucks	5 – 20
Vehicles	2 – 15
Land improvements	15 – 25
Engineered structures	
Waterworks and wastewater distribution and collection systems and treatment plants	15 – 65
Transit network	15 – 50
Road network	5 – 100
Communication networks and landfills	20 – 50
Machinery and equipment	
Computer equipment	5 – 7
Furniture and equipment	5 – 20
Boats and other mobile machinery	5 – 20
Other equipment and machinery	5 – 20

o) Inventories

Inventories comprising materials and supplies are carried at the lower of cost and replacement cost.

p) Land Held for Municipal Purposes

Land held for municipal purposes are comprised of land held for future civic use and is carried at the lower of cost and net realizable value. Cost includes amounts for land acquisition and improvements to prepare the land for civic use. Land held for municipal purposes is included in tangible capital assets for financial statement purposes.

q) Equity in Non-Financial Assets

Equity in non-financial assets represents the investment in non-financial assets after deducting the portion of these assets that have been financed by long-term debt.

r) Budget Figures

The 2017 budget is reflected on the consolidated statement of operations and accumulated surplus. The budget consists of the Council-approved amounts for the operating fund and the capital fund, modified for capital revenue adjustments, assets capitalized on the statement of financial position, and depreciation expense for tax-supported assets. The budgets established for the capital fund are on a project-oriented basis, the costs of which may be carried out over one or more years. The capital budget figures are modified based on the percentage of completion of these projects.

s) Environmental Provisions

The City has a formal environmental assessment and reclamation program in place to ensure that it complies with environmental legislation. The City provides for the cost of compliance with environmental legislation when costs are identified and can be reasonably measured.

t) Financial Instruments and Fair Values

The City is exposed to the risk that arises from fluctuations in interest rates and exchange rates and the degree of volatility of these rates.

The City utilizes derivative financial instruments in order to manage the impact of fluctuating interest rates and foreign currency on its investment income, as well as to manage foreign exchange on anticipated future expenses in foreign currencies. Gains (losses) on foreign currency translation are included as revenues (losses). The City's policy is not to utilize derivative financial instruments for trading or speculative purposes.

In addition to formal derivative financial instruments, The City also purchases hedges for significant future purchases when deemed beneficial, in order to mitigate foreign exchange risk associated with transacting with vendors in United States Dollars ("USD"), Euros ("EUR"), and Swiss Francs ("CHF"). Settled hedge results are recorded through The City's cash and investments.

Based on available market information, the carrying value of The City's derivative financial instruments and hedges approximates their fair value due to their short period to maturity, except with respect to investments as indicated in Note 3 and long-term debt, as indicated in Note 14e).

u) Loan Guarantees

Periodically The City provides loan guarantees on specific debt issued by related authorities and other entities not consolidated in The City's financial statements. Loan guarantees are accounted for as contingent liabilities and no amounts are accrued in the consolidated financial statements of The City until The City considers it likely that the borrower will default on the specified loan obligation. Should a default occur, The City's resulting liability would be recorded in the consolidated financial statements.

v) Use of Estimates

The preparation of the consolidated financial statements requires management to make estimates and use assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Where estimation uncertainty exists, the consolidated financial statements have been prepared within reasonable limits of materiality. Actual results could differ from estimates. The amounts recorded for valuation of tangible capital assets, the useful lives and related amortization of tangible capital assets, accrued liabilities, employee benefit obligations, provision for tax appeals, provision for landfill rehabilitation, contaminated sites and environmental assessments and contingent liabilities are areas where management makes significant estimates and assumptions in determining the amounts to be recorded in the consolidated financial statements.

w) Loans Receivable

Loans receivable are recorded at cost less allowance for doubtful accounts. Allowance for doubtful accounts is recognized when collection is in doubt, and are stated at the lower of cost and net recoverable value. No interest is charged on owed amounts.

x) Public-Private Partnerships

A public-private partnership ("P3s") is a contractual agreement between a public authority and a private entity for the provision of infrastructure and/or services.

The City's P3s are assessed based on the substance of the underlying agreement. In the event The City is seen to control the acquired and/or constructed asset(s), P3 costs will be accounted as follows:

- Costs incurred during construction or acquisition are recognized in the work-in-progress and liability balances based on the estimated percentage complete.
- Construction costs, as well as the combined total of future payments, are recognized as a tangible capital asset and amortized over the estimated useful life once the asset is in-service.
- Sources of funds used to finance the tangible capital asset and future payments will be classified based on the nature of the funds, such as debt, grants, and/or reserves.

If The City does not control the asset(s) arising from P3s, then all costs associated with the transaction will be expensed in the period in which the costs are incurred.

y) Future Accounting Pronouncements

Standards effective for fiscal years beginning on or after April 1, 2017

i) Assets

Assets ("PSAS 3210") provides guidance for applying the definition of assets and establishes general disclosure standards for assets. Disclosure information about the major categories of assets that are not recognized is required. When an asset is not recognized because a reasonable estimate cannot be made, the reason(s) for this should be disclosed.

ii) Contingent Assets

Contingent Assets ("PSAS 3320") defines and establishes disclosure on contingent assets. Disclosure of information about contingent assets is required when the occurrence of the confirming future event is likely.

iii) Contractual Rights

Contractual Rights ("PSAS 3380") defines and establishes disclosure standards on contractual rights. Disclosure of the nature, extent, and timing of any contractual rights is required.

iv) Related Party Transactions

Related Party Transactions ("PSAS 2200") defines a related party and establishes disclosures required for related party transactions. Disclosure of information about related party transactions and the relationship underlying them is required when they have occurred at a value different from that which would have been arrived at if the parties were unrelated, and they have, or could have, a material financial effect on the financial statements.

v) Inter-entity Transactions

Inter-entity Transactions ("PSAS 3420") specifically addresses the reporting of transactions between entities controlled by the government's reporting entity from both a provider and recipient perspective. Disclosure of this information is required whether or not the transaction is given accounting recognition.

Standards effective for fiscal years beginning on or after April 1, 2018

vi) Restructuring Transactions

Restructuring Transactions ("PSAS 3430") establishes how to record assets, liabilities, revenues, and expenses related to restructuring transactions as well as disclosure requirements for the recipient and transferor.

Standards effective for fiscal years beginning on or after April 1, 2019**vii) Financial Statement Presentation**

Financial Statement Presentation ("PSAS 1201") was amended to conform to Financial Instruments ("PSAS 3450"), and requires a new statement of re-measurement gains and losses separate from the statement of operations. Included in this new statement are the unrealized gains and losses arising from the re-measurement of financial instruments and items denominated in foreign currencies, as well as the government's proportionate share of other comprehensive income that arises when a government includes the results of government business enterprises and partnerships.

viii) Portfolio Investments

Portfolio Investments ("PSAS 3041") has removed the distinction between temporary and portfolio investments. This section was amended to conform to Financial Instruments ("PSAS 3450"), and now includes pooled investments in its scope. Upon adoption of PSAS 3450 and PSAS 3041, Temporary Investments ("PSAS 3030") will no longer apply.

ix) Foreign Currency Translation

Foreign Currency Translation ("PSAS 2601") requires exchange rates to be adjusted to the rate in effect at the financial statement date for monetary assets and liabilities denominated in foreign currency and non-monetary items included in the fair value category. Unrealized gains and losses are to be presented in the statement of re-measurement gains and losses. Gains and losses on long-term monetary assets and liabilities are amortized over the remaining term of the item.

x) Financial Instruments

Financial Instruments ("PSAS 3450") establishes recognition, measurement, and disclosure requirements for derivative and non-derivative financial instruments. The standard requires fair value measurement of derivatives and equity instruments that are quoted in an active market; all other financial instruments can be measured at cost/amortized cost or fair value at the election of the government. Unrealized gains and losses are presented in a new statement of re-measurement gains and losses. There is the requirement to disclose the nature and extent of risks arising from financial instruments and clarification is given for the de-recognition of financial liabilities.

The City continues to assess the impacts of the above standards. While the timing of standards adoption may vary, certain standards must be adopted concurrently. The requirements in Financial Statement Presentation ("PSAS 1201"), Financial Instruments ("PSAS 3450"), Foreign Currency Translation ("PSAS 2601") and Portfolio Investments ("PSAS 3041") must be implemented at the same time. Related Party Disclosures ("PSAS 2200") and Inter-Entity Transactions ("PSAS 3420") also require concurrent adoption.

2. CASH AND CASH EQUIVALENTS

	2017	2016
Cash on deposit	\$ 133,606	\$ 227,635
Treasury bills and GICs with original maturities of 90 days or less	400	249
	\$ 134,006	\$ 227,884

Treasury bills and GIC's interest rates are approximately 0.7% in 2017 and 0.5% in 2016.

3. INVESTMENTS

All the investments managed by The City are held in fixed income securities and equity investments. Investments with a cost of \$2,407 (2016 – \$2,376) are managed by the Parks Foundation Calgary⁽¹⁾, and include equity investments of \$1,510 (2016 – \$1,504). The cost and market value of all investments as at December 31 are as follows:

	2017 Cost	2017 Market value	2016 Cost	2016 Market value
Government of Canada	\$ 448,941	\$ 445,545	\$ 390,136	\$ 387,989
Other Government	427,985	421,092	522,641	517,358
Corporate	2,107,337	2,095,590	2,743,537	2,743,949
Global fixed income investments	501,720	496,850	97,726	97,725
Equity investments	407,774	480,860	342,422	406,573
	\$3,893,757	\$3,939,937	\$ 4,096,462	\$ 4,153,594

The average yield earned from investments during the year ended December 31, 2017, was 3.2% (2016 – 2.3%). Maturity dates on the investments range from 2018 to 2077. Investments include \$1,208,230 (2016 – \$1,875,776) in an internally managed portfolio composed of short-term money market instruments and bonds.

A portion of City investments are held for certain purposes including reserves, capital deposits and employee benefit obligations.

(1) Parks Foundation Calgary is an endowment fund which uses investment income to fund the administrative costs of the Parks Foundation and eliminate the annual contribution from The City to its operating budget.

4. RECEIVABLES

	2017	2016
Taxes	\$ 49,417	\$ 36,734
Federal and Provincial governments	36,898	28,159
General	241,410	263,606
	\$ 327,725	\$ 328,499

5. LAND INVENTORY

Land inventory includes acquisition costs of the land and the improvements to prepare the land for sale or servicing. Related development costs incurred to provide infrastructure are recorded as capital assets under their respective function.

	2017	2016
		(Restated Note 30)
Developed land	\$ 84,342	\$ 68,178
Under development	107,106	94,860
Long-term inventory	84,970	84,970
	\$ 276,418	\$ 248,008

6. OTHER ASSETS

	2017	2016
Long-term debt recoverable	\$ 25,453	\$ 13,542
Long-term receivables	67,060	77,877
Other receivables	10,897	10,445
Loan receivables	6,024	7,526
	\$ 109,434	\$ 109,390

Long-term receivables consist primarily of local improvement levies recognized as revenue on the basis of full or partial completion of the related projects, a loan receivable from St. Mary's University (see Note 14 a) i) and vendor take-back ("VTB") mortgages granted to Attainable Homes Calgary Corporation ("AHCC").

Loan receivables consist of interest-free loans offered by AHCC to citizens when they purchase their housing units, and are secured by The City's encumbrance on the title of each property. In 2017, an allowance for doubtful accounts of \$2,948 (2016 – \$862) related to the loans receivables was recognized. These loans are forgiven once the citizen sells or refinances their house and a shared participation amount is repaid.

7. INVESTMENT IN ENMAX AND CO-OWNERSHIP

- i) ENMAX is a wholly-owned subsidiary of The City and was formed to carry on the electric utility transmission and distribution operations previously carried on by the Calgary Electric System, a former department of The City. ENMAX operates in two segments; ENMAX Power, a regulated, wholly-owned subsidiary established to carry out all electricity distribution and transmission service functions, and ENMAX Energy, an unregulated, wholly-owned subsidiary established to carry out all energy supply and retail functions.

ENMAX Power Corporation, ENMAX's electricity distribution and transmission subsidiary, was regulated by the Alberta Energy and Utilities Board starting from 2004 to 2007 and then by the Alberta Utilities Commission ("AUC") since January 1, 2008. Upon deregulation which was made effective on January 1, 2001, The City approved only those electrical rates determined for the regulated activities of electricity transmission and distribution. The City transferred rate regulation approval responsibilities to the AUC in January 2008, thereby allowing the regulator to approve ENMAX Power's electricity transmission and distribution rates charged to customers within ENMAX's service area.

ENMAX and its subsidiaries operating in the province of Alberta are municipally owned and are generally not subject to federal and provincial income taxes. In 2001, the Government of Alberta introduced a payment-in-lieu-of-taxes (PILOT) regulation in conjunction with the deregulation of the Alberta utilities industry. This regulation required municipally owned retailers and municipally owned power purchase arrangement holders to remit PILOT payments to the Balancing Pool of Alberta. ENMAX's subsidiaries that do not meet the criteria for municipal exemption are taxable under the *Income Tax Act* (ITA) and the *Alberta Corporate Tax Act* (ACTA). All references to income tax recognize the combined obligations under PILOT, the ITA, and the ACTA.

Debentures in the amount of \$1,078,522 (2016 – \$1,145,184) and reported by ENMAX in long-term debt have been issued in the name of The City (Note 14a)).

- ii) ENMAX reports under the International Financial Reporting Standards ("IFRS").

The following table provides condensed supplementary financial information reported separately by ENMAX.

	2017	2016
Financial Position		
Current assets	\$ 1,006,507	\$ 934,415
Deferred income taxes	81,312	72,013
Capital and intangible assets	4,331,571	4,231,277
Other assets	75,521	88,018
Total assets	5,494,911	5,325,723
Regulatory deferral account debit balances	76,193	39,815
Total assets and regulatory deferral account debit balances	5,571,104	5,365,538
Current liabilities (including current portion of long-term debt; 2017 – \$367,342; 2016 – \$66,972)	1,121,182	600,867
Deferred income tax liabilities	74,610	98,025
Other long-term liabilities	717,983	652,097
Asset retirement obligations	120,468	125,279
Long-term debt	1,213,468	1,580,227
Total liabilities	3,247,711	3,056,495
Regulatory deferral account credit balances	9,393	17,735
Total liabilities and regulatory deferral account credit balances	3,257,104	3,074,230
ENMAX net assets	2,314,000	2,291,308
Accumulated other comprehensive income (loss)	11,726	(89,278)
Retained earnings	2,302,274	2,380,586
Investment in ENMAX	\$ 2,314,000	\$ 2,291,308

	2017	2016
Results of Operations		
Revenues	\$ 2,996,972	\$ 2,801,008
Operating expenses	3,066,056	2,577,102
Interest charges (net)	70,401	74,942
Net (loss)/earnings before income tax	(139,485)	148,964
Income tax recovery/(expense)	64,473	(6,467)
Net (loss)/earnings before net movements in regulatory deferral account balances	(75,012)	142,497
Net movement in regulatory deferral account balances	44,700	1,100
Net (loss)/earnings before dividends paid	(30,312)	143,597
Dividends paid	(48,000)	(47,000)
Net (loss)/earnings after dividends paid	(78,312)	96,597
Other comprehensive income/(loss)	101,004	(65,494)
Net assets, beginning of year	2,291,308	2,260,205
Equity in ENMAX	\$ 2,314,000	\$ 2,291,308

iii) The following summarizes The City's related-party transactions with ENMAX:

	2017	2016
Received by The City		
Dividends	\$ 48,000	\$ 47,000
Local access fee	95,690	88,410
Sales of services	21,935	20,548
Purchased by The City		
Power and other services	\$ 144,773	\$ 133,847

The City's accounts payable and accrued liabilities include \$20,297 (2016 – \$27,233) for amounts owed to ENMAX at December 31, 2017. The City's receivables include \$9,610 (2016 – \$10,775) for amounts owing to The City by ENMAX at December 31, 2017. Corresponding related-party differences between the payables and receivables for The City and ENMAX result primarily from timing differences related to recognizing the receipt of payments. Sale of services and purchase of power and other services are transacted at fair market value, which is the amount agreed upon by the parties.

8. BANK INDEBTEDNESS

An unsecured short-term bank line of credit with a commercial bank is available to The City up to an amount of \$60,000. As at December 31, 2017, The City had a total of \$40,459 (2016 – \$64,154) of bank indebtedness comprised of cheques issued in excess of deposits. As at December 31, 2017 and 2016, The City has not issued any promissory notes.

The City has the approved authority to issue up to \$200,000 of short-term borrowing, through a combination of a bank line of credit and the issue of commercial paper. As at December 31, 2017, The City had \$5,741 (2016 – \$6,101) of short-term borrowings, which consisted of demand loans held by Attainable Homes Calgary Corporation, Calgary Arts Development Authority Ltd., and Calgary Economic Development Ltd.

9. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2017	2016
Trade	\$ 801,973	\$ 885,438
Federal and Provincial governments	38,657	39,202
Accrued interest	19,823	21,250
	\$ 860,543	\$ 945,890

10. DEFERRED REVENUE

Advance sales of goods and services are revenues received from operations in advance of the services being provided. Licences, permits and application fees include amounts received for building permits, business and animal licenses that are recognized as revenue over the term of the underlying agreements. Government grants are externally restricted amounts that are recognized in revenue when the conditions of use are satisfied. Other contributions relate primarily to private sponsorships and donations received for which the related expenditures have not yet been incurred. These funds are recognized as revenue in the period they are used for the purpose specified.

Deferred revenue is comprised of the following:

	December 31, 2016	Inflows	Revenue Recognized	December 31, 2017
Advance sales of goods and services	\$ 39,774	\$ 115,565	\$ (128,174)	\$ 27,165
Licences, permits and application fees	51,659	27,938	(36,167)	43,430
Government grants	14,576	63,913	(63,044)	15,445
Other contributions	5,493	4,292	(2,899)	6,886
	\$ 111,502	\$ 211,708	\$ (230,284)	\$ 92,926

11. CAPITAL DEPOSITS

Capital deposits are received for various capital projects from land developers, pursuant to development agreements or the *Municipal Government Act*, and from other governments, through grants and provincial tax revenue sharing agreements. Certain deposits are allocated investment income, and some may become refundable with interest should they not be fully utilized for the designated capital projects. Year-end balances are summarized below:

	2017	2016
Developers contributions	\$ 153,875	\$ 149,152
Off-site levies	375,243	400,096
Other private contributions	18,158	19,081
Provincial government grants	226,028	372,108
Federal government grants	53,597	77,736
	\$ 826,901	\$ 1,018,173

12. PROVISION FOR LANDFILL REHABILITATION

Under environmental law, there is a requirement for closure and post-closure care of landfill sites. Closure and post-closure care includes final covering and landscaping of a landfill, pumping of ground water and leachates from the site and ongoing environmental monitoring, site inspections and maintenance.

In 2016, The City elected to perform a triennial review of the model supporting the provision of the landfill liability. The model was revised to ensure alignment with Environment and Sustainable Resource Development's requirements and to reflect the current economic condition. The model will be re-assessed and updated in 2018.

As at December 31, 2017, management estimates that the total liability for operating and closed landfill sites is \$151,411 (2016 – \$151,411). This is the sum of the discounted future cash flows for closure and post-closure activities for 25 years following the closure of operating sites, and the estimated requirements at currently closed sites. The duration of post-closure care is dependent on the overall activities that are required at each landfill site – a discount rate of 3.3% (2016 – 3.3%) was used for the active landfills and 3.2% (2016 – 3.2%) for the closed landfills.

The calculation of the reported liability of \$88,905 (2016 – \$87,263) is based on the cumulative capacity used at December 31, 2017 compared to the total estimated landfill capacity at that same date. The change in calculation resulted in \$5,933 (2016 – \$6,755) of unfunded liability being recognized in 2017. The unfunded liability will be funded through future contributions from the waste and recycling sustainment reserve. At December 31, 2017, the balance of the waste and recycling sustainment reserve is \$64,802 (2016 – \$48,019).

The estimated remaining capacity of the landfill sites is 47.0 (2016 – 49.0) million cubic metres, which is 48% (2016 – 50%) of the sites' total capacity. In 2017, The City determined that the landfills' expected remaining life would be kept at 33 years (2016 – 33 years), which was based on factors including current disposal practices and projected population growth rates.

13. EMPLOYEE BENEFIT OBLIGATIONS

The City participates in multi-employer pension plans and sponsors defined-benefit pension plans and post-retirement benefit plans for eligible civic employees and elected officials. The employee benefit obligations related to The City-sponsored plans represent liabilities earned but not taken by the plan members as at December 31, 2017.

The City has fully met its current year cash contribution requirements for employee benefit obligations as at December 31, 2017.

	2017 *Funded	2016 *Funded
a) Registered defined-benefit pension plans	\$ 53,235	\$ 51,714
b) Non-registered defined-benefit pension plans	37,379	35,024
c) Post-retirement benefits	183,235	176,341
d) Vacation and overtime (undiscounted)	220,021	217,074
	\$ 493,870	\$ 480,153

* The concept of funding refers to amounts recorded as an expense to be recognized in the consolidated financial statements.

In addition to the funded obligations referred to above, The City has long-term unamortized net actuarial (gains)/losses that are amortized over the expected average remaining service life of the related active employee groups as follows:

	2017	2016
Registered defined-benefit pension plans	\$ (11,200)	\$ 3,922
Non-registered defined-benefit pension plans	17,848	17,143
Post-retirement benefits	(46,356)	(23,531)
	\$ (39,708)	\$ (2,466)

Obligations related to plan deficiencies of the multi-employer pension plans, Local Authorities Pension Plan ("LAPP") and Special Forces Pension Plan ("SFPP"), are not recorded by The City as The City's share is not determinable. Contributions to LAPP and SFPP for current and past service are recorded as expenses in the year in which they become due, see Note 13e) i) and ii).

Accounting Methodology

Annual valuations for accounting purposes are completed for The City-sponsored registered and non-registered defined-benefit pension plans and post-retirement benefits using the actuarial projected benefit method prorated on service to determine the accrued benefit obligation and the expense to be recognized in the consolidated financial statements. The significant actuarial assumptions used for the valuations are based on management's best estimates as follows:

Date of accounting valuation	December 31, 2017	December 31, 2016
Year-end obligation discount rate (%)	3.25	3.25
Inflation rate (%)	2.00	2.00
Expected rate of return on plan assets (%)	6.00	6.00
Rate of compensation average increase (excluding merit and promotion)	1.50	2.00

a) Registered defined-benefit pension plans

Certain defined-benefit pension plans are registered for Canada Revenue Agency ("CRA") purposes. These plans provide benefits up to limits prescribed by the *Income Tax Act* (Canada). The assets of these plans are held in trust and The City records its share of the obligations net of plan assets.

The following table sets out the results of, and significant assumptions utilized, in the most recent valuations for accounting purposes of The City sponsored registered pension plans:

	2017	2016
Fair value of plan assets – beginning of year	\$ 129,107	\$ 120,451
Contributions – employer	8,845	7,817
Contributions – member	149	151
Expected interest on plan assets	7,811	7,256
Less benefits paid	(6,854)	(7,013)
Actuarial gain	5,540	445
Fair value of plan assets – end of year	\$ 144,598	\$ 129,107
Accrued benefit obligation – beginning of year	\$ 184,743	\$ 188,977
Current period benefit cost	9,245	9,679
Interest on accrued benefit obligation	6,193	6,342
Less benefits paid	(6,854)	(7,013)
Actuarial (gain)	(6,694)	(13,242)
Accrued benefit obligation – end of year	\$ 186,633	\$ 184,743
Funded status – plan deficit	\$ 42,035	\$ 55,636
Unamortized net actuarial gain (loss)	11,200	(3,922)
Accrued benefit liability	\$ 53,235	\$ 51,714
Current period benefit cost	\$ 9,245	\$ 9,679
Amortization of actuarial losses	2,887	4,145
Less member contributions	(149)	(151)
Benefit expense	\$ 11,983	\$ 13,673
Interest on accrued benefit obligation	6,193	6,342
Less expected interest on plan assets	(7,811)	(7,256)
Benefit interest (expense)	(1,618)	(914)
Total expense	\$ 10,365	\$ 12,759

Unamortized net actuarial gains and losses are amortized over the expected average remaining service life (“EARS”) of the active employee groups, except for The Calgary Police Supplementary Pension Plan (“PSP”) which is deemed a closed plan, and commence in the period following the determination of the gain or loss. The EARS for each plan is:

	2017	2016
Calgary Firefighters’ Supplementary Pension Plan (“FSPP”)	15.9	16.4
The City of Calgary Supplementary Pension Plan (“SPP”)	8.1	7.9
Pension Plan for Elected Officials of The City of Calgary (“EOPP”)	7.8	8.1
PSP	Not applicable	Not applicable

In accordance with regulations, actuarial valuations for funding purposes are performed at least triennially for the registered plans, except for the Calgary Police Supplementary Pension Plan (refer to Note 13 e ii)), to determine The City’s required contributions to the plan trusts. The most recent actuarial valuations (funding basis) were (will be) prepared as of the following dates:

Pension Plan	Latest Full Valuation Date	Next Full Valuation Date
FSPP	December 31, 2015	December 31, 2018
SPP	December 31, 2016	December 31, 2019
EOPP	December 31, 2015	December 31, 2018

The following information details the structure, benefits and required contributions of each of The City's registered defined-benefit pension plans.

i) Calgary Firefighters' Supplementary Pension Plan

The FSPP was established on June 3, 1975. The plan is jointly administered by The City and The International Association of Firefighters ("IAFF") Local 255. The plan is supplemental to the LAPP (Note 13 e) i)) and provides an annual retirement benefit of 1.4% of pensionable earnings up to the year's maximum pensionable earnings ("YMPE"), 2% of pensionable earnings over YMPE, a bridge benefit of 0.6% of YMPE to age 65, and improved early retirement and death benefits, up to maximum pension limits of the *Income Tax Act* (Canada). The City and the IAFF Local 255 have agreed to share the cost of future service and future additional unfunded liabilities 55% by The City and 45% by the plan members. The consolidated financial statements of The City reflect The City's portion only of both the expense and the accrued benefit liability.

At December 31, 2017, The City's portion of plan assets, held in trust, is invested in a mix of equities, bonds and money market instruments. Plan assets are stated at market value.

The City's and members' cash contributions to the external trust are made in compliance with the minimum funding requirements pursuant to the most recent actuarial funding valuation report dated December 31, 2015 as follows:

	2017 Employer	2017 Members	2016 Employer	2016 Members
Current service contributions	\$ 5,471	\$ 4,122	\$ 4,569	\$ 4,230
Contribution rates (% of pensionable salaries)	3.22%	2.63%	3.22%	2.63%

ii) The City of Calgary Supplementary Pension Plan

The SPP commenced on February 1, 2000 and is sponsored and administered by The City. The plan is supplemental to the LAPP (Note 13 e) i)) and provides an annual retirement benefit of 2% of earnings, up to maximum pension limits of the *Income Tax Act* (Canada) for years of service since the later of February 1, 2000 and the date of eligibility for membership in the plan, as well as enhanced death benefits. The cost of future service and future additional unfunded liabilities are shared 55% by The City and 45% by the plan members. The consolidated financial statements of The City reflect The City's portion only of both the expense and the accrued benefit liability.

At December 31, 2017, The City's portion of plan assets, held in trust, is invested in a mix of equities, bonds and money market instruments. Plan assets are stated at market value.

The City's and members' cash contributions to the external trust are made in compliance with the minimum funding requirements pursuant to the most recent actuarial funding valuation report dated December 31, 2016 as follows:

	2017 Employer	2017 Members	2016 Employer	2016 Members
Current service contributions	\$ 2,881	\$ 2,429	\$ 2,736	\$ 2,369
Contribution rates (% of pensionable salaries)	2.92%	2.35%	2.83%	2.44%

iii) Pension Plan for Elected Officials of The City of Calgary

The EOPP commenced on October 1, 1989 and provides pension benefits of 2% of taxable salary, up to a maximum pension limit of the *Income Tax Act* (Canada) per year of service to The City elected officials who choose to participate.

At December 31, 2017, plan assets, held in trust, are invested in a mix of equities, bonds and money market instruments. Plan assets are stated at market value.

The City's and members' cash contributions to the external trust are made in compliance with the minimum funding requirements pursuant to the most recent actuarial funding valuation report dated December 31, 2015 as follows:

	2017 Employer	2017 Members	2016 Employer	2016 Members
Current service contributions	\$ 308	\$ 149	\$ 314	\$ 151
Contribution rates (% of pensionable salaries)	18.64%	9.00%	18.64%	9.00%

iv) Calgary Police Supplementary Pension Plan

The PSPP commenced on January 1, 1975 and provides supplemental pension benefits to those police officers who retired prior to September 1, 1979. The PSPP is deemed a closed plan as police officers who have retired after September 1, 1979 are covered under the SFPP Plan (Note 13 e) ii).

The PSPP is not subject to provincial minimum funding legislation. Pursuant to the agreement made in 1985, The City will continue to pay benefits out of its investments. In 2007, the fund was exhausted and benefits to pensioners for the year and future years are now being paid from The City's investments. Since 2003, the liabilities associated with these continued benefits have been accounted for in accordance with PSAS Handbook Section 3250 ("PSAS 3250") *Retirement Benefits*.

Sufficient funds are held with The City's investments to cover the liabilities as determined by the actuarial accounting valuation as at December 31, 2017.

b) Non-registered defined-benefit pension plans

Certain plans are non-registered for CRA purposes and provide benefits in excess of the limits of the *Income Tax Act* (Canada) supplemental to the registered plans. As such, there is no legislated requirement to pre-fund these plans through external trusts, and current income tax rules would impose additional costs on any external pre-funding arrangement.

Valuations for accounting purposes were (will be) performed as follows:

Pension Plan	Latest Full Valuation Date	Next Full Valuation Date
Overcap Pension Plan ("OCP") for management employees	December 31, 2017	December 31, 2018
OCP for the Police Chief and Deputies	December 31, 2017	December 31, 2018
OCP for the Fire Chief and Deputies	December 31, 2017	December 31, 2018
Supplementary Pension Plan for Elected Officials ("EOSP")	December 31, 2017	December 31, 2018
Executive Pension Plan ("EPP")	December 31, 2017	December 31, 2018
Contractual obligations	December 31, 2017	December 31, 2018

The following table sets out the results of, and significant assumptions utilized, in the December 31, 2017 valuations for accounting purposes for the non-registered pension plans:

	2017	2016
Accrued benefit obligation – beginning of year	\$ 52,167	\$ 54,192
Current period benefit cost	1,211	1,698
Interest on accrued benefit obligation	1,682	1,756
Less benefits paid	(3,253)	(3,717)
Actuarial (gain) loss	3,420	(1,762)
Accrued benefit obligation – end of year	\$ 55,227	\$ 52,167
Funded status – plan deficit	\$ 55,227	\$ 52,167
Unamortized net actuarial (loss)	(17,848)	(17,143)
Accrued benefit liability ⁽¹⁾	\$ 37,379	\$ 35,024
Current period benefit cost	\$ 1,211	\$ 1,698
Amortization of actuarial losses	2,714	3,169
Interest on accrued benefit obligation	1,682	1,756
Total expense	\$ 5,607	\$ 6,623

(1) To satisfy the obligations under these plans, assets in the amount of \$37,379 (2016 – \$35,024) are held within The City's investments.

Unamortized net actuarial gains and losses of the OCPP and EOSP are amortized over the EARSL of the active employee groups and commence in the period following the determination of the gain or loss. Net actuarial gains and losses for plans closed to new entrants are fully amortized in the year in which they arise. The EARSL for each plan is:

	2017	2016
OCPP for management employees	8.2	10.5
OCPP Police Chief & Deputies	7.7	6.4
OCPP Fire Chief & Deputies (closed plan)	Not applicable	Not applicable
EOSP	15.8	16.8
EPP (closed plan)	Not applicable	Not applicable
Contractual Obligations (closed plan)	Not applicable	Not applicable

The following information details the structure and benefits of each of The City's non-registered defined-benefit pension plans:

i) City of Calgary Overcap Pension Plan

The OCPP commenced on February 1, 2000. The plan is sponsored and administered by The City and provides supplementary pension benefits for management employees, the Police Chief and deputies, and the Fire Chief and deputies.

The OCPP for management employees provides a coordinated benefit with the LAPP (Note 13 e i)), and the SPP (Note 13 a ii)), to provide an annual retirement benefit of 2% of all pensionable earnings for the years of service since the later of January 1, 1992 and the date of hire with The City.

The OCPP for the Police Chief and Deputies and the OCPP for the Fire Chief and Deputies provide supplementary pension benefits in excess of the maximum pension benefits provided under the SFPP (Note 13 e ii)) and the FSPP (Note 13 a i)) respectively. The OCPP for the Fire Chief and Deputies is deemed a closed plan as new entrants are not eligible to participate. The Plan will continue to provide benefits to existing retirees and to grandfathered members.

ii) Supplementary Pension Plan for Elected Officials of The City of Calgary

The EOSP commenced on October 1, 1999. This plan is sponsored and administered by The City and provides a coordinated benefit with the EOPP to provide an annual retirement benefit of 2% of all pensionable earnings for the years of service recognized under the EOPP (Note 13 a iii)).

iii) Executive Pension Plan

The EPP was designed to provide pension arrangements for key members of senior management pursuant to individual employment contracts with The City prior to the inception of the OCPP and SPP. The EPP is deemed a closed plan as it provides no benefits to active employees; however, benefits will continue to existing retirees.

iv) Contractual Obligations

The City has entered into individual compensation arrangements with key members of management that provide defined benefits upon retirement. These contractual obligations were grandfathered to members and have been deemed as closed as no benefits are provided to new employees; however, benefits will continue to retirees. These arrangements are sponsored and administered by The City.

c) Post-retirement benefits

The consolidated City financial statements also include the Calgary Parking Authority's ("CPA") sponsored post-retirement benefits plan, which consists of Pensioners and Widows/Widowers Benefits and Retirement Allowances. This CPA plan was introduced effective January 1, 2017.

i) Pensioners and Widows/Widowers Benefits ("PWB")

The City sponsors post-retirement benefits for extended health, dental and life insurance benefits for qualifying retirees and their surviving spouses from the date of retirement to the age of 65, when coverage under the Alberta Seniors Benefit Program begins. After 10 years or age 65, the life insurance policy then reduces to a paid-up death benefit based on the number of years of contributory service prior to retirement (this benefit is not available to CPA retirees). The City and retirees share equally in the cost of benefits. The consolidated City financial statements show The City's portion only for the expense and the accrued benefit liability.

ii) Retirement Allowance

The City sponsors a non-contributory retirement allowance of up to 7 weeks of salary for qualifying retirees. The cost of these benefits is recognized as an expense and an accrued benefit liability.

iii) Supplemental Compensation

The City also sponsors a supplementary compensation plan for employees who were disabled, or survivors of employees who were killed, in the line of duty. The plan is deemed closed as employees are not actively accruing benefits.

Valuations for accounting purposes were (will be) performed as follows:

	Latest Full Valuation Date: The City and CPA	Next Full Valuation Date: The City	Next Full Valuation Date: CPA
PWB	December 31, 2017	December 31, 2018	December 31, 2020
Retirement Allowance	December 31, 2017	December 31, 2018	December 31, 2020
Supplemental Compensation	December 31, 2017	December 31, 2018	Not applicable

The following table sets out the results of, and significant assumptions utilized, in the December 31, 2017 valuations for accounting purposes for post-retirement benefits:

	2017	2016
Accrued benefit obligation – beginning of year	\$ 154,749	\$ 153,021
Entitled current benefit obligations ⁽¹⁾	568	–
Current period benefit cost	9,821	9,832
Interest on accrued benefit obligation	5,232	5,181
Less benefits paid	(8,201)	(6,864)
Actuarial gain	(23,384)	(6,421)
Accrued benefit obligation – end of year	\$ 138,785	\$ 154,749
Funded status – plan deficit	\$ 138,785	\$ 154,749
Plan assets ⁽²⁾	(1,906)	(1,939)
Unamortized net actuarial gain	46,356	23,531
Accrued benefit liability ⁽³⁾	\$ 183,235	\$ 176,341
Current period benefit cost	\$ 9,821	\$ 9,832
Amortization of actuarial (gain)/loss	(524)	313
Interest on accrued benefit obligation	5,232	5,181
Total expense	\$ 14,529	\$ 15,326
Rate of compensation average increase, excluding merit and promotion ⁽⁵⁾	1.50%	2.00%
Annual increase in extended health costs ⁽⁵⁾	7.55%	7.80%
Annual increase in dental costs ⁽⁵⁾	4.00%	4.00%
EARSL ^{(4) (5)}	12.3 yr	12.2 yr

(1) Entitled current benefit obligation reflects CPA's obligation beginning in 2017.

(2) Plan assets in the amount of \$1,906 (2016 – \$1,939) to satisfy future life claims are equal to fair market value.

(3) Assets in the amount of \$183,235 (2016 – \$176,341) to satisfy the obligations under these plans are held within The City's investment portfolio. In 2017, the accrued benefit liability for The City-sponsored plans has been calculated using a revised actuarial assumption which is based on employees' estimated retirement date in comparison to prior years which used the date on which employees were fully eligible for retirement. This revised assumption resulted in an unrealized actuarial gain of \$12,094 which will be amortized over EARSL.

(4) Actuarial gains and losses are amortized over the EARSL of the related employee group commencing in the period following the determination of the gain or loss.

(5) Significant assumptions used by CPA are as follows:

- Rate of compensation average increase, excluding merit and promotion: 0.00%
- Annual increase in extended health costs: 5.00%
- Annual increase in dental costs: 4.00%
- EARSL: 11.8 yr

d) Vacation and overtime

The vacation and overtime liability comprises the vacation and overtime that employees are allowed to defer to future years as defined in administrative policies and/or contractual agreements. Assets in the amount of \$220,021 (2016 – \$217,074) are held within The City's investments portfolio and working capital to satisfy the obligations under these programs.

e) Multi-employer pension plans

Civic employees, with the exception of police officers, are members of the LAPP. Police officers are members of the SFPP. Both plans are multi-employer, defined-benefit pension plans sponsored by the Alberta Minister of Finance and administered by Alberta Pension Services ("APS"). Due to the multi-employer nature of these plans, information is not available to determine the portion of the plans' obligations and assets attributable to each employer. Therefore, The City appropriately accounts for both plans using the method for defined contribution plans. The amount of expense recorded in the consolidated financial statements is equal to The City's current service contributions to the plan as determined by APS for the year and no obligation is recorded in The City's financial statements. However, given that these multi-employer plans are in deficit positions, an inherent unrecorded liability amount is attributable indirectly to plan participants. Plan deficiencies will need to be resolved by continuing increased future employee and employer contributions, increased investment returns and interest rates, management or amendment of future liabilities, or a combination of these elements.

i) Local Authorities Pension Plan

The LAPP plan provides an annual retirement benefit of 1.4% of earnings up to the YMPE and 2% of earnings over YMPE. Under the Alberta *Public Sector Pension Plans Act*, The City and members of the LAPP plan made the following contributions:

	2017 Employer	2017 Members	2016 Employer	2016 Members
Current service contributions	\$ 157,173	\$ 146,198	\$ 154,124	\$ 141,883
Contribution Rates (% of pensionable salaries)	11.39% up to YMPE and 15.84% over YMPE	10.39% up to YMPE and 14.84% over YMPE	11.39% up to YMPE and 15.84% over YMPE	10.39% up to YMPE and 14.84% over YMPE

The LAPP reported a deficiency (extrapolation results of the actuarial valuation) for the overall plan as at December 31, 2016 of \$637,357 (2015 – \$923,416). More recent information was not available at the time of preparing these financial statements. The City's 2017 contribution rates did not change as a result of this deficit.

LAPP consists of 157,763 active members. The City's active plan membership represents approximately 8.5% of the total LAPP active membership as at December 31, 2016.

ii) Special Forces Pension Plan

The SFPP provides an annual retirement benefit of 1.4% of pensionable earnings up to YMPE, 2% of pensionable earnings over YMPE, a bridge benefit of 0.6% of YMPE to age 65, and improved early retirement and death benefits, up to maximum pension limits of the *Income Tax Act* (Canada). Under the *Alberta Public Sector Pension Plans Act*, The City and members of the SFPP made the following contributions:

	2017 Employer	2017 Members	2016 Employer	2016 Members
Current service contributions	\$ 34,416	\$ 31,870	\$ 33,063	\$ 30,601
Contribution Rates (% of pensionable salaries)	14.55%	13.45%	14.55%	13.45%

The SFPP reported a deficiency (extrapolation results of the actuarial valuation) for the overall plan as at December 31, 2016 of \$108,525 (2015 – \$161,642). More recent information was not available at the time of preparing these financial statements. The City's 2017 contribution rates did not change as a result of this deficit.

SFPP consists of 4,425 active members. The City active plan membership represents approximately 49.1% of the total SFPP active membership as at December 31, 2016.

14. LONG-TERM DEBT

a) Debt payable by and issued in the name of The City includes the following amounts:

	2017 Tax Supported	2017 Self Sufficient Tax Supported	2017 Self Supported	2017 Total	2016 Tax Supported	2016 Self Sufficient Tax Supported	2016 Self Supported	2016 Total
i) Debentures	\$ 406,876	\$ 348,539	\$ 3,336,705	\$ 4,092,120	\$ 450,543	\$ 553,943	\$ 3,304,677	\$ 4,309,163
ii) Mortgages and other debt	–	–	52,665	52,665	–	–	52,693	52,693
	406,876	348,539	3,389,370	4,144,785	450,543	553,943	3,357,370	4,361,856
Less								
iv) Debt attributable to ENMAX	–	–	1,078,522	1,078,522	–	–	1,145,184	1,145,184
	\$ 406,876	\$ 348,539	\$ 2,310,848	\$ 3,066,263	\$ 450,543	\$ 553,943	\$ 2,212,186	\$ 3,216,672

- i) Debentures, which are predominantly held by the Alberta Capital Finance Authority, mature in annual amounts to the year 2042.

Tax-supported debt is repaid using tax revenues and is the long-term debt used in tax-supported areas.

Self-sufficient tax-supported debt comprises debt for programs and activities whose operating costs, including debt servicing, have historically been funded in whole or in part, directly or indirectly, by revenue from municipal property and business taxes, but that are currently being funded by revenues resulting from their own operations. Self-sufficient tax-supported debt also includes short-term debt that will be funded from future grant receipts from the Alberta Governments Municipal Sustainability Initiative ("MSI").

Self-supported debt, which is primarily related to Water Services & Resources, includes debentures in the amount of \$67,888 (2016 – \$70,278) which has been issued to fund local improvements and are collectable from property owners for work authorized by them and performed by The City. Principal and interest on local improvement debentures are recovered from property owners through annual local improvement levies over the term of the debenture to a maximum of 25 years.

Included in the self-supported debt is the debenture issued in 2010 by The City on behalf of the Repsol Sport Centre ("RSP"), formerly the Lindsay Park Sports Society, pursuant to City Bylaw authorization in the amount of \$851 (2016 – \$1,171), as well as the debenture issued in 2014 by The City on behalf of the St. Mary's University College ("SMUC") in the amount of \$4,303 (2016 – \$4,496). In accordance with Credit Agreements between RSP, SMUC, and The City, The City shall service the debenture through the disbursement of principal and interest payments. The City is liable for the outstanding debenture debt to the debenture debt holder. The RSP and SMUC are required to reimburse The City for all principal and interest payments with respect to the debenture on the same day as The City disburses the payments to the debt holder. As at December 31, 2017, RSP and SMUC are in compliance.

- ii) Mortgages and other debt, which are predominantly held by Canada Mortgage and Housing Corporation, mature in annual amounts to the year 2030. Capital assets with a cost of \$87,573 (2016 – \$93,187) are pledged as collateral against the mortgages.
- iii) Capital leases are comprised of vehicle leases. In 2011, Fleet Services entered into a lease for 15 vehicles for \$5,475 at an interest rate of 1.52%. On September 1, 2014, Fleet Services renewed the lease term for another 2 years at an interest rate of 1.43%. In May 2016, Fleet Services terminated the lease agreement and returned the vehicles to the vendor. The 2017 principal payments totaled \$nil (2016 – \$364) with interest of \$nil (2016 – \$8). No further write downs were required in 2017 (2016 – \$1,174) and no new capital leases were entered into in 2017.
- iv) Debenture debt attributable to ENMAX was initially issued by The City on behalf of the Calgary Electric System ("CE") pursuant to City Bylaw authorizations prior to January 1, 1998. Pursuant to the Master Agreement between ENMAX and The City, a liability equivalent to the debentures attributable to ENMAX was included in the assumed liabilities upon transfer of substantially all of the assets and liabilities of CE from The City to ENMAX at January 1, 1998. The City continues to borrow on behalf of ENMAX in accordance with a Debt Management Service Level Agreement between The City and ENMAX. The City shall service the existing debentures. The City is liable for the outstanding ENMAX debenture debt to the debenture debt holders. ENMAX is required to reimburse The City for all principal and interest payments with respect to the debentures on the same day as The City disburses the payments to the debt holders. In addition, ENMAX is required to pay to The City a loan guarantee and administration fee of 0.25% on the average monthly outstanding debenture balance held by The City on behalf of ENMAX.
- v) More detail on the self-supported and tax-supported debt payable can be found in the continuity of long-term debt within the unaudited Financial and Statistical Schedules in the annual report.

b) Long-term debt is repayable as follows:

	Tax Supported	Self Sufficient Tax Supported	Self Supported	Less: Debt attributable to ENMAX	Total
2018	\$ 41,385	\$ 84,955	\$ 252,412	\$ 67,016	\$ 311,736
2019	38,171	91,538	233,711	63,680	299,740
2020	35,224	23,073	223,163	58,283	223,177
2021	32,871	23,848	203,056	51,411	208,364
2022	33,310	24,130	183,018	46,302	194,156
Thereafter	225,915	100,995	2,294,010	791,830	1,829,090
	\$ 406,876	\$ 348,539	\$ 3,389,370	\$ 1,078,522	\$ 3,066,263

c) Debenture interest is payable, before provincial subsidy, at rates ranging from 1.09% to 10.13% (2016 – 1.09% to 10.13%) per annum. Debenture debt held at year end has an average rate of interest of 3.68% (2016 – 3.69%) before provincial subsidy and 3.67% (2016 – 3.68%) after provincial subsidy.

	Tax Supported	Self Sufficient Tax Supported	Self Supported	Average Interest
Gross (before interest subsidy)	% 4.49	% 2.65	% 3.73	% 3.68
Net (after interest subsidy)	4.49	2.65	3.72	3.67

The mortgages of Calgary Housing Company in the amount of \$12,601 (2016 - \$16,476) are payable with interest ranging from 0.94% to 4.52% (2016 – 0.94% to 6.45%) before interest rate subsidy. The effective interest rates after the subsidy for the fixed-subsidy projects is 2% (2016 – 2%).

d) Interest charges are as follows:

	2017 Tax Supported	2017 Self Sufficient Tax Supported	2017 Self Supported	2017 Total	2016 Tax Supported	2016 Self Sufficient Tax Supported	2016 Self Supported	2016 Total
Debenture interest	\$ 16,356	\$ 11,952	\$ 83,273	\$ 111,581	\$ 18,241	\$ 16,150	\$ 82,720	\$ 117,111
Other interest and charges	2,875	–	1,018	3,893	2,241	–	4,731	6,972
	\$ 19,231	\$ 11,952	\$ 84,291	\$ 115,474	\$ 20,482	\$ 16,150	\$ 87,451	\$ 124,083

- e) The estimated fair value of The City's long-term debt is \$3,186,146 (2016 – \$3,320,533). Calculation of the estimated fair value of the debt is based on lending rates obtainable at December 31, 2017 for debentures with comparable maturities from The City's primary lender, the Alberta Capital Finance Authority.
- f) Section 271 of the *Municipal Government Act* ("MGA") requires disclosure of debt, debt limits and the debt service limits, which include both interest and principal payments. The debt limit is calculated at 2 times revenue (as defined in the Debt Limit Regulation 255/2000) and the debt service limit is calculated at 0.35 times such revenue. Incurring debt beyond these limits requires approval by the Minister of Municipal Affairs. These thresholds are conservative guidelines used by Municipal Affairs to identify municipalities which could be at financial risk if further debt is incurred. The calculation, taken alone, does not represent the financial stability of the municipality as the financial statements must be interpreted as a whole.

Note: Ministerial Order No L:124/11 set out an exception to the calculation of the debt service limit as originally disclosed in section 271 of the MGA, stating the calculation shall not take into account borrowing that is related to Municipal Affairs Grants Regulation (Municipal Sustainability Initiative Debt) that does not require the repayment of any principal before December 31, 2017. At December 31, 2017, debt principal of \$70,000 (2016 – \$220,000) and debt interest of \$1,987 (2016 – \$4,946) was excluded from the pro-rata calculation of the debt service limit.

	2017	2016
		(Restated Note 30)
Total debt limit (2 times revenue)	\$ 7,849,872	\$ 7,640,844
Total debt (short- and long-term)	3,149,958	3,303,092
Percentage of debt to debt limit	40.13%	43.23%
Total debt service limit (35% of revenue)	\$ 1,373,728	\$ 1,337,148
Total debt service	362,341	348,569
Percentage of debt service to service limit	26.38%	26.07%

The City's related authorities are subject to certain financial and non-financial covenants over their long-term debt. As at December 31, 2017, one related authority was not in compliance with certain borrower covenants, for which the lender has provided a waiver stating that as at December 31, 2017 there is no intention to demand repayment.

15. TANGIBLE CAPITAL ASSETS

Cost	January 1, 2017 Opening Balance	Additions	Transfers ⁽¹⁾	Disposals	December 31, 2017 Closing Balance
	(Restated Note 30)				
Land	\$ 2,163,392	\$ 84,245	\$ (203)	\$ (52,099)	\$ 2,195,335
Land improvements	1,360,796	67,869	(300,117)	(3,904)	1,124,644
Engineered structures	13,859,529	987,597	249,913	(25,021)	15,072,018
Buildings	2,420,595	301,703	19,604	(13,345)	2,728,557
Machinery and equipment	876,775	60,514	51,036	(35,368)	952,957
Vehicles	1,358,330	134,223	–	(37,360)	1,455,193
Work in progress	\$ 22,039,417	\$ 1,636,151	\$ 20,233	\$ (167,097)	\$ 23,528,704
Land	16,390	44,510	–	–	60,900
Construction	1,331,574	(93,785)	(20,233)	(2,602)	1,214,954
	\$ 23,387,381	\$ 1,586,876	\$ –	\$ (169,699)	\$ 24,804,558

Accumulated Amortization	January 1, 2017 Opening Balance	Additions	Transfers (1)	Disposals	December 31, 2017 Closing Balance
	(Restated Note 30)				
Land improvements	\$ 659,346	\$ 41,131	\$ (111,072)	\$ (2,008)	\$ 587,397
Engineered structures	4,658,242	335,016	83,534	(22,721)	5,054,071
Buildings	852,187	90,728	–	(9,193)	933,722
Machinery and equipment	581,319	78,969	27,538	(34,623)	653,203
Vehicles	632,992	82,802	–	(30,735)	685,059
	\$ 7,384,086	\$ 628,646	\$ –	\$ (99,280)	\$ 7,913,452
Net book value	\$ 16,003,295	\$ 958,230	\$ –	\$ (70,419)	\$ 16,891,106

(1) Transfers occurred between tangible capital asset categories.

In 2017, \$204,778 (2016 – \$299,826) in engineered structures, land improvements and land were contributed to The City. These contributions were represented at their fair value at the time received. Assets recognized at nominal value by The City in 2017 and 2016 consist of certain machinery and equipment, land and land improvements. There was a permanent writedown of \$nil (2016 – \$nil) relating to impairment.

The City entered into a public-private partnership (“P3”) agreement with Chinook Resources Management General Partnership (“CRMG”) on June 25, 2015 to design, build, operate, and maintain The City’s new organics composting facility. The new facility is funded through capital debt and Federal Gas Tax Fund (“FGTF”). The new facility was substantially completed on June 29, 2017. CRMG started operating the new facility in 2017 and will operate until June 2027. The City capitalized \$134,191 for the new facility as a tangible capital asset.

Cultural and historical properties and treasures are held by The City in various locations. Due to the subjective nature of the assets, they are not included in the values shown on the consolidated financial statements.

In accordance with policy, no interest was capitalized by The City in 2017 (2016 – \$nil).

16. 2017 BUDGET

Budget data presented in these consolidated financial statements are based upon the 2017 operating and capital budgets as approved by Council. Council approved budgets are prepared on a modified cash basis which differs from budget amounts reported on the consolidated statement of operations and changes in net financial assets which are prepared in accordance with PSAS. The table below reconciles the approved budget to the budget figures reported in these consolidated financial statements. Actual amounts have been used to approximate budget amounts for certain reconciling items that were not included in the Council budget.

	Revenues	Expenses	Other Revenues
Budget as approved by Council			
Operating	\$ 3,933,535	\$ 3,968,591	\$ 35,056
Capital	–	2,286,787	2,286,787
Add			
Related authorities	250,400	282,009	92,559
Equity in earnings of ENMAX	38,400	–	–
Transfers between capital and operating	–	–	125,067
	\$ 4,222,335	\$ 6,537,387	\$ 2,539,469
Less			
Intercompany eliminations	81,146	132,043	50,897
Contributions from Utilities	61,247	42,716	–
Contributions from reserves and operations	172,814	597,367	–
Contributions between reserves	25,270	–	–
Debt principal repayments	–	68,586	–
Mid-cycle budget adjustments	80,145	289,642	209,497
Tangible capital asset adjustments	–	1,737,725	–
Debt issued	–	–	675,559
Transfers from reserves	–	–	594,148
2017 Property Tax Bylaw adjustment	2,480	2,480	–
Operating budget carried forward from 2017 to 2018	16,038	16,038	–
Amortization	–	121,059	–
BUDGET FOR FINANCIAL STATEMENT PURPOSES	\$ 3,783,195	\$ 3,529,731	\$ 1,009,368

17. ACCUMULATED SURPLUS

Accumulated Surplus consists of restricted and unrestricted amounts and equity in non-financial assets as follows:

	2017	2016 (Restated Note 30)
Operating fund	\$ 80,955	\$ 37,731
Capital fund	145,242	217,226
Local improvements to be funded in future years	62,618	67,329
Obligation to be funded in future years ⁽¹⁾	(5,933)	(6,755)
Reserves (Note 19)	2,044,048	1,975,809
Equity in ENMAX (Note 7)	2,314,000	2,291,308
Equity in non-financial assets (Note 18)	13,919,312	12,886,907
	\$ 18,560,242	\$ 17,469,555

(1) Obligation to be funded in future years consists of unfunded liabilities of \$5,933 (2016 – \$6,755) for the landfill rehabilitation provision (Note 12).

18. EQUITY IN NON FINANCIAL ASSETS

	2017	2016 (Restated Note 30)
Tangible capital assets (Note 15)	\$24,804,558	\$ 23,387,381
Accumulated amortization (Note 15)	(7,913,452)	(7,384,086)
Long-term debt (Note 14)	(3,066,263)	(3,216,672)
Long-term debt – non capital	5,155	5,667
Inventory	53,942	57,821
Prepaid expenses	35,372	36,796
	\$ 13,919,312	\$ 12,886,907

19. RESERVES

Reserves are established and managed in accordance with the reserve's purpose and any or all conditions and/or restrictions placed on the reserve by Council. Reserve funds are transferred either to operating or capital funds for use. Individual reserves with significant balances include:

	2017	2016
Fiscal stability	\$ 492,766	\$ 518,830
Reserve for future capital	308,440	327,014
Budget savings account	157,334	130,103
Debt servicing	52,570	52,570
Legacy parks	7,195	10,558
Corporate housing reserve	30,383	29,559
Real estate services	65,831	59,005
Community investment	39,407	102,204
Economic development investment	55,000	–
Calgary building services sustainment	86,752	99,114
Reserve for tax loss provision	37,398	37,398
Lifecycle maintenance and upgrade (Note 33)	174,747	116,123
Calgary Housing Company	27,349	27,448
Subtotal	\$ 1,535,172	\$ 1,509,926

Other reserve balances will be utilized in future years for the following types of expenses:

	2017	2016
Utilities sustainment	\$ 142,392	\$ 135,131
Social programs	9,084	10,197
Police services (capital)	40,209	40,254
Police services (operating)	4,000	4,000
Waste and recycling sustainment	64,802	48,019
ENMAX dividend stabilization	20,000	20,000
Other operating (Note 33)	104,448	99,520
Other capital expenditures	123,941	108,762
Subtotal	\$ 508,876	\$ 465,883
Total	\$ 2,044,048	\$ 1,975,809

20. NET TAXES AVAILABLE FOR MUNICIPAL PURPOSES

	2017	2016
Property taxes	\$ 2,438,392	\$ 2,393,642
Community Revitalization Levy	37,740	41,031
Business taxes	88,105	134,601
Revenue in lieu of taxes	169,606	154,293
Local improvement levies and special taxes	11,852	6,294
	\$ 2,745,695	\$ 2,729,861
Less: Provincial property taxes (see below)		
Current year levy	(785,126)	(784,791)
Prior year levy	(5,140)	(6,871)
Net taxes available for municipal use	\$ 1,955,429	\$ 1,938,199

The City is required to collect provincial property taxes under Section 353 of the *Municipal Government Act*. The amount of these provincial property taxes is determined solely by the Government of Alberta. Provincial property taxes are recorded at the amounts levied. If property taxes are reduced due to an assessment reduction, The City is required by legislation to fund the repayment of both the municipal and provincial taxes with applicable interest.

An amount of provincial property taxes receivable of \$12,353 (2016 – \$5,140) has been recorded at December 31, 2017 within accounts receivable that will be funded through an increase in the subsequent year's provincial property tax rate.

21. RELATED AUTHORITIES

The assets and liabilities and the operations of the following related authorities are included in The City's consolidated financial statements.

The Calgary Convention Centre Authority (the "Authority") is incorporated under the laws of the Province of Alberta and operates the Calgary TELUS Convention Centre ("CTCC") pursuant to an operating agreement between the Authority and The City. The land, building, furniture and equipment are owned by The City, which also contributes a grant towards the operating costs of CTCC. In accordance with an amendment to the operating agreement, the Authority retains operating surpluses and is responsible to fund net operating deficits.

Attainable Homes Calgary Corporation is a controlled corporation of The City and was incorporated on November 27, 2009 under the *Alberta Business Corporations Act*. The purpose of AHCC is the implementation and administration of attainable housing in The City.

The Calgary Parking Authority operates and manages parking facilities owned by The City and is also responsible for parking enforcement and the management of the Municipal Vehicle Impound Lot.

The Calgary Public Library Board is constituted under the *Libraries Act* of the Province of Alberta. It operates a system of 17 branches and the central library in Calgary.

Calhome Properties Ltd. (operating as Calgary Housing Company) owns, develops and operates low and moderate-rent housing projects on a not-for-profit basis under agreements with the Province of Alberta and Canada Mortgage and Housing Corporation, which provide subsidies for certain projects.

Calgary Municipal Land Corporation ("CMLC") is a controlled corporation of The City pursuant to Section 73 of the *Municipal Government Act*, and the Control of Corporations Regulation. CMLC began operations in 2007, with The City as the sole shareholder of CMLC. CMLC is accountable for the development and sale of land transferred from The City and the implementation of public infrastructure improvements in The Rivers, a former industrial and residential area located in downtown Calgary.

Calgary Economic Development Ltd. ("CED") is a controlled corporation of The City and was incorporated in July 1999 under the *Alberta Business Corporations Act*. The mandate of CED is to lead The City's economic development efforts in promoting The City's competitive advantages and pro-business climate. Successful economic development results in business growth and industry development, increased investment and trade activities.

Calgary Arts Development Authority Ltd. ("CADA") is a controlled corporation of The City and was incorporated under the *Alberta Business Corporations Act* on March 18, 2005. The mandate of CADA is to promote and direct investment in the arts to increase the sector's public and artistic impact on behalf of the citizens of The City.

	2017 Calgary TELUS Convention Centre	2017 Attainable Homes Calgary Corporation	2017 Calgary Parking Authority	2017 Calgary Public Library Board	2017 Calgary Housing Company
Financial Position					
Physical assets	\$ 1,873	\$ 5	\$ 126,635	\$ 53,380	\$ 98,584
Financial assets	6,445	23,284	5,268	7,224	38,383
	8,318	23,289	131,903	60,604	136,967
Long-term debt	–	–	1,810	–	12,601
Financial liabilities	6,026	7,425	28,933	5,243	41,109
	6,026	7,425	30,743	5,243	53,710
Net assets	\$ 2,292	\$ 15,864	\$ 101,160	\$ 55,361	\$ 83,257
Results of Operations					
Revenue					
Community Revitalization Levy	\$ –	\$ –	\$ –	\$ –	\$ –
Sales of goods & services	19,146	29,805	59,300	–	47,951
Government transfers, agreements & subsidies	–	–	–	7,090	40,005
Developer contributions	–	–	–	–	–
Investment income	–	36	4,292	109	456
Fines & penalties	–	–	18,372	1,106	–
Licenses, permits and fees	–	–	1,331	–	–
Miscellaneous revenue	–	18	977	3,555	1,772
Gain (loss) on sale of tangible capital assets	(2)	–	61	–	(317)
Internal transfers & contributions	1,878	–	519	52,421	(909)
Total revenue	21,022	29,859	84,852	64,281	88,958
Expenses					
Salaries, wages, and benefits	\$ 6,882	\$ 917	\$ 21,817	\$ 38,020	\$ 19,621
Contracted and general services	1,913	3,257	17,574	14,400	30,379
Materials, equipment and supplies	11,917	27,586	7,096	4,074	1,444
Interest charges	–	140	1,289	–	454
Transfers	–	–	–	–	18,970
Utilities	804	23	1,827	811	12,069
Amortization	258	4	7,049	6,905	2,978
Debt principal repayments	–	–	463	–	3,875
Total expenses	21,774	31,927	57,115	64,210	89,790
Income (loss) before appropriations	(752)	(2,068)	27,737	71	(832)
Internal transfers	752	2,068	(8,757)	(71)	832
To City operating fund ⁽¹⁾	–	–	(18,980)	–	–
Change in fund balance	\$ –	\$ –	\$ –	\$ –	\$ –

(1) Distribution to The City for certain net surpluses from Calgary Parking Authority operations.

	2017 Calgary Municipal Land Corporation	2017 Calgary Economic Development Ltd.	2017 Calgary Arts Development Authority Ltd.	2017 Total
	\$ 392,216	\$ 27,021	\$ 27,856	\$ 727,570
	135,801	4,200	4,405	225,010
	528,017	31,221	32,261	952,580
	208,039	11,949	2,000	236,399
	213,311	4,176	3,935	310,158
	421,350	16,125	5,935	546,557
	\$ 106,667	\$ 15,096	\$ 26,326	\$ 406,023
	\$ 34,251	\$ –	\$ –	\$ 34,251
	–	–	486	156,688
	–	2,579	450	50,124
	–	–	303	303
	25	51	19	4,988
	–	–	–	19,478
	–	–	–	1,331
	4,841	2,815	1,020	14,998
	28	–	–	(230)
	1,519	8,078	10,783	74,289
	40,664	13,523	13,061	356,220
	\$ 2,706	\$ 5,283	\$ 1,078	\$ 96,324
	10,033	7,596	9,128	94,280
	1,929	118	413	54,577
	7,004	326	22	9,235
	–	–	–	18,970
	68	138	78	15,818
	7,026	789	1,004	26,013
	–	–	–	4,338
	28,766	14,250	11,723	319,555
	11,898	(727)	1,338	36,665
	(11,898)	727	(1,338)	(17,685)
	–	–	–	(18,980)
	\$ –	\$ –	\$ –	\$ –

	2016 Calgary TELUS Convention Centre	2016 Attainable Homes Calgary Corporation	2016 Calgary Parking Authority (Restated Note 30)	2016 Calgary Public Library Board	2016 Calgary Housing Company
Financial Position					
Physical assets	\$ 1,707	\$ 9	\$ 124,550	\$ 53,416	\$ 101,521
Financial assets	9,298	27,874	6,637	5,949	32,004
	11,005	27,883	131,187	59,365	133,525
Long-term debt	–	–	2,273	–	16,476
Financial liabilities	7,962	9,951	24,538	4,068	36,845
	7,962	9,951	26,811	4,068	53,321
Net assets	\$ 3,043	\$ 17,932	\$ 104,376	\$ 55,297	\$ 80,204
Results of Operations					
Revenue					
Community Revitalization Levy	\$ –	\$ –	\$ –	\$ –	\$ –
Sales of goods & services	18,291	29,561	63,342	–	48,039
Government transfers, agreements & subsidies	–	–	–	7,137	38,582
Developer contributions	–	–	–	–	–
Donated assets	–	–	226	–	–
Investment income	–	31	3,057	81	317
Fines & penalties	–	–	16,180	1,162	–
Licenses, permits and fees	–	–	1,222	–	–
Miscellaneous revenue	–	12	2,493	2,421	2,070
Gain (loss) on sale of tangible capital assets	–	–	(425)	(17)	(40)
Internal transfers & contributions	1,817	–	115	44,461	(2,053)
Total revenue	20,108	29,604	86,210	55,245	86,915
Expenses					
Salaries, wages, and benefits	\$ 7,178	\$ 846	\$ 19,511	\$ 36,742	\$ 17,108
Contracted and general services	2,092	1,818	18,246	14,626	28,894
Materials, equipment and supplies	9,909	25,242	7,827	4,148	1,432
Interest charges	–	79	1,363	–	520
Transfers	–	–	–	–	18,513
Utilities	750	19	1,536	725	10,859
Amortization	235	10	7,417	6,923	3,095
Debt principal repayments	–	–	850	–	4,514
Total expenses	20,164	28,014	56,750	63,164	84,935
Income (loss) before appropriations	(56)	1,590	29,460	(7,919)	1,980
Internal transfers	56	(1,590)	(10,336)	7,919	(1,980)
To City operating fund ⁽¹⁾	–	–	(19,124)	–	–
Change in fund balance	\$ –	\$ –	\$ –	\$ –	\$ –

(1) Distribution to The City for certain net surpluses from Calgary Parking Authority operations.

2016 Calgary Municipal Land Corporation	2016 Calgary Economic Development Ltd.	2016 Calgary Arts Development Authority Ltd.	2016 Total
\$ 324,188	\$ 27,795	\$ 22,258	\$ 655,444
121,397	6,035	5,851	215,045
445,585	33,830	28,109	870,489
193,443	12,312	–	224,504
155,879	5,694	3,124	248,061
349,322	18,006	3,124	472,565
\$ 96,263	\$ 15,824	\$ 24,985	\$ 397,924
\$ 38,423	\$ –	\$ –	\$ 38,423
251	–	–	159,484
–	773	1,904	48,396
–	–	2,697	2,697
–	–	–	226
46	19	77	3,628
–	–	–	17,342
–	–	–	1,222
662	2,396	752	10,806
(54)	(9)	4,500	3,955
321	7,286	6,933	58,880
39,649	10,465	16,863	345,059
\$ 2,680	\$ 4,779	\$ 929	\$ 89,773
14,793	4,556	6,994	92,019
1,511	852	37	50,958
6,623	213	69	8,867
–	–	–	18,513
42	115	19	14,065
7,119	471	–	25,270
–	119	–	5,483
32,768	11,105	8,048	304,948
6,881	(640)	8,815	40,111
(6,881)	640	(8,815)	(20,987)
–	–	–	(19,124)
\$ –	\$ –	\$ –	\$ –

22. EXPENSES BY OBJECT

	2017	2016
		(Restated Note 30)
Salaries, wages and benefits	\$ 2,012,895	\$ 1,976,054
Contracted and general services	469,470	466,613
Materials, equipment and supplies	369,692	293,747
Interest charges (Note 14)	115,474	124,083
Transfer payments	123,837	118,297
Utilities	92,000	81,338
Amortization	628,646	596,106
Loss on disposal of tangible capital assets	8,891	16,312
	\$ 3,820,905	\$ 3,672,550

23. GOVERNMENT TRANSFERS

	2017	2016
Operating		
Province of Alberta	\$ 140,475	\$ 128,157
Government of Canada	4,693	4,660
	145,168	132,817
Capital		
Province of Alberta	595,592	618,953
Government of Canada	115,594	60,783
	711,186	679,736
	\$ 856,354	\$ 812,553

In accordance with PSAS, government transfers and developer contributions-in-kind related to capital acquisitions are required to be recognized as revenue in the consolidated financial statements in the period in which the eligibility criteria and stipulation requirements of the agreements are met.

24. SEGMENTED INFORMATION

The Consolidated Schedule of Financial Activities by Segment has been prepared in accordance with PSAS Handbook Section 2700 ("PSAS 2700") *Segment Disclosures*. With the change in reporting model effective January 1, 2009, the segments selected are to enable users to better understand the government reporting entity and the major revenue and expense activities of The City. For each reported segment, revenues and expenses represent amounts directly attributable to each segment.

The segments have been selected based on a presentation similar to that adopted for the municipal financial planning and budget process as well as the quarterly reporting of budget status during the year. Segments include:

- Tax Supported Operating programs** includes the items of revenue, recoveries and expenses pertaining to the ongoing operations of those programs that are funded, in whole or in part, directly or indirectly, by revenue from municipal property and business taxes. This includes all operating programs with the exception of Water Resources and Water Services.
- Self Supported Operating programs** includes the items of revenue, recoveries and expenses pertaining to the ongoing operations of programs not funded by tax revenues but solely by revenues or recoveries resulting from their own operations. These programs are Water Resources and Water Services, the units that manage our water resources and supplies quality drinking water, and provides treatment/disposal of wastewater for The City.
- Tax Supported Capital programs** includes the expenses and sources of financing for acquisition of land and construction of buildings, bridges and other major permanent improvements to be used in programs that are funded, in whole or in part, directly or indirectly, by revenue from municipal property and business taxes. This includes all programs with the exception of Water Resources and Water Services.

- d) **Self Supported Capital programs** includes the expenses and sources of financing for acquisition of land and construction of buildings, bridges, and other major permanent improvements to be used by programs that are not funded by tax revenues but solely by revenues or recoveries resulting from their own operations. These programs are Water Resources and Water Services, the units that manage our water resources and supplies quality drinking water, and provides treatment/disposal of wastewater for The City.
- e) **Related Authorities** include the Calgary Public Library Board, Calgary Parking Authority, Calgary Housing Company, AHCC, CTCC, CMLC, CED and CADA. These related authorities are consolidated within these financial statements. For more information regarding these related authorities, refer to Note 21.

- f) **ENMAX** is included as a government business enterprise and is accounted for on a modified equity basis. For more information regarding ENMAX, refer to Note 7.

The accounting policies used in the segment disclosures are consistent with those followed in the preparation of the consolidated financial statements (Note 1).

Schedule of Financial Activities by Segment

For the Year Ended December 31, 2017 (in thousands of dollars)

	Tax Supported Operating	Self Supported Operating	Tax Supported Capital	Self Supported Capital	Total The City of Calgary
REVENUES	\$ 1,938,192	\$ –	\$ –	\$ –	\$ 1,938,192
Property tax	89,558	–	–	–	89,558
Business tax	524,939	695,603	–	1,489	1,222,031
Sales of goods & services					
Government transfers, grants & subsidies	2,298	2	115,225	–	117,525
Federal	95,380	23	588,389	7,124	690,916
Provincial	682	63,243	74,182	209	138,316
Developer contributions	–	–	–	–	–
Donated assets	94,371	5,161	–	–	99,532
Investment income	70,337	2,226	–	–	72,563
Fines & penalties	121,361	1,680	–	–	123,041
Licences, permits and fees	44,732	974	–	–	45,706
Miscellaneous revenue	888	–	–	–	888
Proceeds on sale of tangible capital assets (Misc revenue)	6,204	–	–	–	6,204
Gain/(loss) on sale of tangible capital assets (Misc revenue)	48,000	–	–	–	48,000
Dividends from ENMAX	–	–	–	–	–
Equity in earnings from ENMAX					
Debt	–	–	187,735	100,294	288,029
Contribution from reserves	172,939	66,352	451,608	211,211	902,110
Internal transfers & contributions	17,849	–	–	–	17,849
Total Revenues	3,227,730	835,264	1,417,139	320,327	5,800,460
EXPENSES					
Salaries, wages and benefits	1,836,608	141,765	21,907	7,906	2,008,186
Contracted and general services	516,251	69,506	1,010,790	252,204	1,848,751
Materials, equipment and supplies	319,348	40,443	370,769	26,370	756,930
Utilities	67,689	27,134	16,079	70	110,972
Transfers	183,627	61,146	44,832	–	289,605
Internal recoveries	(527,662)	(28,340)	(132,131)	(751)	(688,884)
Interest charges	35,110	73,282	5,257	375	114,024
Amortization	32,031	80,314	–	–	112,345
Loss on Sale	–	–	–	–	–
Debt principal repayments	289,806	8,355	–	–	298,161
Contribution from operations to reserves	644,288	318,874	–	–	963,162
Contribution (to)/from operations to/(from) capital	(207,605)	69	206,060	22,916	21,440
Internal transfers & contributions	(42,716)	42,716	–	–	–
Total Expenses	3,146,775	835,264	1,543,563	309,090	5,834,692
Annual Surplus/(Deficit)	\$ 80,955	\$ –	\$ (126,424)	\$ 11,237	\$ (34,232)

	Related Authorities	ENMAX	Consolidation Adjustments	Total Consolidated 2017
\$	34,251	\$ -	\$ (105,119)	\$ 1,867,324
	-	-	(1,453)	88,105
	156,688	-	(104,659)	1,274,060
	2,843	-	(81)	120,287
	47,281	-	(2,130)	736,067
	303	-	(62)	138,557
	-	-	204,778	204,778
	4,988	-	-	104,520
	19,478	-	(1)	92,040
	1,331	-	(16)	124,356
	14,998	-	(27,241)	33,463
	176	-	73,665	74,729
	(406)	-	(23,184)	(17,386)
	-	-	-	48,000
	-	22,692	-	22,692
	-	-	(288,029)	-
	-	-	(902,110)	-
	-	-	-	-
	74,289	-	(92,138)	-
	356,220	22,692	(1,267,780)	4,911,592
	96,324	-	(91,615)	2,012,895
	94,280	-	(1,473,561)	469,470
	54,577	-	(441,815)	369,692
	15,818	-	(34,790)	92,000
	18,970	-	(184,738)	123,837
	-	-	688,884	-
	9,235	-	(7,785)	115,474
	26,013	-	490,288	628,646
	-	-	8,891	8,891
	4,338	-	(302,499)	-
	-	-	(963,162)	-
	-	-	(21,440)	-
	-	-	-	-
	319,555	-	(2,333,342)	3,820,905
\$	36,665	\$ 22,692	\$ 1,065,562	\$ 1,090,687

Schedule of Financial Activities by Segment

For the Year Ended December 31, 2016 (in thousands of dollars) (Restated Note 30)

	Tax Supported Operating	Self Supported Operating	Tax Supported Capital	Self Supported Capital	Total The City of Calgary
REVENUES					
Property tax	\$ 1,871,453	\$ –	\$ –	\$ –	\$ 1,871,453
Business tax	134,601	–	–	–	134,601
Sales of goods & services	456,454	662,670	14	1,662	1,120,800
Government transfers, grants & subsidies					
Federal	3,044	12	58,978	–	62,034
Provincial	88,727	160	608,878	4,573	702,338
Developer contributions	457	79,902	114,409	545	195,313
Donated assets	–	–	–	–	–
Investment income	70,970	2,853	–	–	73,823
Fines & penalties	70,324	2,130	–	–	72,454
Licences, permits and fees	111,611	2,163	–	–	113,774
Miscellaneous revenue	46,704	990	–	–	47,694
Proceeds on sale of tangible capital assets (Misc revenue)	1,311	–	–	–	1,311
Gain/(Loss) on sale of tangible capital assets (Misc revenue)	5,682	–	–	–	5,682
Dividends from ENMAX	47,000	–	–	–	47,000
Equity in earnings from ENMAX	–	–	–	–	–
Debt	–	–	83,203	178,182	261,385
Contribution from reserves	120,721	37,164	496,323	151,429	805,637
Internal transfers & contributions	18,654	–	–	–	18,654
Total Revenues	3,047,713	788,044	1,361,805	336,391	5,533,953
EXPENSES					
Salaries, wages and benefits	1,803,833	144,323	28,800	9,597	1,986,553
Contracted and general services	451,388	77,549	875,512	286,912	1,691,361
Materials, equipment and supplies	315,179	44,258	325,090	38,424	722,951
Utilities	63,016	24,415	489	165	88,085
Transfers	183,143	58,366	24,135	–	265,644
Internal recoveries	(488,157)	(25,718)	(98,257)	1,447	(610,685)
Interest charges	35,822	73,554	13,109	412	122,897
Amortization	31,559	74,736	–	–	106,295
Loss on sale	–	–	1,760	–	1,760
Debt principal repayments	288,995	7,915	1,691	–	298,601
Contribution from operations to reserves	581,282	265,407	–	–	846,689
Contribution (to)/from operations to/(from) capital	(213,362)	523	233,954	19,272	40,387
Internal transfers & contributions	(42,716)	42,716	–	–	–
Total Expenses	3,009,982	788,044	1,406,283	356,229	5,560,538
Annual Surplus /(Deficit)	\$ 37,731	\$ –	\$ (44,478)	\$ (19,838)	\$ (26,585)

	Related Authorities	ENMAX	Consolidation Adjustments	Total Consolidated 2016
\$	38,423	\$ -	\$ (106,278)	\$ 1,803,598
	-	-	-	134,601
	159,484	-	(68,301)	1,211,983
	3,487	-	(78)	65,443
	44,909	-	(137)	747,110
	2,697	-	384	198,394
	226	-	298,452	298,678
	3,628	-	-	77,451
	17,342	-	-	89,796
	1,222	-	(8)	114,988
	10,806	-	(10,675)	47,825
	6,501	-	24,792	32,604
	(2,546)	-	(26,771)	(23,635)
	-	-	-	47,000
	-	31,103	-	31,103
	-	-	(261,385)	-
	-	-	(805,637)	-
	58,880	-	(77,534)	-
	345,059	31,103	(1,033,176)	4,876,939
	89,773	-	(100,272)	1,976,054
	92,019	-	(1,316,767)	466,613
	50,958	-	(480,162)	293,747
	14,065	-	(20,812)	81,338
	18,513	-	(165,860)	118,297
	-	-	610,685	-
	8,867	-	(7,681)	124,083
	25,270	-	464,541	596,106
	-	-	14,552	16,312
	5,483	-	(304,084)	-
	-	-	(846,689)	-
	-	-	(40,387)	-
	-	-	-	-
	304,948	-	(2,192,936)	3,672,550
\$	40,111	\$ 31,103	\$ 1,159,760	\$ 1,204,389

25. COMMITMENTS AND CONTINGENT LIABILITIES

- a) Capital commitments of \$1,301,891 (2016 – \$1,111,103) are not reflected in the consolidated financial statements. This amount represents uncompleted portions of contracts, as at December 31, 2017, on major projects and estimated obligations under other various agreements. These capital commitments were included in the current year's capital budget of \$2,118,965 (2016 – \$1,729,436) and will be funded from reserves and debt in future years.
- b) Commitments related to operating leases of \$29,775 (2016 – \$34,010) for office premises and facilities are not reflected in the consolidated financial statements. Annual commitments will be funded from the operating fund in the respective future years and are as follows:

2018	\$ 6,022
2019	5,574
2020	4,256
2021	2,889
2022	2,046
Thereafter	8,988
	<hr/>
	\$ 29,775

- c) In the ordinary course of business, various claims and lawsuits are brought against The City. It is the opinion of management that the settlement of these actions will not result in any material liabilities beyond any amounts already accrued. Certain claims are covered by The City's liability insurance as such only the deductible for insurance purposes is accrued. Where the resulting loss of various claims and lawsuits brought against The City cannot be reasonably estimated, amounts have not been recorded, and The City's administration believes that there will be no material adverse effect on the financial position of The City. No provision has been made for pending expropriations of land beyond the payments already made to affected property owners. Any payment made by The City pursuant to expropriation settlement is charged to the year of settlement.

- d) Where estimated environmental management costs are reasonably determinable, The City has recorded a total provision in the amount of \$ 2,719 (2016 – \$3,090) for environmental liabilities based on management's estimate of these costs. Such estimates are subject to adjustment based on changes in laws and regulations and as additional information become available.
- e) As at December 31, 2017, there were various assessment appeals pending with respect to properties. The outcome of those appeals may result in adjustments to property taxes receivable for the current and prior years. The City makes an annual provision against property taxes receivable for the impact of appeals including specific provision where the results of an appeal are reasonably determinable and general provision for those where the outcome is presently indeterminable.
- f) Alberta Revenue, Tax and Revenue Administration ("Alberta Finance") is responsible for assessing the income tax returns filed under the PILOT regulation to the *Electric Utilities Act* which became effective January 1, 2001. ENMAX regularly reviews the potential for adverse outcomes in respect of tax matters and believes it has adequate provisions for these tax matters. The determination of the income tax provision is an inherently complex process, requiring management to interpret continually changing regulations and to make certain judgments.
- g) The City has entered into a 20-year contract for power supply from ENMAX Energy from 2007 to 2026. Under the terms of the agreement, ENMAX Energy is to supply The City with 100% of the electricity from renewable sources. Annual electricity prices are based on a portfolio of energy sources developed for The City by ENMAX Energy.
- h) The City has entered into a 20-year agreement with District Energy, a wholly owned subsidiary of ENMAX, for thermal energy supply commencing July 1, 2010. The annual price of the energy supplied will be a blended rate which includes a fixed charge component. The estimated future obligation for this fixed charge is \$6,508 as at December 31, 2017 (2016 – \$6,951).
- i) The City has entered into an agreement with CMLC for the New Central Library ("NCL"), The City has committed a total of \$175,000 and CMLC has committed an additional \$70,000 for a total capital cost of \$245,000. As at December 31, 2017, total remaining capital commitments are \$40,822 (2016 – \$93,741).

- j) The City entered into a P3 agreement with Plenary Infrastructure Calgary LP ("Plenary") on September 13, 2016 to design, build, finance, and maintain The City's Stoney compressed natural gas bus storage and transit facility. The new facility will be funded through capital debt, reserves, and federal government transfers. The City anticipates to receive up to \$46,900 from the federal government towards the cost of the project. The facility is expected to be substantially complete in January 2019 and will be maintained by Plenary until January 2049. As at December 31, 2017, The City incurred \$68,386 (2016 – \$11,172) of costs, which were captured in the work-in-progress balance for tangible capital assets (Note 15). The expected commitment related to the new facility is \$226,165 (2016 – \$226,165).
- k) The City is responsible for the remediation of contaminated sites that are no longer in productive use where The City is directly responsible or has accepted responsibility for remediation. A provision for future clean-up costs and monitoring has been accrued based on environmental assessments. As at December 31, 2017, the provision is \$579 (2016 – \$734) and is classified in trade payables. This provision is based on \$624 (2016 – \$784) in expenditures expected to be incurred over the next 25 years discounted at 3.2% (2016 – 3.2%) based on The City's weighted average cost of capital.

The liability for contaminated sites includes sites associated with former industrial operations. The nature of contamination includes polycyclic aromatic hydrocarbons, heavy metals and road salts. The sources of the contamination include, but are not limited to, activities related to historical operations and non-sanctioned activities on City land. Sites often have multiple sources of contamination.

From time to time, there may be uncertainty as to whether The City has a legal responsibility or accepts responsibility for a contaminated site or whether economic benefits will be foregone for a contaminated site. It is not expected that the impact of any such sites would have a material impact on the financial statements. When The City is able to determine that all inclusion criteria have been met, The City will accrue a liability for these future remediation costs.

26. GUARANTEES

In the normal course of business, The City enters into various agreements that may contain features that meet the definition of a guarantee. A guarantee is defined to be a contract (including an indemnity) that contingently requires The City to make payments to the guaranteed party based on (a) changes in an underlying interest rate, foreign exchange rate, equity or commodity instrument, index or other variables that are related to an asset, liability or an equity security of the counterparty, (b) failure of another party to perform under an obligating agreement or, (c) failure of a third party to pay its indebtedness when due. Significant guarantees The City has provided to third parties include the following:

a) Third party debt agreements

No amounts have been accrued in the consolidated financial statements of The City with respect to the following agreements.

- i) The City has guaranteed certain indebtedness of the Calgary Exhibition and Stampede Limited ("CES"). This third party debt agreement requires The City to make immediate payment of certain outstanding borrowings on behalf of CES in the event CES cannot fulfill its obligations to a Canadian chartered bank. The terms of these guarantees are equal to the amortization periods of the related credit facilities, which mature between 2024 and 2036. The interest rates on the credit facilities held by CES range from 1.45% to 6.23% (2016 – 1.21% to 6.23%). As at December 31, 2017, CES has drawn a total of \$71,740 (2016 – \$71,092) on the total maximum available facility of \$85,140 (2016 – \$89,492). The City, as an unconditional guarantor, holds as security a fixed debenture in the amount of \$100,227 (2016 – \$100,227) charging certain lands owned by the CES.
- ii) The City has guaranteed certain indebtedness of The Calgary Zoological Society (the "Zoo"). This third party debt agreement requires The City to make immediate payment of outstanding borrowings on behalf of the Zoo in the event the Zoo cannot fulfill its obligations to a Canadian chartered bank. The term of the guarantee is valid until 2024, and the related debt will mature in 2019, subject to a renewal for a further five years at that time. In the event the Zoo does not extend the loan beyond 2019, the City's guarantee will automatically expire. The interest rate on the credit facility is 4.94% (2016 – 4.94%). As at December 31, 2017, the outstanding balance of the facility was \$2,815 (2016 – \$3,144) on the total maximum available facility of \$2,815 (2016 – \$3,144). As collateral to this guarantee, The City could terminate its Lease and Operating Agreement with the Zoo and take possession and control of all Zoo facilities, including any and all personal property owned by the Zoo at that time.

- iii) The City has guaranteed certain indebtedness of AHCC. This third party debt agreement requires The City to make immediate payment of outstanding borrowings on behalf of AHCC in the event AHCC cannot fulfill its obligations on a revolving credit facility to a Canadian financial institution. The term of the guarantee is valid until 2021, and the related credit facility will mature in 2019, subject to a renewal for a further period of one year. In the event the credit facility is not extended beyond 2019, The City's guarantee will automatically expire. The interest on the credit facility is Prime minus 0.75% per annum (2016 – Prime minus 0.75%). As at December 31, 2017, the outstanding balance of the facility was \$3,399 (2016 – \$6,083) on the total maximum available facility of \$10,000 (2016 – \$10,000). The City, as an unconditional guarantor, holds as security a fixed and floating debenture in the amount of \$10,000 (2016 – \$10,000).

b) Other indemnification agreements

In the normal course of business, The City may provide indemnification to counterparties that would require The City to compensate them for costs incurred as a result of litigation claims or statutory sanctions that may be suffered by the counterparty as a result of the transaction. The terms of these indemnification agreements will vary based upon the contract. The nature of the indemnification agreements prevents The City from making a reasonable estimate of the maximum potential amount it could be required to pay to counterparties. Historically, The City has not made any payments under such indemnifications and any potential future claims would be claimed against the Civic Insurance Program, which comprises a combination of purchased insurance and a self-funded component.

27. EXECUTIVE SALARIES AND BENEFITS

Disclosure of executive salaries and benefits, as required by provincial regulations, is as follows:

	2017 Salaries	2017 Benefits	2017 Total	2016 Salaries	2016 Benefits	2016 Total
Mayor	\$ 211	\$ 39	\$ 250	\$ 217	\$ 41	\$ 258
Councillors ^{(1) (2)}	1,590	515	2,105	1,622	503	2,125
City Manager	340	52	392	340	52	392
Designated Officers ⁽³⁾	1,200	245	1,445	1,258	204	1,462

Executive salaries and benefits obligations have been fully funded by The City.

Notes:

1. The Councillors who served throughout 2017 in Wards 1, 2, 4, 7, 8, 9, 10, 12, 13, and 14 each received a salary of \$113 (2016 – \$116) and benefits ranging between \$32 and \$38 (2016 – \$16 and \$38). In the Wards in which Councillors left office Wards 3, 6, 10 and 11, received a salary of \$94 (2016 – \$116) and benefits ranging between \$14 and \$32 (2016 – \$16 and \$38). The new Councillors in Wards 3, 5, 6, and 11 received a salary of \$20 and benefits ranging between \$3 and \$7. Transitional allowances in 2017 were paid to Councillors who left office after the 2017 election as disclosed in Note 27 (2).
2. Elected officials receive a transition allowance of two weeks pay for each year in office, up to a maximum of twenty six years, when they leave office. These allowances may be taken over several years and are not included in the salary and benefits amounts reported above. Transitional allowances paid to the former Councillors who left office in 2017 are Ward 10 – \$26 and Ward 11 – \$22 (2016 Ward 1 – \$39 and Ward 2 \$17). Transitional allowances to be paid in 2018 and beyond are: Ward 3 – \$44, Ward 6 – \$31, Ward 10 – \$26, and Ward 11 – \$22.
3. The City's five designated officers are the City Assessor, City Clerk, City Solicitor, City Treasurer and City Auditor. In 2017, there was \$21 (2016 – \$89) in statutory holiday pay, vacation pay out of the ordinary course of business and severance payouts for these five designated officers.

28. FINANCIAL INSTRUMENTS

At December 31, 2017, The City had 17 (2016 – 25) U.S. foreign exchange fixed contracts in place. Maturity dates for these contracts range from January 2018 to December 2019. Total committed future foreign merchandise purchases are \$75,836 USD (2016 – \$105,750 USD).

The City also had 1 (2016 – 2) Swiss Franc foreign exchange fixed contract in place as at December 31, 2017 with a maturity date of July 2018. Total committed future foreign merchandise purchases are €393 (2016 – € 918) and 80 CHF (2016 – 160 CHF).

Under the terms of the contract arrangements, The City has fixed its exchange risk on foreign purchases for Canadian dollar trades against the U.S. dollar with Canadian Schedule 1 banks at rates ranging from 1.27 to 1.36 Canadian dollars. A similar arrangement is in place for the Swiss Franc contract with a rate of 1.52 Canadian dollars. The Canadian dollar equivalent of these contracts at December 31, 2017 is \$31,194 (2016 – \$56,565) Canadian dollars. During the fiscal year ended December 31, 2017, the various arrangements for foreign merchandise cost The City \$2,512 less (2016 – \$7,471 less) than if the arrangements had not been entered into.

The City uses hedges to mitigate foreign exchange risk for its purchases of the light rail transit system. Under the terms of the agreement, The City has fixed its U.S. dollar exchange rates, which range from 1.03 to 1.07. During the fiscal year ended December 31, 2017, the hedges allowed The City to reduce its foreign exchange exposure by \$3,825 (2016 – \$7,366). As at December 31, 2017, The City has \$25,372 USD (2016 – \$40,553 USD) of committed purchases that have not yet been settled under the agreement. No additional hedge investments (2016 – \$5,317 USD) were held as at December 31, 2017 for this agreement. The City expects to settle its remaining purchase commitments by 2019.

29. FUNDS HELD IN TRUST

The City administers the following trusts on behalf of third parties. As related trust assets are not owned by The City, the trusts have been excluded from the consolidated financial statements. The following table provides a summary of the transactions within these trusts during the year:

	December 31, 2016	Receipts	Investment Income	Disbursements	December 31, 2017
Joint use reserve fund	\$ 82,300	\$ 673	\$ 1,640	\$ (976)	\$ 83,637
Oversize roads	6,846	15,356	78	(6,941)	15,339
Oversize parks	23,083	2,485	108	(11,211)	14,465
Oversize utilities	9,474	2,298	79	(1,152)	10,699
Developers' cash bonds	4,950	719	32	(997)	4,704
Southland natural park sport field	1,875	–	14	–	1,889
Off-site levies	460	–	4	–	464
Other miscellaneous trusts	866	1,115	5	(1,277)	709
	\$ 129,854	\$ 22,646	\$ 1,960	\$ (22,554)	\$ 131,906

The Joint use reserve fund ("JURF") consists of monies received from land developers in lieu of the 10% reserve land requirement as set forth in Part 17 of the Municipal Government Act. Use of the JURF is restricted to unanimously approved land acquisitions for future school, parks and recreation facilities.

The oversize roads, parks, and utilities fund consist of amounts provided by developers of new subdivisions in accordance with oversize rates set out in the Master Development Agreement (MDA). A MDA is a legal contract for all residential, industrial and commercial developments. The contract sets out the terms and conditions under which development of the lands are to take place within the city including the responsibility to construct public facilities and associated financial obligations.

The developers' cash bonds are monies held to secure performance by a developer under the terms of the MDA.

The Southland natural park sport field funds are held for the purpose of maintaining the sports field in Southland Natural Park.

Off-site levies consist of monies received from developers pursuant to a special clause in the MDA prior to 2000. The levies are to be used for recreational facilities in designated communities.

Other miscellaneous trusts are composed of multiple funds with minimal balances that are held for external organizations.

30. PRIOR PERIOD ADJUSTMENTS

- a) In 2009, The City adopted the provisions of Section 3150 Tangible Capital Assets of the PSAS Handbook and recorded The City's tangible capital assets, net of related amortization, as non-financial assets. In 2017, as a result of continued usage and refinement of capital asset accounting and management systems, certain asset balances were identified that required correction and the financial statements have been retroactively adjusted. The tangible capital assets previously reported in the 2016 financial statements as \$16,014,276 has been restated to \$16,003,295, resulting in a decrease of \$10,981. The change represents less than 0.1 per cent of tangible capital assets.
- b) In 2017, The City identified adjustments to land inventory and miscellaneous revenue for an intercompany transaction that required correction. This correction has been reflected in these financial statements as a prior period adjustment to 2016 figures. The land inventory previously reported in the 2016 financial statements as \$235,642 has been restated to \$248,008, resulting in an increase of \$12,366 to miscellaneous revenue.

These restated amounts had no effect on The City's cash balances, property tax revenues or any other balances influencing The City's grants received, property tax assessments or any other related balances.

The impact of this change was to:

Decrease opening accumulated surplus by \$31,778 and increase closing accumulated surplus by \$1,385 as follows:

	December 31, 2016 (Previously Reported)	Adjustments	December 31, 2016 (Restated)
Net financial assets	\$ 1,359,277	\$ 12,366	\$ 1,371,643
Tangible capital assets	16,014,276	(10,981)	16,003,295
Other non-financial assets	94,617	–	94,617
Accumulated Surplus	\$ 17,468,170	\$ 1,385	17,469,555

Increase annual surplus by \$33,163 as follows:

	December 31, 2016 (Previously Reported)	Adjustments	December 31, 2016 (Restated)
Revenues	\$ 3,753,259	\$ 12,366	\$ 3,765,625
Expenses	3,694,495	(21,945)	3,672,550
Other	1,177,956	(1,148)	1,176,808
Other comprehensive (loss) – ENMAX Corporation	(65,494)	–	(65,494)
Annual Surplus	\$ 1,171,226	\$ 33,163	\$ 1,204,389

31. CHANGE IN ACCOUNTING POLICY

The City has changed its estimate on the useful life of land improvements so that assets better reflect actual usage patterns. The change in estimate is being applied prospectively to the current and future periods.

32. 2013 FLOOD EVENT

Overview

On June 20, 2013, The City experienced a major flood event and a State of Local Emergency ("SOLE") was declared within The City. The flood caused significant damage to The City's tangible capital asset balances. While The City has completed a portion of the work to restore conditions to pre-flood state, it is expected that remediation and mitigation efforts will continue into 2018 and beyond.

The City holds various insurance policies with multiple insurance providers which have been used to fund a portion of the remediation and recovery efforts.

The City has applied to the Province of Alberta for flood relief and mitigation funding through the following programs:

- Disaster Recovery Program ("DRP") to provide financial assistance for uninsurable property damage, loss and other expenses incurred as the result of the flood;
- Flood Recovery Erosion Control ("FREC") program to deal with erosion damage from the flood and address immediate repairs and long-term community mitigation projects;
- Municipal Staffing Capacity Grant ("MSCG") program to fund consultants and newly hired staff to perform operating flood recovery work; and
- Flood Readiness Grant program to secure operating grants to enable communities impacted by the flood to increase community resiliency and enhance operational capability to mitigate and respond to future flood risks.

Impact on Financial Results

Costs incurred as a result of remediation or mitigation efforts are capitalized or expensed in accordance with accounting policies in Note 1. Only costs that represent a betterment, enhancement or new asset are capitalized, with repairs and maintenance being expensed. All operating expenditures are recognized in the current year consolidated statement of operations and accumulated surplus in the various business units that incurred those costs.

The City has incurred \$nil in insurance related capital expenditures in 2017 and incurred \$1,442 in 2016. The remainder being funded internally until further DRP claims are processed and finalized.

With respect to the Provincial flood funding, the following grants were received and expenses were recognized in the consolidated statement of operations and accumulated surplus:

- The City received from the DRP \$nil (2016 – \$40,000) during 2017. The City has incurred \$7,294 (2016 – \$12,659) in DRP related capital expenditures, the total of which has been funded by the DRP advance and interest earned \$615 (2016 – \$617), with the remainder being funded internally until further DRP claims are processed and finalized.
- The City has also incurred \$1,241 (2016 – \$2,097) of emergency operating and recovery costs and recovered \$82 (2016 – \$5,604) from DRP in 2017 with the remaining balance expected to be recovered in future years.
- FREC provided \$nil (2016 – \$nil) and \$3,212 (2016 – \$8,913) was spent in 2017. Cash advances that are not spent at the end of the year including interest earned \$429 (2016 – \$490) in the amount of \$12,581 (2016 – \$15,365) are recorded as capital deposits.

The City is required to earn interest income, through its investment strategy, on the unspent balance of the Provincial grants received for FREC, MSCG and Flood Readiness. The unspent balance is required to be repaid by June 30, 2019.

Due to significant uncertainty in measurement, as well as significant uncertainty of collectability, The City has not recognized accounts receivable or revenue for Provincial proceeds that it expects to receive in the future related to remediation or mitigation costs. These amounts will be recorded as revenue in the fiscal year received.

Tangible capital assets that were significantly impacted by the flood include a variety of asset types through a variety of business units. The majority of asset classes affected include buildings, various engineered structures (e.g. roads, bridges, pathways, transit lines, etc.), machinery and equipment and vehicles. The majority of these assets have been replaced or repaired with the remainder of these costs to be incurred in 2018 and beyond. The City has completed review assessments of the conditions of assets affected by the flood and has determined that no permanent impairment is present as at December 31, 2017.

Measurement Uncertainty

The impact of the flood was subject to a high degree of estimation and judgement, particularly as it relates to the estimation of future expenditures and impairment of assets. The City has used the best information at the time in all measurements and estimations related to the flood and those estimates may not materialize and the final results and adjustments to these estimates will be reflected in future financial statements.

The City has estimated the total cost of capital expenditures related to the flood to be approximately \$309,286 (excluding resiliency), which includes repairs, replacements and mitigation strategies, of which \$274,236 (2016 – \$253,197) has been incurred.

33. COMPARATIVE FIGURES

Certain comparative figures have been reclassified to conform to the current year's presentation. Reclassifications have been made in 2016 to reclassify certain balances between reserves and between expenses by function on the consolidated statement of operations. The impact of these changes, excluding the impact of prior period adjustments (Note 30) was to increase lifecycle maintenance and upgrade reserve by \$429 and decrease other operating reserves by \$429 and increase Calgary Public Library Board by \$5,781 and decrease societies and related authorities by \$5,781.

FINANCIAL AND STATISTICAL SCHEDULES

THE CITY OF CALGARY, ALBERTA



Revenue by Source Unaudited (see Notes) 2013 to 2017

(in thousands of dollars)

	2017 Operating	2017 Capital	Total	2016 Operating (Restated) ⁽⁴⁾	2016 Capital (Restated) ⁽⁴⁾	2016 Total (Restated) ⁽⁴⁾
Property taxes	\$ 2,438,392	\$ –	\$ 2,438,392	\$ 2,393,642	\$ –	\$ 2,393,642
Community Revitalization Levy	37,740	–	37,740	41,031	–	41,031
Business taxes	88,105	–	88,105	134,601	–	134,601
Revenue in lieu of taxes	169,606	–	169,606	154,293	–	154,293
Local improvement levies and special taxes	11,852	–	11,852	6,294	–	6,294
	2,745,695	–	2,745,695	2,729,861	–	2,729,861
Less: Provincial property taxes	(790,266)	–	(790,266)	(791,662)	–	(791,662)
Net taxes available for municipal purposes	1,955,429	–	1,955,429	1,938,199	–	1,938,199
Sales of goods and services						
Water and sewer	681,048	–	681,048	642,499	–	642,499
Public transit	173,804	–	173,804	176,170	–	176,170
Real estate	89,725	–	89,725	54,129	–	54,129
Recreation and culture	68,774	–	68,774	70,774	–	70,774
Parking	58,340	–	58,340	60,353	–	60,353
Social housing	46,679	–	46,679	50,482	–	50,482
Protective services	36,279	–	36,279	40,727	–	40,727
Waste disposal	85,888	–	85,888	86,113	–	86,113
Other	33,523	–	33,523	30,736	–	30,736
	1,274,060	–	1,274,060	1,211,983	–	1,211,983
Government transfers and revenue sharing agreements						
Federal						
Debenture interest rebates	203	–	203	199	–	199
Revenue and cost sharing agreements and grants agreements	4,490	115,594	120,084	4,461	60,783	65,244
Provincial						
Debenture interest rebates	34	–	34	40	–	40
Grants, entitlements, revenue and cost sharing agreements	140,441	595,592	736,033	128,117	618,953	747,070
	145,168	711,186	856,354	132,817	679,736	812,553
Other revenue						
Dividends from ENMAX	48,000	–	48,000	47,000	–	47,000
Other equity (loss)/earnings in ENMAX	(78,312)	–	(78,312)	96,597	–	96,597
Other equity earnings in Co-Ownership	–	–	–	–	–	–
Developer contributions	–	138,557	138,557	–	198,394	198,394
Donated assets	–	204,778	204,778	–	298,678	298,678
Investment income	104,520	–	104,520	77,451	–	77,451
Fines and penalties	92,040	–	92,040	89,796	–	89,796
Licences, permits and fees	124,356	–	124,356	114,988	–	114,988
Miscellaneous revenue	90,806	–	90,806	56,794	–	56,794
	381,410	343,335	724,745	482,626	497,072	979,698
Total revenue	\$ 3,756,067	\$ 1,054,521	\$ 4,810,588	\$ 3,765,625	\$ 1,176,808	\$ 4,942,433

2015 Operating	2015 Capital	2015 Total	2014 Operating	2014 Capital	2014 Total	2013 Operating	2013 Capital	2013 Total
(Restated) ⁽³⁾	(Restated) ⁽³⁾	(Restated) ⁽³⁾	(Restated) ⁽²⁾	(Restated) ⁽²⁾	(Restated) ⁽²⁾	(Restated) ⁽¹⁾	(Restated) ⁽¹⁾	(Restated) ⁽¹⁾
\$ 2,219,421	\$ –	\$ 2,219,421	\$ 2,006,756	\$ –	\$ 2,006,756	\$ 1,906,540	\$ –	\$ 1,906,540
38,785	–	38,785	32,745	–	32,745	27,336	–	27,336
196,184	–	196,184	201,114	–	201,114	225,390	–	225,390
184,722	–	184,722	224,186	–	224,186	202,517	–	202,517
6,926	–	6,926	5,624	–	5,624	80,021	–	80,021
2,646,038	–	2,646,038	2,470,425	–	2,470,425	2,441,804	–	2,441,804
(719,820)	–	(719,820)	(669,163)	–	(669,163)	(636,138)	–	(636,138)
1,926,218	–	1,926,218	1,801,262	–	1,801,262	1,805,666	–	1,805,666
607,673	–	607,673	528,913	–	528,913	481,613	–	481,613
195,228	–	195,228	191,171	–	191,171	186,493	–	186,493
95,489	–	95,489	122,826	–	122,826	88,417	–	88,417
73,503	–	73,503	72,280	–	72,280	67,745	–	67,745
63,596	–	63,596	62,677	–	62,677	59,941	–	59,941
49,241	–	49,241	49,978	–	49,978	47,469	–	47,469
40,906	–	40,906	43,752	–	43,752	45,790	–	45,790
93,068	–	93,068	99,535	–	99,535	91,525	–	91,525
66,576	–	66,576	43,274	–	43,274	47,305	–	47,305
1,285,280	–	1,285,280	1,214,406	–	1,214,406	1,116,298	–	1,116,298
129	–	129	147	–	147	151	–	151
3,683	64,447	68,130	4,360	48,919	53,279	4,311	88,971	93,282
41	–	41	33	–	33	48	–	48
128,390	635,257	763,647	150,551	553,301	703,852	108,858	294,007	402,865
132,243	699,704	831,947	155,091	602,220	757,311	113,368	382,978	496,346
56,000	–	56,000	60,000	–	60,000	67,500	–	67,500
(46,275)	–	(46,275)	124,069	–	124,069	284,983	–	284,983
618	–	618	1,992	–	1,992	–	–	–
–	107,456	107,456	–	89,637	89,637	–	95,783	95,783
–	197,021	197,021	–	229,982	229,982	–	249,829	249,829
79,185	–	79,185	61,794	–	61,794	47,357	–	47,357
80,451	–	80,451	72,121	–	72,121	69,503	–	69,503
124,358	–	124,358	116,331	–	116,331	103,645	–	103,645
68,235	–	68,235	44,082	–	44,082	95,292	–	95,292
362,572	304,477	667,049	480,389	319,619	800,008	668,280	345,612	1,013,892
\$ 3,706,313	\$ 1,004,181	\$ 4,710,494	\$ 3,651,148	\$ 921,839	\$ 4,572,987	\$ 3,703,612	\$ 728,590	\$ 4,432,202

Expenses By Function unaudited (see Notes) 2013 to 2017

(In thousands of dollars)

	2017	2016 ⁽⁴⁾ (Restated)	2015 ⁽³⁾ (Restated)	2014 ⁽²⁾ (Restated)	2013 ⁽¹⁾ (Restated)
Protective Services					
Police	\$ 508,953	\$ 494,546	\$ 473,727	\$ 451,128	\$ 440,213
Fire	325,180	312,732	289,593	279,986	263,501
	834,133	807,278	763,320	731,114	703,714
Transportation					
Public transit	554,680	546,375	542,416	513,595	494,625
Roads, traffic and parking	461,739	409,420	407,105	433,667	397,462
	1,016,419	955,795	949,521	947,262	892,087
Environmental protection					
Water services & resources	514,187	525,185	476,634	438,648	404,800
Waste and recycling	136,910	131,726	128,182	136,683	125,236
	651,097	656,911	604,816	575,331	530,036
Social development					
Community and social development	82,965	76,180	66,063	67,567	63,132
Social housing	133,279	122,718	159,323	127,250	129,001
	216,244	198,898	225,386	194,817	192,133
Recreation and culture					
Parks and recreation facilities	320,900	303,334	264,150	266,664	264,550
Societies and related authorities	83,039	77,141	81,239	86,290	108,453
Calgary Public Library Board	64,171	63,182	54,527	52,898	47,011
	468,110	443,657	399,916	405,852	420,014
Other expenditure					
General government	292,912	262,412	300,654	278,582	350,073
Public works	293,561	304,598	272,039	214,329	193,486
Real estate services	48,429	43,001	75,139	103,595	82,476
	634,902	610,011	647,832	596,506	626,035
Total expenses	\$ 3,820,905	\$ 3,672,550	\$ 3,590,751	\$ 3,450,882	\$ 3,364,019

Notes: (1) Figures for 2013 have been restated for the correction of certain tangible capital asset and tax revenue adjustments identified in 2014. Years prior to 2013 have not been restated for these adjustments.

(2) Figures for 2014 have been restated for the inclusion of CADA and CED as related entities for consolidation purposes, as well as for the correction of certain tangible capital asset, miscellaneous revenue, transfer payment and land inventory adjustments identified in 2015. Years prior to 2014 have not been restated for these adjustments.

(3) Figures for 2015 have been restated for the correction of certain tangible capital asset, deferred income tax, capital deposit, and interest expense adjustments identified in 2016. Years prior to 2015 have not been restated for these adjustments.

(4) Figures for 2016 have been restated for the correction of certain tangible capital asset, land inventory and miscellaneous revenue adjustments identified in 2017. Years prior to 2016 have not been restated for these adjustments.

Other Financial and Statistical Schedules

FINANCIAL POSITION AND NET REVENUES UNAUDITED

2013 to 2017 (in thousands of dollars)

	2017	2016 ⁽⁴⁾	2015 ⁽³⁾	2014 ⁽²⁾	2013 ⁽¹⁾
		(Restated)	(Restated)	(Restated)	(Restated)
Financial assets	\$ 7,055,340	\$ 7,301,551	\$ 7,054,676	\$ 6,646,555	\$ 6,475,739
Financial liabilities	5,475,518	5,929,908	5,810,378	5,933,954	5,903,530
Net financial assets	1,579,822	1,371,643	1,244,298	712,601	572,209
Non-financial assets	16,980,420	16,097,912	15,052,646	14,372,340	13,432,385
Accumulated surplus	18,560,242	17,469,555	16,296,944	15,084,941	14,004,594
Annual surplus	\$ 1,090,687	\$ 1,204,389	\$ 1,145,119	\$ 1,080,347	\$ 821,438

- Notes: (1) Figures for 2013 have been restated for the correction of certain tangible capital asset, land inventory, and tax revenue accounting related adjustments identified in 2014. Years prior to 2013 have not been restated for these adjustments.
- (2) Figures for 2014 have been restated for the inclusion of CADA and CED as related entities for consolidation purposes, ENMAX's IFRS transition adjustments, as well as for the correction of certain tangible capital asset and land inventory adjustments identified in 2015. Years prior to 2014 have not been restated for these adjustments.
- (3) Figures for 2015 have been restated for the correction of certain tangible capital asset, deferred income tax, and capital deposit adjustments identified in 2016. Years prior to 2015 have not been restated for these adjustments.
- (4) Figures for 2016 have been restated for the correction of certain tangible capital asset, land inventory and miscellaneous revenue adjustments identified in 2017. Years prior to 2016 have not been restated for these adjustments.

ACQUISITION OF TANGIBLE CAPITAL ASSETS

2013 to 2017 (in thousands of dollars)

	2017	2016 ⁽⁴⁾	2015 ⁽³⁾	2014 ⁽²⁾	2013 ⁽¹⁾
		(Restated)	(Restated)	(Restated)	(Restated)
Capital additions	\$ 1,344,162	\$ 1,416,262	\$ 1,051,262	\$ 1,015,878	\$ 860,344

- Notes: (1) Figures for 2013 have been restated for the correction of certain tangible capital asset adjustments identified in 2014. Years prior to 2013 have not been restated for these adjustments.
- (2) Figures for 2014 have been restated for the correction of certain tangible capital asset adjustments identified in 2015. Years prior to 2014 have not been restated for these adjustments.
- (3) Figures for 2015 have been restated for the correction of certain tangible capital asset adjustments identified in 2016. Years prior to 2015 have not been restated for these adjustments.
- (4) Figures for 2016 have been restated for the correction of certain tangible capital asset, land inventory and miscellaneous revenue adjustments identified in 2017. Years prior to 2016 have not been restated for these adjustments.

Other Financial and Statistical Schedules

CONSOLIDATED ACCUMULATED SURPLUS UNAUDITED

2013 to 2017 (in thousands of dollars)

	2017	2016 ⁽⁶⁾	2015 ⁽⁴⁾	2014 ⁽²⁾	2013 ⁽¹⁾
		(Restated)	(Restated)	(Restated)	(Restated)
Operating fund	\$ 80,955	\$ 37,731	\$ 59,026	\$ 27,490	\$ 8,159
Capital fund	145,242	217,226	303,958	315,037	234,939
Reserves	2,044,048	1,975,809	1,915,176	1,626,276	1,437,065
Obligation to be funded in future years ⁽⁵⁾	(5,933)	(6,755)	(10,211)	(9,190)	–
Equity in ENMAX	2,314,000	2,291,308	2,260,205	2,281,064	2,460,204
Equity in Co-Ownership	–	–	–	1,539	3,438
Local improvements to be funded in future years ⁽³⁾	62,618	67,329	70,583	72,921	70,719
Equity in non-financial assets	13,919,312	12,886,907	11,698,207	10,769,804	9,790,070
	\$ 18,560,242	\$ 17,469,555	\$ 16,296,944	\$ 15,084,941	\$ 14,004,594

- Notes: (1) Figures for 2013 have been restated for the correction of certain tangible capital asset and tax revenue accounting adjustments identified in 2014. Years prior to 2013 have not been restated for these adjustments.
- (2) Figures for 2014 have been restated for the inclusion of CADA and CED as related entities for consolidation purposes, ENMAX's IFRS transition adjustments, as well as for the correction of certain tangible capital asset and land inventory adjustments identified in 2015. Years prior to 2014 have not been restated for these adjustments.
- (3) In 2013, The City adopted PS 3510 prospectively, which resulted in a change in the timing of revenue recognition of certain tax revenues. See Note 1 of the audited consolidated financial statements.
- (4) Figures for 2015 have been restated for the correction of certain tangible capital asset, deferred income tax, capital deposit, and interest expense adjustments identified in 2016. Years prior to 2015 have not been restated for these adjustments.
- (5) Obligation to be funded in future years consists of unfunded liabilities of \$6,755 (2015 – \$8,178) and \$nil (2015 – \$2,033) for the landfill rehabilitation provision and liability for contaminated sites, respectively.
- (6) Figures for 2016 have been restated for the correction of certain tangible capital asset, land inventory and miscellaneous revenue adjustments identified in 2017. Years prior to 2016 have not been restated for these adjustments.

EXPENSES BY OBJECT UNAUDITED

2013 to 2017 (in thousands of dollars)

	2017	2016 ⁽⁴⁾	2015 ⁽³⁾	2014 ⁽²⁾	2013 ⁽¹⁾
		(Restated)	(Restated)	(Restated)	(Restated)
Salaries, wages and benefits	\$ 2,012,895	\$ 1,976,054	\$ 1,860,128	\$ 1,752,478	\$ 1,693,095
Contracted and general services	469,470	466,613	456,424	432,488	501,829
Materials, equipment and supplies	369,692	293,747	343,164	341,902	336,045
Interest charges					
Tax supported	31,183	36,632	46,368	57,071	52,931
Self supported	84,291	87,451	84,650	82,440	85,229
Transfer payments	123,837	118,297	114,834	136,218	162,546
Utilities	92,000	81,338	79,283	86,985	75,003
Amortization	628,646	596,106	580,110	547,552	437,028
Loss on disposal of tangible capital assets	8,891	16,312	25,830	13,748	20,313
Total expenses	\$ 3,820,905	\$ 3,672,550	\$ 3,590,791	\$ 3,450,882	\$ 3,364,019

- Notes: (1) Figures for 2013 have been restated for the correction of certain tangible capital asset related adjustments identified in 2014. Years prior to 2013 have not been restated for this adjustment.
- (2) Figures for 2014 have been restated for the inclusion of CADA and CED as related entities for consolidation purposes, as well as for the correction of certain tangible capital asset, miscellaneous revenue, transfer payment and land inventory adjustments identified in 2015. Years prior to 2014 have not been restated for these adjustments.
- (3) Figures for 2015 have been restated for the correction of certain tangible capital asset, deferred income tax, capital deposit, and interest expense adjustments identified in 2016. Years prior to 2015 have not been restated for these adjustments.
- (4) Figures for 2016 have been restated for the correction of certain tangible capital asset, land inventory and miscellaneous revenue adjustments identified in 2017. Years prior to 2016 have not been restated for these adjustments.

Other Financial and Statistical Schedules

CONSOLIDATED INVESTMENTS UNAUDITED

2013 to 2017 (in thousands of dollars)

	2017	2016	2015	2014 ⁽¹⁾	2013
				(Restated)	
Cost:					
Government of Canada	\$ 448,941	\$ 390,136	\$ 360,775	\$ 312,443	\$ 296,416
Other Government	427,985	522,641	540,840	500,394	336,992
Corporate	2,107,337	2,743,537	2,889,837	2,680,473	2,487,030
Global fixed income investments	501,720	97,726	–	–	–
Equity investments	407,774	342,422	326,536	209,463	197,025
	\$ 3,893,757	\$ 4,096,462	\$ 4,117,988	\$ 3,702,773	\$ 3,317,463
Market Value:					
Government of Canada	\$ 445,545	\$ 387,989	\$ 362,277	\$ 313,604	\$ 295,882
Other government	421,092	517,358	542,556	508,199	333,205
Corporate	2,095,590	2,743,949	2,893,485	2,689,034	2,486,998
Global fixed income investments	496,850	97,725	–	–	–
Equity investments	480,860	406,573	360,635	263,798	238,039
	\$ 3,939,937	\$ 4,153,594	\$ 4,158,953	\$ 3,774,635	\$ 3,354,124

Notes: (1) Figures for 2014 have been restated for the inclusion of CADA and CED as related entities for consolidation purposes. Years prior to 2014 have not been restated for these adjustments.

Other Financial and Statistical Schedules

CONSOLIDATED RESERVES UNAUDITED

2013 to 2017 (in thousands of dollars)

	2017	2016	2015 ⁽³⁾	2014 ⁽²⁾	2013 ⁽¹⁾
			(Restated)	(Restated)	(Restated)
Significant Reserves					
Fiscal stability	\$ 492,766	\$ 518,830	\$ 488,785	\$ 415,881	\$ 357,301
Reserve for future capital	308,440	327,014	354,190	318,286	269,629
Budget savings account	157,334	130,103	60,905	–	–
Debt servicing	52,570	52,570	52,570	52,570	52,570
Legacy parks	7,195	10,558	18,450	23,033	19,738
Corporate housing reserve ⁽³⁾	30,383	29,559	38,205	35,750	31,903
Real estate services (combined operating & capital)	65,831	59,005	63,432	90,913	73,799
Community investment	39,407	102,204	152,379	168,302	151,077
Economic Development Investment	55,000	–	–	–	–
Calgary building services sustainment	86,752	99,114	93,707	74,063	48,701
Reserve for tax loss provision	37,398	37,398	37,398	37,398	39,823
Lifecycle maintenance and upgrade ⁽⁴⁾	174,747	116,123	149,391	97,251	125,729
Calgary Housing Company ⁽³⁾	27,349	27,448	27,426	22,589	17,010
	\$ 1,535,172	\$ 1,509,926	\$ 1,536,838	\$ 1,336,036	\$ 1,187,280
Other reserve balances will be utilized in future years for the following types of expenses:					
Utilities sustainment ^{(1) (3)}	\$ 142,392	\$ 135,131	\$ 83,257	\$ 49,153	\$ 44,076
Social programs	9,084	10,197	10,310	8,316	8,283
Police services (capital)	40,209	40,254	34,349	30,978	28,362
Police services (operating)	4,000	4,000	4,000	4,000	4,000
Waste & recycling sustainment ⁽²⁾	64,802	48,019	48,809	41,968	33,808
ENMAX dividend stabilization	20,000	20,000	20,000	16,450	10,100
Other operating ⁽⁴⁾	104,448	99,520	81,841	59,076	52,205
Other capital expenditures	123,941	108,762	95,772	80,299	68,951
	508,876	465,833	378,338	290,240	249,785
	\$ 2,044,048	\$ 1,975,809	\$ 1,915,176	\$ 1,626,276	\$ 1,437,065

Notes: (1) In 2013, other operating reserves were restated for the correction of tax revenue accounting related adjustments identified in 2014.

(2) In 2014, other capital expenditures reserves were restated for the inclusion of CADA and CED as related entities for consolidation purposes. Years prior to 2014 have not been restated for these adjustments.

(3) In 2015, Corporate housing reserves, Calgary Housing Company reserve, and Utilities sustainment reserves were restated for adjustments identified in 2016. Years prior to 2015 have not been restated for these adjustments.

(4) In 2016, lifecycle maintenance and upgrade reserve and other operating reserves were reclassified to conform to the current year's presentation.

Taxation and Assessments unaudited 2013 to 2017

(in thousands of dollars unless otherwise stated)

		2017	2016	2015 ⁽³⁾ (Restated)	2014 ⁽²⁾ (Restated)	2013 ⁽¹⁾ (Restated)
TAX RATES						
Residential						
Municipal and Library	Mills	3.963	3.709	3.541	3.747	3.797
Provincial property	Mills	2.538	2.465	2.214	2.356	2.525
Non-Residential						
Municipal and Library	Mills	13.882	12.155	10.737	10.694	10.991
Provincial property	Mills	3.863	3.780	3.458	3.417	3.305
ASSESSED VALUES						
Residential		\$206,172,452	\$210,448,506	\$210,408,125	\$183,058,116	\$170,331,240
Percentage of total (%)		75.6	75.3	74.9	74.1	74.9
Commercial, industrial and farm		\$66,440,662	\$68,985,390	\$70,507,335	\$64,107,914	\$57,042,815
Percentage of total (%)		24.4	24.7	25.1	25.9	25.1
Total assessment		\$272,613,114	\$279,433,896	\$280,915,460	\$247,166,030	\$227,374,055
TAX LEVIES						
Municipal property taxes						
Residential		\$813,769	\$788,084	\$745,974	\$699,844	\$650,287
Non-residential		841,003	820,245	762,066	646,637	628,404
Community Revitalization Levy		37,740	41,031	38,785	32,745	27,336
Business taxes		88,105	134,601	196,184	201,114	225,390
Revenue in lieu of taxes		162,960	147,944	176,283	215,298	194,228
Local improvement levies and special levies		11,852	6,294	6,926	5,624	80,021
		\$1,955,429	\$1,938,199	\$1,926,218	\$1,801,262	\$1,805,666
Provincial property taxes						
Residential		\$532,887	\$520,571	\$463,175	\$436,150	\$444,289
Non-residential		250,733	264,742	248,206	224,125	183,560
Revenue in lieu of taxes		6,646	6,349	8,439	8,888	8,289
		790,266	791,662	719,820	669,163	636,138
Total taxes levied		\$2,745,695	\$2,729,861	\$2,646,038	\$2,470,425	\$2,441,804
Percentage of Total Levies						
Property tax						
Residential property		49.05%	47.94%	45.70%	45.98%	44.83%
Non-residential property		39.76%	39.75%	38.18%	32.91%	33.25%
Local improvement levies		0.43%	0.23%	0.26%	0.23%	3.28%
Community Revitalization Levy		1.37%	1.50%	1.47%	1.33%	1.12%
Business tax		3.21%	4.93%	7.41%	8.14%	9.23%
Revenue in lieu of taxes		6.18%	5.65%	6.98%	9.07%	8.29%

Notes: (1) Figures for 2013 have been restated for the correction of tax revenue accounting related adjustments identified in 2014.

(2) Figures for 2014 have been restated for the inclusion of CADA and CED as related entities for consolidation purposes. Years prior to 2014 have not been restated for these adjustments.

(3) Figures for 2015 have been restated for the correction of tax revenue accounting related adjustments identified in 2016.

Taxation and Assessments unaudited 2013 to 2017

(in thousands of dollars unless otherwise stated)

	2017	2016	2015	2014	2013 ⁽¹⁾ (Restated)
PROPERTY TAX – Continuity					
Taxes receivable, January 1	\$ 37,234	\$ 38,179	\$ 31,708	\$ 40,556	\$ 40,643
Current levies					
Property taxes	2,540,761	2,475,556	2,259,232	2,092,111	1,962,606
Business taxes	95,610	141,619	188,238	203,675	228,455
Non-tax items for collection	1,079	931	1,066	1,253	1,154
Penalties	10,631	9,863	8,873	8,631	8,296
Cancellation of tax arrears	(2,574)	(1,599)	(19,044)	(597)	(1,412)
Write-off of taxes	(468)	(1,157)	(1,416)	(3,266)	(534)
Total to be collected	2,682,273	2,663,392	2,468,657	2,342,363	2,239,208
Collections during the year					
Current levies	(2,604,624)	(2,597,569)	(2,399,612)	(2,278,604)	(2,164,807)
Arrears	(28,092)	(28,589)	(30,866)	(32,051)	(33,845)
Subtotal	49,557	37,234	38,179	31,708	40,556
Allowance for doubtful accounts	(140)	(500)	(1,000)	(500)	(450)
Taxes receivable, December 31	49,417	\$ 36,734	\$ 37,179	\$ 31,208	\$ 40,106
Percentage of current taxes collected (%)	97.11%	97.53%	97.20%	97.28%	96.68%
Taxes outstanding as a percentage of the current year levy (%)	1.88%	1.42%	1.56%	1.38%	1.85 %
Other Major Tax Levies:					
Revenue in lieu of taxes					
Municipal consent and access fee	\$ 95,690	\$ 88,410	\$ 113,629	\$ 131,168	\$ 129,735
Franchise fees	61,779	54,089	57,045	77,042	57,354
Governments					
Provincial	8,291	8,655	8,459	9,649	9,403
Federal	3,045	2,615	2,150	2,081	2,011
	\$ 168,805	\$ 153,769	\$ 181,283	\$ 219,940	\$ 198,503

Note: (1) Figures for 2013 have been restated for the correction of tax revenue accounting related adjustments identified in 2014.

Continuity of Long-Term Debt unaudited 2013 to 2017

(in thousands of dollars unless otherwise stated)

	2017	2016	2015	2014	2013
Opening Balance	\$ 3,216,672	\$ 3,360,602	\$ 3,626,177	\$ 3,661,382	\$ 3,420,540
New issues or additions during the year					
Tax supported					
Debentures	1,044	5,097	7,262	4,509	261,308
Capital leases	–	20,000	–	–	–
	1,044	25,097	7,262	4,509	261,308
Self supported					
Debentures	254,978	223,779	193,686	288,211	91,701
Local improvement debentures	4,548	5,930	4,023	7,195	5,273
Capital leases	–	(1,174)	–	–	–
Mortgages and other debt	2,959	25,969	12,470	3,590	1,530
	262,485	254,504	210,179	298,996	98,504
Self sufficient tax supported					
Debentures	26,500	28,000	5,000	101,500	77,000
	26,500	28,000	5,000	101,500	77,000
Debt repaid during the year					
Tax supported					
Debentures	(44,711)	(44,934)	(45,686)	(46,494)	(51,979)
Capital leases	–	(20,000)	–	–	–
	(44,711)	(64,934)	(45,686)	(46,494)	(51,979)
Self supported					
Debentures	(153,898)	(141,881)	(149,351)	(122,489)	(124,337)
Local improvement debentures	(6,938)	(7,669)	(6,281)	(5,695)	(8,278)
Capital leases	–	(364)	(865)	(914)	(932)
Mortgages and other debt	(2,987)	(6,169)	(4,938)	(20,935)	(7,822)
	(163,823)	(156,083)	(161,435)	(150,033)	(141,369)
Self sufficient tax supported					
Debentures	(231,904)	(230,514)	(280,895)	(243,683)	(2,622)
	(231,904)	(230,514)	(280,895)	(243,683)	(2,622)
Increase (Decrease)					
Tax supported	(43,667)	(39,837)	(38,424)	(41,985)	209,329
Self supported	98,662	98,421	48,744	148,963	(42,865)
Self sufficient tax supported	(205,404)	(202,514)	(275,895)	(142,183)	74,378
Net Increase during the year	(150,409)	(143,930)	(265,575)	(35,205)	240,842
Closing balance	\$ 3,066,263	\$ 3,216,672	\$ 3,360,602	\$ 3,626,177	\$ 3,661,382
Debt servicing as a per cent of operating expenditures (net of recoveries), tax supported	1.9	2.2	2.3	2.4	2.6
Percentage of legal debt limit as per <i>Municipal Government Act</i> [see Note 14 f)]	40.2	43.2	45.3	52.4	54.4

Continuity of Long-Term Debt unaudited 2013 to 2017

(in thousands of dollars unless otherwise stated)

	2017	2016	2015	2014	2013
Tax Supported					
Facility management	\$ 39,713	\$ 45,139	\$ 50,373	\$ 48,820	\$ 49,359
Fire	1,903	2,319	2,486	2,912	3,230
General government	–	–	–	–	96
Parks and recreation	255,498	268,575	282,239	295,487	307,850
Police	–	–	–	–	334
Social housing	3,829	4,200	4,552	4,887	5,205
Roads	82,229	97,882	109,670	128,350	148,289
Societies and related authorities	11,335	12,363	13,378	13,247	13,610
Waste and recycling services	3,527	3,848	4,154	4,446	4,723
Public transit	8,842	16,217	23,528	30,655	38,093
	406,876	450,543	490,380	528,804	570,789
Tax supported, % of total	13.3	14.0	14.6	14.6	15.6
Per capita, tax supported	\$ 326	\$ 365	\$ 398	\$ 442	\$ 493
Self Supported					
Calgary Arts Development Authority Ltd.	\$ 2,000	\$ –	\$ –	\$ –	\$ –
Calgary Economic Development Ltd.	11,949	12,313	–	–	–
Calgary Parking Authority	1,810	2,273	3,123	4,333	5,487
Calhome Properties Ltd.	12,601	16,476	15,206	20,647	26,027
Lindsay Park Sports Society	851	1,171	1,480	1,778	2,067
St. Mary's University College	4,303	4,496	4,683	4,864	–
Water services & resources	1,905,947	1,917,288	1,846,166	1,789,574	1,646,815
Facility management	8	9	10	520	1,000
Fleet services	153,573	127,866	113,896	101,947	91,370
Parks and recreation	1,748	2,911	4,164	5,451	6,665
Social housing	7,493	8,686	9,799	10,838	12,556
Real estate services	9,580	9,580	9,580	26,580	26,580
Roads	67,184	69,491	71,152	73,335	80,186
Societies and related authorities	696	777	855	1,173	1,474
Waste and recycling services	131,105	38,849	33,651	23,981	15,831
	2,310,848	2,212,186	2,113,765	2,065,021	1,916,058
Self supported, % of total	75.3	68.8	62.9	56.9	52.3
Per capita, self supported	\$ 1,843	\$ 1,791	\$ 1,717	\$ 1,728	\$ 1,657
Self Sufficient Tax supported					
CMLC	\$ 208,039	\$ 193,443	\$ 175,957	\$ 181,852	\$ 154,535
MSI	140,500	360,500	580,500	850,500	1,020,000
	348,539	553,943	756,457	1,032,352	1,174,535
Self suff tax supp, % of total	11.4	17.2	22.5	28.5	32.1
Per capita, self suff tax supported	\$ 280	\$ 448	\$ 615	\$ 864	\$ 1,015
Total City debt	3,066,263	3,216,672	3,360,602	3,626,177	3,661,382
ENMAX debt	1,078,522	1,145,184	1,211,055	1,088,771	915,510
Total debt attributable to The City	\$ 4,144,785	\$ 4,361,856	\$ 4,571,657	\$ 4,714,948	\$ 4,576,892

Demographic and Other Information unaudited 2013 to 2017

	2017	2016	2015	2014	2013 ⁽¹⁾ (Restated)
Population, per April civic census	1,246,337	1,235,171	1,230,915	1,195,194	1,156,686
Change due to natural increase	10,192	10,783	10,812	10,491	10,260
Change due to net migration	974	(6,527)	24,909	28,017	26,201
Dwelling Units, per April civic census					
Total number of units	506,392	499,222	492,623	478,223	468,358
Number of vacancies	25,553	20,843	12,526	9,315	11,782
Owner occupancy rate (%)	68.8	69.8	69.2	68.7	68.5
Housing Activity					
Annual applications for residential units					
Total residential	8,122	11,064	12,355	15,027	14,838
Change (%)	(26.6)	(10.4)	(17.8)	1.3	9.1
Single family	4,199	2,630	2,714	5,584	5,939
Change (%)	59.7	(3.1)	(51.4)	(6.0)	30.0
MLS average selling price (\$) (i)	487,505	479,452	469,399	483,160	456,695
New housing price inflation (%) (ii)	0.0	(0.9)	1.1	7.2	5.1
Building Permits, applied for					
Number of applications	16,434	15,144	16,667	19,549	17,921
Change (%)	8.5	(9.1)	(14.7)	9.1	7.9
Value, in thousands of dollars	\$4,574,171	\$4,651,963	\$6,285,485	\$6,510,000	\$6,027,000
Change (%)	(1.6)	(26.0)	(3.4)	8.0	34.7
Inflation, CPI annual increases (ii)					
Calgary	1.60%	1.00%	1.20%	3.00%	0.90%
Alberta	1.60%	1.10%	1.10%	2.60%	1.40%
Canada	1.60%	1.40%	1.10%	2.00%	1.70%
Unemployment Rate (ii)					
Calgary	8.70%	9.10%	6.20%	5.00%	4.80%
Alberta	7.80%	8.10%	6.00%	4.70%	4.60%
Canada	6.30%	7.00%	6.90%	6.90%	7.10%

External Sources

(i) Calgary Real Estate Board

(ii) Statistics Canada

Note: (1) Figures for 2013 were revised to account for refinements in the original census data.

Demographic and Other Information unaudited 2013 to 2017

	2017	2016 ⁽⁶⁾	2015 ⁽⁵⁾	2014 ⁽⁴⁾	2013 ⁽³⁾
		(Restated)	(Restated)	(Restated)	(Restated)
Revenue sources – City general⁽¹⁾	\$ 2,612,149	\$ 2,860,289	\$ 2,890,388	\$ 2,816,520	\$ 2,725,055
Taxes and revenue in lieu of taxes	63.09%	67.76%	66.64%	63.96%	66.26%
General	29.67%	25.07%	26.13%	27.65%	26.47%
Utilities and related authorities contributions	2.00%	2.32%	2.35%	2.45%	2.32%
Government transfers	3.40%	3.21%	2.94%	3.81%	2.47%
Dividends from ENMAX	1.84%	1.64%	1.94%	2.13%	2.48%
Interest charges – City general					
As a % of operating expenses					
Before subsidy	3.86%	3.97%	4.18%	4.25%	4.35%
After subsidy	3.86%	3.97%	4.18%	4.25%	4.35%
Interest charges – consolidated					
Before subsidy (000s)	\$ 115,847	\$ 110,899	\$ 113,629	\$ 112,537	\$ 111,076
Share of operating expenses (%)	3.6	3.9	4.0	4.2	4.2
After subsidy (000s)	\$ 115,610	\$ 110,660	\$ 113,459	\$ 112,537	\$ 111,876
Share of operating expenses (%) (net of subsidy)	3.6	3.9	4.0	4.2	4.2
Debt service limit (principal + interest)					
Total debt service limit	\$ 1,373,728	\$ 1,337,148	\$ 1,331,199	\$ 1,244,153	\$ 1,206,419
Total debt service	\$ 362,341	\$ 348,569	\$ 554,584	\$ 779,683	\$ 872,950
Percentage used (%)	26.4	26.1	41.7	62.7	72.4
Debt limit⁽²⁾					
Total debt limit (000s)	\$ 7,849,872	\$ 7,640,844	\$ 7,606,852	\$ 7,109,448	\$ 6,893,824
Total debt (000s)	\$ 3,149,658	\$ 3,303,092	\$ 3,447,143	\$ 3,728,462	\$ 3,749,288
Percentage used (%)	40.1	43.2	45.3	52.4	54.4
Municipal full-time equivalents – (excluding ENMAX)					
Total full-time equivalents	16,960	16,643	16,303	15,972	15,207
Full-time equivalents per 1,000 population	13.6	13.5	13.2	13.4	13.2
Area, square kilometres	848	848	848	848	848
Km of roads (lane km)	20,472	20,288	19,956	19,488	19,268
Km of roads (centreline km)	8,009	7,945	7,815	7,312	7,260
Transit passenger trips, annual (000s)	101,929	102,499	109,974	110,274	107,493
Km of wastewater mains	4,756	4,695	4,678	4,490	4,309
Km of water mains	5,165	5,060	5,012	4,982	4,934
Km of storm drainage mains	5,242	5,157	5,091	4,175	4,100

Notes: (1) Figures (000s) are before consolidating eliminations.

(2) Calculations as prescribed by The Province of Alberta, regulations 255/2000 and 165/2011, and does not include debt attributable to ENMAX.

(3) Figures for 2013 have been restated for the correction of tax revenue accounting related adjustments identified in 2014.

(4) Figures for 2014 have been restated for the inclusion of CADA and CED as related entities for consolidation purposes, ENMAX's IFRS transition adjustments, as well as for the correction of miscellaneous revenue adjustments identified in 2015. Years prior to 2014 have not been restated for these adjustments.

(5) Figures for 2015 have been restated for the correction of certain tangible capital asset, deferred income tax, capital deposit, and interest expense adjustments identified in 2016. Years prior to 2015 have not been restated for these adjustments.

(6) Figures for 2016 have been restated for the correction of certain tangible capital asset, land inventory and miscellaneous revenue adjustments identified in 2017. Years prior to 2016 have not been restated for these adjustments.

Notes

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**Audit Resource Management Report to
Audit Committee
2018 April 17**

**ISC: UNRESTRICTED
AC2018-0270
Page 1 of 3**

2017 EXTERNAL AUDITOR'S YEAR-END REPORT

EXECUTIVE SUMMARY

This is the External Auditor, Deloitte LLP's annual year-end report to Audit Committee on the 2017 independent external audit of the consolidated financial statements of The City of Calgary. Audit Committee approval of additional fees with respect to the prior period adjustments relating to Tangible Capital Asset (TCA) balances is also sought.

RECOMMENDATIONS:

That the Audit Committee:

1. Conduct a Closed Meeting discussion with the External Auditor and keep that discussion confidential pursuant to Sections 24 and 25 of the *Freedom of Information and Protection of Privacy Act*;
2. Receive this Report and Attachment for information and consider them in conjunction with Report AC2018-0473, The City of Calgary 2017 Annual Report;
3. Approve the External Auditor's additional fees in the amount of \$30,000 plus a 7% administrative fee and 5% GST with respect to the prior period adjustments relating to Tangible Capital Asset balances;
4. Direct that this Report and Attachment be forwarded to the 2018 April 23 Regular Meeting of Council as an item of Urgent Business;
5. Recommend that Council receives Report AC2018-0270, 2017 External Auditor's Year-End Report, and the Attachment, for information; and
6. Keep the Closed Meeting discussions with the External Auditor confidential pursuant to Sections 24 and 25 of the *Freedom of Information and Protection of Privacy Act*.

RECOMMENDATION OF THE AUDIT COMMITTEE, DATED 2018 APRIL 17:

That Council receives Report AC2018-0270, 2017 External Auditor's Year-End Report, and the Attachment, for information.

PREVIOUS COUNCIL DIRECTION / POLICY

The Audit Committee approved Report AC2017-0450, External Auditor 2017 Audit Service Plan and Fees Report at their 2017 July 27 Meeting, which was received for information by Council at their 2017 September 11 Combined Meeting.

At their 2017 December 14 Meeting, the Audit Committee approved Report AC2017-1246, External Auditor – Provision of Additional Services. This report concerned Deloitte LLP's acquisition of

Corrie Smillie, Executive Assistant to the Audit Committee
City Clerk's: D. Williams

**Audit Resource Management Report to
Audit Committee
2018 April 17**

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2017 EXTERNAL AUDITOR'S YEAR-END REPORT

Integration New Media, Inc. who were performing services to The City of Calgary at the time of their acquisition.

The Audit Committee Bylaw 48M2012, states that Audit Committee:

“pre-approves all audit and non-audit services performed by the External Auditor. However, the Audit Committee Chair can pre-approve additional audit or non-audit services, performed by the External Auditor, up to \$25,000 total annually. Any approvals by the Chair will be reported to the Audit Committee as part of the Audit Committee Quarterly Status Report;”

Schedule “B”, Section 1(a)

“in conjunction with Administration’s presentation of the annual financial statements, receive and review the External Auditor’s annual audit report. This report is to be forwarded to Council for information.”

Schedule “B”, Section 1(e)

BACKGROUND

In accordance with the approved External Auditor’s 2017 Audit Service Plan, Deloitte LLP has completed their independent audit of the financial statements of The City of Calgary for the year ended 2017 December 31.

INVESTIGATION: ALTERNATIVES AND ANALYSIS

This is an independent audit of the consolidated financial statements of The City of Calgary for the year ended 2017 December 31.

In 2018 March, the External Auditor notified the Chair of Audit that Administration had identified prior period adjustments relating to Tangible Capital Asset (TCA) balances that Deloitte LLP were required to apply auditing procedures to. Although the External Auditor’s 2017 Audit Service Plan indicated that TCA prior period adjustments were to be determined if applicable, no associated fee could be included at the time the plan was approved.

The estimated fee for this additional work on TCA is \$30,000 plus a 7% administrative fee and 5% GST. The timing of the audit meetings (no meeting in 2018 March) did not allow the external auditor an opportunity to report this additional fee to the Audit Committee in advance of their year-end report. Notification by the External Auditor was provided to the Audit Chair in the interim.

This Report should be forwarded as an Item of Urgent Business to Council at their 2018 April 23 Regular Meeting. This enables The City to meet the requirements of Section 276(3) of the *Municipal Government Act*, with respect to the deadline of May 1st for making the financial statements and auditor’s report of the financial statements available to the public.

**Audit Resource Management Report to
Audit Committee
2018 April 17**

**ISC: UNRESTRICTED
AC2018-0270
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2017 EXTERNAL AUDITOR'S YEAR-END REPORT

Stakeholder Engagement, Research and Communication

The External Auditor, Deloitte LLP, conducted an independent audit of the City of Calgary's consolidated financial statements.

Strategic Alignment

This report supports Council's priority of a well-run City.

Social, Environmental, Economic (External)

Not applicable.

Financial Capacity

Current and Future Operating Budget:

There is a line item in the Audit Committee budget for the service fees for the External Auditor.

Current and Future Capital Budget:

There are no capital budget implications for this Report.

Risk Assessment

Should Council not receive the 2017 External Auditor's Year-End Report at their 2018 April 23 Regular Meeting there is a risk of missing the May 1st deadline established by Section 276(3) of the *Municipal Government Act* to provide the financial statements to the public.

REASON FOR RECOMMENDATION:

The 2017 External Auditor's Year-End Report is to be received and reviewed by Audit Committee, in conjunction with Administration's presentation of the annual financial statements (The City of Calgary 2017 Annual Report, AC2018-0473).

Approval of additional professional fees from the External Auditor is required by Audit Committee.

This Report and Attachment is to be forwarded as Urgent Business to the 2018 April 23 Regular Meeting of Council for information.

ATTACHMENT

Deloitte, 2017 Year-end Audit Report, The City of Calgary,
Report to the Audit Committee on the 2017 audit



The City of Calgary
Report to the Audit Committee on the
2017 audit

April 17, 2018

April 6, 2018

To the Audit Committee of The City of Calgary

Report on audited annual financial statements

Dear Audit Committee Members:

We are pleased to submit this report on the status of our audit of The City of Calgary ("The City") for the 2017 fiscal year. This report summarizes the scope of our audit, our findings to date and reviews certain other matters that we believe to be of interest to you. We are continuing to work with Administration to complete the outstanding matters summarized on page 2 of this report.


As agreed in our engagement letter dated July 27, 2017, we have performed an audit of the consolidated financial statements of The City of Calgary as of and for the year ended December 31, 2017, in accordance with Canadian generally accepted auditing standards ("GAAS") and expect to issue our audit report thereon dated April 23, 2018.

Our audit has been conducted in accordance with the audit plan that was presented to the Audit Committee at the meeting on July 27, 2017, except for the changes to our audit plan described on page 13 of this report.

This report is intended solely for the information and use of the Audit Committee, Administration and others within The City and is not intended to be, and should not be, used by anyone other than these specified parties.

We look forward to discussing this report summarizing the outcome of our audit with you and answering any questions you may have.

Yours truly,



Chartered Professional Accountants

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Our audit explained

This report summarizes the main findings arising from our audit to date.

Audit scope and terms of engagement

We have been asked to perform an audit of The City's consolidated financial statements (the "financial statements") in accordance with Canadian public sector accounting standards ("PSAS") as at and for the year ended December 31, 2017. Our audit was conducted in accordance with Canadian generally accepted auditing standards ("GAAS").

The terms and conditions of our engagement are described in the engagement letter dated July 27, 2017, which was signed on behalf of the Audit Committee and Administration.

Significant audit risks

Through our risk assessment process, we have identified significant audit risks. These risks of material misstatement and related audit responses are discussed in the significant audit risks section of this report.



Audit fees

In our audit plan, we communicated proposed audit fees of \$265,000 for the audit of the consolidated financial statements (2016 - \$258,500), plus the following additional amounts:

- \$5,000 for the audit of the implementation of PS 3260, *Liability for contaminated sites*
- \$17,500 for the review of the implementation of the revised Tangible Capital Asset Reporting policies and procedures
- P3 agreements (Stoney Transit Facility and Composting Facility Project) of \$5,000 and \$7,500, respectively
- \$16,500 for the consolidation of the related authorities (Attainable Homes Calgary Corporation ("AHCC"), Calgary Economic Development Ltd. ("CED") and Calgary Arts Development Authority Ltd. ("CADA"))
- \$18,000 for testing of the implementation and internal controls relating to the TCA Costing Module

We also incurred additional fees of \$30,000 relating to audit procedures applied to TCA prior period adjustments, which were not contemplated in our original audit plan.

Total Fees – The City of Calgary and related entities

The total fees charged for The City and related entities during the period covered by the financial statements are \$1,704,876 (2016, \$1,926,806). Refer to Appendix 4 for further details on these fees.

Materiality

We are responsible for providing reasonable assurance that your financial statements as a whole are free from material misstatement.

Materiality levels are determined on the basis of consolidated budgeted operating expenses. Our materiality for the year ended December 31, 2017 was \$57,000,000 (2016, \$54,000,000).

We are required to inform the Audit Committee of all uncorrected misstatements greater than a clearly trivial amount of 5% of materiality (\$2,850,000) and any misstatements that are, in our judgment, qualitatively material.

In accordance with Canadian GAAS, we request that any misstatements be corrected. Please refer to the following page for further discussion.

Status and outstanding matters

We expect to be in a position to render our audit opinion dated April 23, 2018 on the financial statements of The City following approval of the financial statements by the Audit Committee and City Council and the completion of the following outstanding procedures:

- Completion of tie-in of final version of financial statements
- Completion of our subsequent events review to April 23, 2018
- Receipt of signed Administration representation letter
- Legal letter responses
- Minor file documentation matters
- Review of the final version of the financial statements for changes, if any
- Approval of the financial statements by City Council at the recommendation of the Audit Committee
- Finalization of quality assurance review

Uncorrected misstatements

In accordance with Canadian GAAS, we request that all misstatements be corrected.

Please refer to Appendix 5 for details on uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented.

**Going concern**

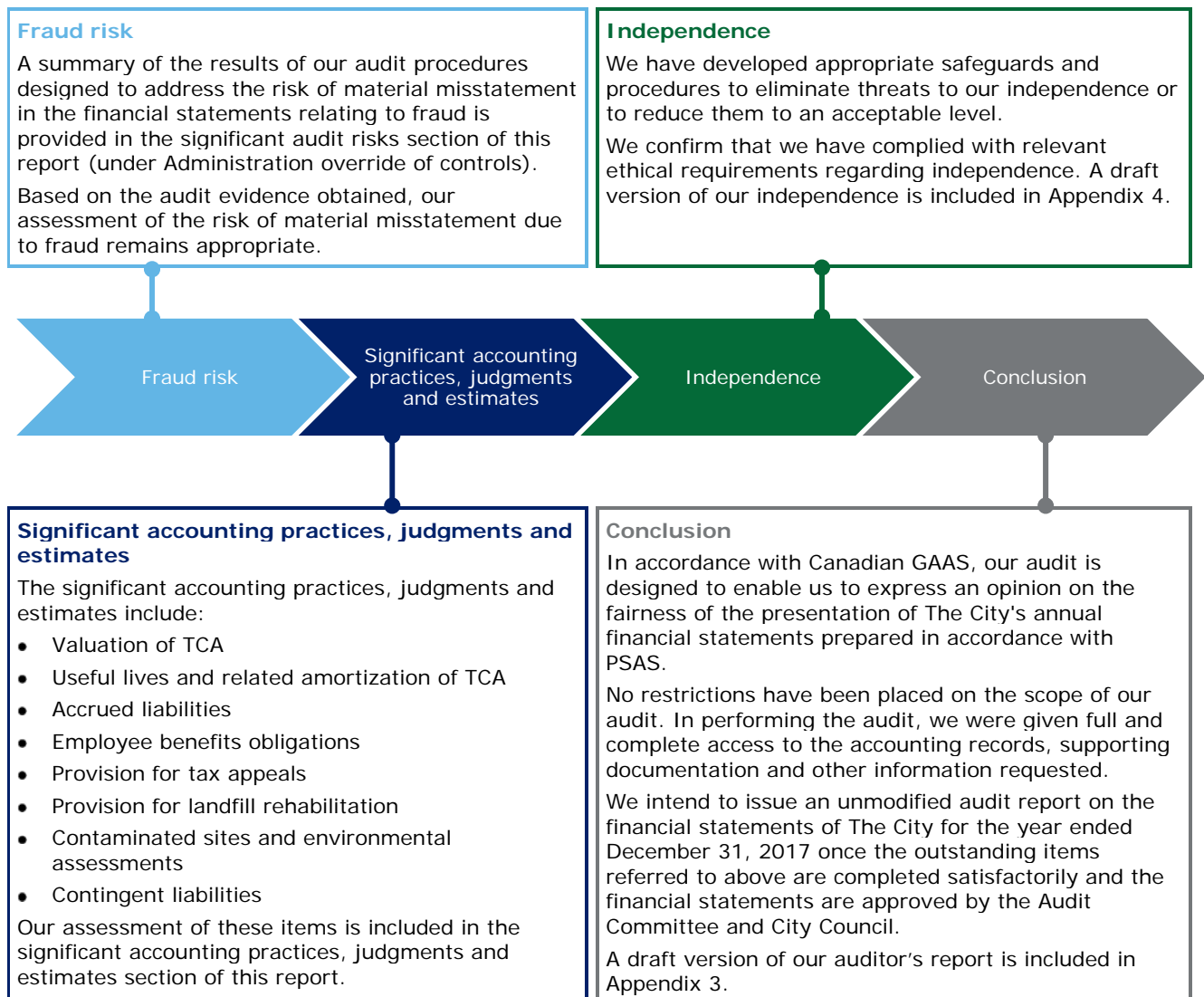
We concur with Administration's assessment that there is no substantial doubt about The City's ability to continue as a going concern.

Management Letter Points

During the course of our audit, we examined the accounting and internal controls employed by The City. We have identified certain matters that we consider to be of interest to the Audit Committee. We will provide our formal letter of recommendations at the June 19, 2018 Audit Committee meeting.

Uncorrected disclosure misstatements

There are no disclosure misstatements aggregated by us during the current engagement and pertaining to the latest period presented to report.



Significant audit risks

The significant audit risks identified as part of our risk assessment, together with our planned responses and conclusions, are described below.

Tangible Capital Assets

Audit risk

Completeness and valuation of Tangible Capital Assets ("TCA").

Our audit response

- We audited The City's TCA additions, disposals and amortization along with related disclosures. Our testing included, on a sample basis, reviewing amounts included in the current year transactions to ensure only amounts that meet the definition of capital are included and are appropriately valued.
- We also reviewed a sample of items recorded as repairs and maintenance to ensure these amounts were appropriately expensed.
- We assessed impairment indicators of TCA and considered the need and amount of potential write-downs.
- We tested TCA work in progress ("WIP") additions to ensure these WIP additions were appropriately accounted for as work in progress.
- We also tested the aging of TCA projects to ensure appropriate accounting treatment of those projects in the financial statements.
- Given the nature of the TCA held by The City, there is a risk for misclassification of the respective TCA. As a result, we performed increased substantive testing of the financial statement disclosures.
- All TCA account balances were audited at a performance materiality level of \$28.5M (50% of audit materiality).

Audit results

We conclude that TCA is fairly stated, appropriately classified and properly disclosed in the context of the financial statements taken as a whole.

Please refer to the Accounting for Tangible Capital Assets section for more information.

Administration override of controls

Audit risk

Professional auditing standards require us to presume Administration override of controls to be a risk of material misstatement due to fraud.

Administration may be in a unique position to perpetrate fraud because of Administration's ability to directly or indirectly manipulate accounting records and prepare fraudulent financial statements by overriding controls that otherwise appear to be operating effectively.

Our audit response

- We engaged in periodic fraud discussions with certain members of senior Administration and others, including The City Auditor, City Manager and the Audit Committee.
- We considered the potential for bias in judgments and estimates, including performing retrospective analysis of significant accounting estimates.
- We evaluated the business rationale for any significant unusual transactions.
- We evaluated The City's fraud risk assessment and considered entity-level internal controls and internal controls over the closing and reporting process.
- We tested journal entries that exhibited characteristics of possible Administration override of controls identified.

Audit results

We conclude that there were no issues noted relating to Administration override of controls in the context of the financial statements taken as a whole.

Private Public Partnership (“P3”) Agreements

Risk identified

During fiscal 2015 and 2016, The City signed the following P3 agreements:

Stoney Transit Facility with an effective date of September 13, 2016 and the Composting Facility Project effective June 25, 2015.

P3 agreements can include a number of complex underlying accounting treatments, which require an in-depth, detailed analysis to ensure all accounting and financial reporting matters impacting the financial statements, are taken into consideration. As there is currently no specific accounting standard under PSAS, which provides accounting and financial reporting guidance, an entity is required to complete its own analysis specific to the agreement entered into in conjunction with existing accounting standards.

As the Composting Facility Project was completed in fiscal 2017, The City commenced accounting for this facility in the year-end financial statements as TCA.

Due to the highly complex nature of P3 agreements and the related accounting implications there is a risk the accounting for these transactions is not complete or accurate. There is also a risk that the financial statement presentation and disclosure is not complete.

Our audit response

- We applied audit procedures on the accounting transactions for the P3 agreements to ensure that these transactions have been accurately and completely recorded in the year-end financial statements in accordance with Administration's proposed accounting treatment, applicable accounting standards and the terms and conditions of the underlying agreements.
- We also reviewed the disclosure in the year-end financial statements to ensure these are consistent with applicable accounting standards.

Audit results

Based on procedures performed, we conclude the P3 agreements are appropriately recorded and disclosed in the 2017 financial statements in the context of the financial statements taken as a whole.

Areas of focus

PS 3260, Liability for contaminated sites

Audit focus

PS 3260, *Liability for contaminated sites* ("PS 3260") was required to be adopted for the year ended December 31, 2015. PS 3260 established standards on how to account for and report a liability associated with the remediation of contaminated sites. The standard defines which activities should be included in a liability for remediation, the timing of this recognition, the method of measurement and provides the requirements for financial statement presentation and disclosure purposes.

There is a risk that the liability recorded for contaminated sites is not complete or accurate. There is also a risk that the application of the standard is not consistent with the guidance provided within PS 3260.

Our audit response

We reviewed The City's methodology for application of this standard on city owned land and property. We audited the assumptions and the calculation of the liability associated with the potential remediation costs. We also reviewed The City's assessment of all sites identified as having a high risk of contamination, which were not completed in 2016.

A review of financial statement disclosure relating to this liability were also performed to ensure disclosures are consistent with guidance provided by PS 3260.

Audit results

We obtained sufficient audit evidence to conclude that there were no material misstatements, in the context of the financial statements taken as a whole.

PS 3270, Solid waste landfill closure and post-closure liability

Audit focus

Valuation of environmental liabilities and asset retirement obligations, relating to the accrual of post closure landfill liabilities.

Our audit response

We reviewed The City's estimates of post closure landfill liabilities.

We reviewed City Council minutes and legal confirmations, held discussions with Administration and relied on our knowledge of business to ensure completeness of the liability.

We reviewed Administration's estimates and assumptions for reasonability and performed tests of details on the transactions during the year.

We required representations to be signed by Administration that all environmental liabilities and clean-up costs were complete and appropriately disclosed.

Audit results

We obtained sufficient audit evidence to conclude that there were no material misstatements, in the context of the financial statements taken as a whole.

Funding contracts

Audit focus

Disclosure and completeness of liabilities and commitments under funding contracts provided by The City.

Our audit response

We reviewed Administration's assessment of liabilities and commitments required to be recorded or disclosed under agreements entered into during the year.

We reviewed a sample of funding contracts entered into during the year to assess Administration's treatment and appropriate recording of these transactions.

We also assessed the completeness of the balances through a review of City Council minutes and performed a search for unrecorded liabilities as well as a review of prior year estimates.

Audit results

We obtained sufficient audit evidence to conclude that there were no material misstatements, in the context of the financial statements taken as a whole.

Capital deposits and deferred revenue

Audit focus

Completeness and valuation of capital deposits and recognition of deferred revenue.

Our audit response

We selected a sample of capital projects in progress over the year and ensured costs and related revenues were recorded in the correct period.

We tested deferred revenue balances to ensure the revenue was recognized in the appropriate period.

Audit results

We obtained sufficient audit evidence to conclude that there were no material misstatements, in the context of the financial statements taken as a whole.

Related parties (authorities / subsidiaries / civic partners)

Audit focus

Completeness and disclosure of the accounting for organizations included in the government reporting entity (related authorities or subsidiaries).

Our audit response

We reviewed The City's accounting policies and any changes therein related to its related parties.

We verified that the related parties have been accounted for and disclosed in accordance with The City's accounting policies and PSAS and performed separate audits of significant related parties.

We applied specified audit procedures on all material balances relating to those entities not audited by Deloitte (AHCC, CED, CADA).

Audit results

We obtained sufficient audit evidence to conclude that there were no material misstatements, in the context of the financial statements taken as a whole.

Litigation accruals and contingencies

Audit focus

Completeness and accuracy of claims and litigation matters of The City and its related authorities.

Our audit response

We enquired with The City's legal department and The City Solicitor to determine the status of outstanding legal matters.

We reviewed legal correspondence from The City Solicitor and discussed the status of outstanding legal matters with Administration and others, as necessary.

We worked with Administration to assess the appropriateness of any contingent liabilities and financial statement disclosures.

Audit results

We obtained sufficient audit evidence to conclude that there were no material misstatements, in the context of the financial statements taken as a whole.

Government grants and transfers

Audit focus

Accounting and disclosure of government grants and transfers.

Our audit response

We reviewed a sample of funding agreements to determine if the contract required financial statement disclosure.

We reviewed a sample of federal and provincial transfer payments received during the year to fund specific projects.

We reviewed the related funding agreements to ensure funds were used for their intended purpose and that revenue was recognized in the appropriate period, including deferred revenue.

We reviewed deferred revenue for compliance with PSAS.

We tested expenditures and ensured that the corresponding revenue was recognized.

Audit results

We obtained sufficient audit evidence to conclude that there were no material misstatements, in the context of the financial statements taken as a whole.

Tax revenue

Audit focus

Completeness and accuracy of the accounting for tax revenue

Our audit response

We performed reasonability tests on tax revenue balances.

We reviewed and tested the tax revenue business cycle process controls.

We completed data analytical testing on the property tax revenues for the year-end.

Audit results

We obtained sufficient audit evidence to conclude that there were no material misstatements, in the context of the financial statements taken as a whole.

Reserves

Audit focus

Completeness and accuracy of the recording and presentation of reserves.

Our audit response

We reviewed expenditures charged to each reserve and vouched a sample of expenditures to invoices to verify that the transaction was within the terms and conditions approved by City Council.

We also reviewed the completeness and accuracy of the financial statement disclosures relating to reserves.

Audit results

We obtained sufficient audit evidence to conclude that there were no material misstatements, in the context of the financial statements taken as a whole.

Long-term debt, pension liability, contractual and other long term obligations

Audit focus

Disclosure and completeness of long-term debt, pension liability, contractual and other long-term obligations.

Our audit response

We reviewed the completeness and accuracy of the financial statement disclosures relating to The City's long-term debt, pension liability, contractual and other long-term obligations.

We ensured that these disclosures were in accordance with PSAS guidance.

Audit results

We obtained sufficient audit evidence to conclude that there were no material misstatements, in the context of the financial statements taken as a whole.

Non-standard transactions

Audit focus

Completeness and accuracy of non-standard transactions. Non-standard transactions are inherently riskier as there is no precedence for which to account for these items. Examples of non-standard transactions may include but are not limited to transfer of lands to/from the Province, transfer of corporate properties between business units and the purchase and sale of properties.

Our audit response

We reviewed large transactions that occurred during the year to ensure that these transactions had been accurately and completely recorded in the year-end financial statements.

Audit results

We obtained sufficient audit evidence to conclude that there were no material misstatements, in the context of the financial statements taken as a whole.

Implementation of new TCA policies and procedures

Audit focus

There is a risk that the adoption of new TCA policies and procedures are not implemented in a consistent manner across all business units. The City implemented new policies and procedures for the following asset classes during the current year:

- Land and Land Improvements
- Note that the review of the Vehicles asset category has been deferred to fiscal 2018.

Our audit response

We reviewed the policies and procedures implemented to test that they have been designed and implemented effectively and in accordance with PSAS.

We tested a sample of new additions to land and land improvements to ensure that these additions have been accounted for based on the new policies and procedures.

Audit results

We conclude that there were no issues noted with the implementation of the policies and procedures with regards to land and land improvements.

Significant accounting practices, judgments and estimates

Accounting estimates are an integral part of the financial statements prepared by Administration and are based on Administration's current judgments. These judgments are normally based on knowledge and experience about past and current events, assumptions about future events and interpretations of the financial reporting standards.

During the year ended December 31, 2017, Administration advised us that there were no significant changes in accounting estimates or in judgments relating to such estimates, with the exception of changes as described in Note 31 of the financial statements. The change in estimate relates to change in capitalization thresholds applied to the Land Improvements category applicable to all business units. We have applied audit procedures to this change in estimate and concur with Administration's accounting of these matters, as the change in estimate is in accordance with PSAS guidance.

In our judgement, the significant accounting practices and policies selected and applied by Administration are, in all material respects, acceptable under PSAS and are appropriate to the particular circumstances of The City. In our judgment, the significant accounting estimates made by Administration are, in all material respects, free of possible Administration bias. The disclosure in the financial statements around estimation uncertainty is in accordance with PSAS and is appropriate to the particular circumstances of The City.

Other reportable matters

The following summarizes the status and findings of key aspects of our audit. In the appendices to this report, we have provided additional information related to certain matters we committed to report to the Audit Committee as part of the audit plan.

	Comment				
Changes to the audit plan	<p>The audit was conducted in accordance with the audit plan presented on July 27, 2017 except for the following amendment:</p> <p><u>Tangible Capital Asset ("TCA") balance:</u></p> <p>As a result of the identification by Administration of prior period errors in TCA balances, we extended our testing and applied additional audit procedures, which were not considered in our original audit plan to audit the 2016 accounts that were restated as part of the year-end financial statements. We also tested the restated balances at a significant risk level and performance materiality level of \$28.5M.</p> <p>Refer to the adjustments to prior period and accounting for tangible capital assets sections of this report for further details.</p> <p>We confirm that there have been no other significant amendments to the audit scope and approach communicated in the audit plan.</p>				
Use of the work of specialists and experts	<p>As planned, Deloitte and external specialists and experts assisted in the audit to the extent we considered necessary:</p> <table> <tr> <td>Deloitte IT experts:</td><td>Assisted in the assessment of the adequacy and effectiveness of internal controls related to information systems</td></tr> <tr> <td>Actuarial experts:</td><td>AON Hewitt assisted in the assessment of the valuation of The City's pension liability</td></tr> </table>	Deloitte IT experts:	Assisted in the assessment of the adequacy and effectiveness of internal controls related to information systems	Actuarial experts:	AON Hewitt assisted in the assessment of the valuation of The City's pension liability
Deloitte IT experts:	Assisted in the assessment of the adequacy and effectiveness of internal controls related to information systems				
Actuarial experts:	AON Hewitt assisted in the assessment of the valuation of The City's pension liability				
Significant difficulties encountered in performing the audit	<p>During the course of our audit, we did not encounter any significant difficulties. There were no significant delays in receiving information from management required for the audit nor was there an unnecessarily brief timetable in which to complete the audit.</p>				
Concerns regarding Administration competence and integrity	<p>We do not have any concerns regarding Administration's competency and integrity.</p>				
Related party transactions	<p>We have not identified any related party transactions that were not in the normal course of operations and that involved significant judgments made by Administration concerning measurement or disclosure.</p>				
Disagreements with Administration	<p>During the current audit, we did not encounter any disagreements with Administration about matters that individually or in the aggregate could be significant to the financial statements.</p>				
Consultation with other accountants	<p>Administration has informed us that The City has not consulted with other accountants about auditing or accounting matters.</p>				

	Comment
Legal and regulatory compliance	<p>Administration is responsible for ensuring that The City's operations are conducted in accordance with the laws and regulations applicable to The City in the jurisdictions in which it operates. The responsibility for preventing and detecting non-compliance rests with Administration.</p> <p>The auditor is not and cannot be held responsible for preventing non-compliance with laws and regulations as we perform limited procedures and enquiries regarding compliance with laws and regulations.</p> <p>Our limited procedures did not identify any areas of material non-compliance with laws and regulations by The City. Further discussion to be held during in-camera session.</p>
Post statement of financial position events	<p>Administration is responsible for assessing subsequent events up to the date of the release of the financial statements.</p> <p>At the date of finalizing this report, we are not aware of any significant post statement of financial position events, which require adjustment or disclosure in the financial statements. We will update subsequent events to the date of the audit report with Administration, prior to issuing our audit opinion.</p>

Internal control matters

As part of our financial statement audit, we are required to consider many components of internal controls, which assist us in determining the risks of material misstatement and the identification of internal controls that will be relevant for our audit. Not all controls are relevant to every audit. For example, some internal controls may exist to address operational risks. For those controls deemed relevant to our audit, we evaluated the design of these controls and determined whether they were implemented. The procedures undertaken during this process allow us to consider whether or not our audit strategy will further rely on the operating effectiveness of those identified internal controls. In such cases, we would go beyond evaluating the design of relevant controls and determining whether they have been implemented to also test whether the controls on which we intend to rely are operating effectively throughout the period of reliance. The determination of whether or not we will test the operating effectiveness of controls is determined on an engagement by engagement basis. In our audit of The City's financial statements, we planned to and were able to rely on internal controls in the following areas, for which we tested the design, implementation and operating effectiveness:

- Property and Business Tax Revenues and Receivables
- Franchise Fee Revenue
- Local Improvement Levies
- Operating and Capital Budgeting Process
- Grant Revenue

For all others areas, we tested only the design and implementation of controls. Canadian GAAS require us to report to the Audit Committee any significant deficiencies that have come to our attention. We did not note any significant deficiencies during the course of our audit in the areas listed above, we did; however identify significant deficiencies in internal controls and processes relating to the accounting of TCA in the current year as a result of the prior period adjustments. Refer to the Accounting for Tangible Capital Assets section of this report for our conclusion on internal controls relating to the testing of TCA.

Our audit was not designed to provide a high degree of assurance that significant deficiencies, if any, would be detected.

Adjustments to prior period

As a result of the continued implementation of initiatives established in the TCA Project Charter, which included the implementation of a TCA costing module and formation of a TCA team which centralizes TCA accounting and reporting processes in fiscal 2017, Administration has continued to review TCA balances and processes with the objective to refine and improve TCA reporting and processes. As a result, during the finalization of the 2017 financial statements, Administration has identified errors in TCA balances relating to prior periods.

1. Calgary Zoo Flood Mitigation Berm

As a result of a detailed review performed by the TCA team, it was discovered that the prior years' expenditures incurred in the construction of the berm had been incorrectly expensed. This was partly due to the unique circumstances surrounding the zoo flood mitigation strategy and unique arrangement with the Calgary Zoo. Initially, the expenses were considered non-capital in nature, and simply a payment to the Calgary Zoo, thus resulting in an understatement of TCA of \$21.2M.

2. Land reconciliation duplication errors

The TCA team began performing land reconciliations between the PSAM (accounting software) and the LINDA (land information system) in 2017. It was discovered that some land parcels were double counted in the PSAM system, thus overstating the land value in the financial statements by an amount of \$19M.

3. Historical City Hall Rehabilitation

A classification error was identified when the TCA team was performing a review on the Historical City Hall Rehabilitation project's current year expenses. The TCA team noted that the previously incurred costs were incorrectly interpreted as flood related costs, as these were major repairs to allow the Historical City Hall to be functional to the organization, and were treated as operating expenses in fiscal 2016 and 2015. The TCA team revisited the Historical City Hall's 2015 and 2016 expenses and determined the expenditures were in fact capital in nature, as they were extending the life of the asset; thus resulting in an understatement of TCA of \$10.9M.

4. Land Inventory

In 2017, it was discovered that Administration incorrectly eliminated on consolidation a land sale from one of its subsidiaries. This resulted in an understatement of Land Inventory of \$12.4M and an understatement of Miscellaneous Revenue of \$12.4M.

5. Other

Various other errors were identified relating to untimely and inadequate analysis performed in 2016 on work in progress transactions in several business units, capitalization of acreage assessments, which is not a capital expense, duplication of land transactions, missed recording donated land and correction of land values. The net total of these resulted in an overstatement of TCA of \$24.2M.

The total prior period error is an overstatement of TCA of \$11.0M, understatement of Land Inventory of \$12.4M, understatement of Revenue by \$11.2M, overstatement of Expenses of \$21.9M and overstatement of Accumulated Surplus (Beginning of Year 2016) of \$31.8M.

While we note that the prior period adjustments are not material in the context of the financial statements taken as a whole and in relation to audit materiality of \$57M, Administration has decided to restate the prior year financial statements as a result of the above noted errors. We tested the prior period errors as an area of significant risk on a sample basis to verify that the accounting was accurate, valid and complete.

Note 30 to the financial statements includes details on the prior period adjustments. As a result of the additional work completed by Administration on the matters discussed above, Administration has concluded that the financial statements are not materially misstated as at and for the years ended December 31, 2017 and 2016, as restated, in the context of the financial statements taken as a whole.

Accounting for Tangible Capital Assets

Background and history

Tangible Capital Assets of The City are significant economic resources and a key component in the delivery of many municipal programs and services. Effective for fiscal 2009, all municipalities in Canada were required to adopt Section PS 3150 - *Tangible Capital Assets* ("PS 3150"), which required all municipalities to record and amortize assets of a long term, capital nature that may have been previously expensed through the capital fund or otherwise accounted for. The adoption of PS 3150 was a major undertaking for many municipalities, including The City, as it was one of the most significant changes ever enacted within the accounting rules for local governments. All major municipalities, including The City, expended significant resources and effort implementing the new standard. Regardless of the efforts undertaken to account for all of The City's TCA accurately and completely, The City experienced a number of challenges throughout the implementation of the new TCA accounting standard.

Following the initial adoption of PS 3150, The City continued to provide focus and attention to the accounting of TCA because it was recognized that the potential for estimate changes and errors in the initial adoption could occur. A significant number of errors and corrections were identified by Administration and Deloitte in the first year of adoption, and Deloitte provided a number of internal control, system and process improvement recommendations with respect to TCA. As a result of the continued refinement and improvement of The City's capital asset accounting and management systems, and the continuing education and training of staff within the business units, The City obtained better information and identified certain TCA balances that required correction in the prior years. It is important to observe that The City emphasized that any new TCA matters be raised and recorded by business unit personnel and/or finance personnel in subsequent years, with a tone to "get it right". As a result, the financial statements for fiscal years 2009, 2010 and 2012 to 2016 were restated to adjust prior period balances.

It is also important to note that these restated amounts related solely to the accounting for TCA and had no effect on The City's cash balances, net financial asset position, property tax revenues or any other balances influencing The City's operating budget, capital budget, grants received, property tax assessments or any other related balances. It is important to place the adjustments made to the historic financial statements in the context of the overall balance of TCA in The City's financial statements. TCA at December 31, 2017 totaled \$16 billion. The adjustments required over the past several years, while certainly not trivial, are typically "non-systematic", frequently have some level of unique accounting characteristics and cumulatively represent a small fraction of The City's overall TCA balance.

Throughout our reporting on the audits of the years ended December 31, 2009 through 2016 we identified, updated and revised a number of recommendations for improvements in TCA accounting and management systems through our prior years' Administration recommendations letters, which Administration has continued to implement. Following the 2014 year-end audit, a TCA Steering Committee was established to oversee the TCA Project Charter with the overall objective of developing TCA solutions and implementing processes that are consistent throughout all business units, simple to implement and which, when fully implemented, will allow for overall compliance with TCA policies by all business units.

Financial statements for the year ended December 31, 2017

The City has continued to expend focus and effort on the accounting of TCA, including implementation of many of our recommendation points issued during the prior years' audits, as well as continuous staff education and training.

As part of the TCA Project Charter, we note that a TCA Costing System was successfully implemented in April 2017. In addition to the formation of the TCA team, which became fully operational during fiscal 2017, the application of consistent accounting approaches to TCA and updated policies have all lead to significant improvements in the accounting for TCA at The City. The TCA team did identify prior period adjustments, however, it should be noted that these are applicable to periods prior to the TCA team's formation.

Note 30 to the financial statements provides details of the adjustments that were recorded in the December 31, 2016 comparative financial statements.

Based on our audit procedures and our evaluation of the apparent nature and root causes of the errors, it is evident that the errors, while not individually material, impact several business units that hold significant TCA balances. While the issued financial statements for the year ended December 31, 2016 were not materially misstated, as the net effect of the cumulative errors was not material, we concur with Administration's decision to restate the 2016 balances (including opening accumulated surplus) due to ongoing identification of errors, the number of reasons causing the errors, the number of business units impacted and the "tone" that is set in continuing to focus on accounting for TCA correctly.

We applied audit procedures, on a test basis, to the TCA errors identified by Administration to test the restatement of 2016 balances. Based on our testing and understanding of the causes of the errors, we have concluded that there continues to be significant deficiencies in the design, implementation and operating effectiveness of certain internal controls related to TCA accounting within the business units impacted, such that there is a reasonable possibility that a material misstatement of The City's annual financial statements will not be prevented or detected on a timely basis.

We provided specific recommendations in our prior years' Administration recommendations letters relating to TCA accounting and processes. We have held discussions with Administration during the year and note The City is in the process of implementing these recommendations, as was communicated in our update to the prior year Administration recommendations letter provided at the January 26, 2018 Audit Committee meeting. We support Administration's continued efforts to implement the recommendations that were issued in the prior years' Administration recommendations letters, as well as the implementation of initiatives established in the TCA Project Charter during fiscal 2014.

We will provide Administration and the Audit Committee with formal written recommendations in our Administration recommendations letter, including updates to our recommendations from the prior year at the June 19, 2018 Audit Committee meeting.

Appendix 1 – Audit Committee terms of reference

As the external auditors of The City, we have the privilege of assisting in the fulfillment of your responsibility to follow the Terms of Reference for The City of Calgary's Audit Committee contained in the Audit Committee Bylaw 48M2012, as amended. The following table outlines our involvement in the fulfillment of specific terms of reference and any reports that we have issued that assist in this process.

Bylaw 48M2012	Description	Related Deloitte Involvement
Schedule B, 1(b)	Pre-approves all audit and non-audit services performed by the External Auditor.	All audit and non-audit services are presented to the Audit Committee for pre-approval prior to the commencement of such work. Fee information included in 2017 Audit Service Plan presented by Deloitte on July 27, 2017. The Independence letter included as Appendix 4 of the Year-end Audit Report to be presented by Deloitte to the Audit Committee at the April 17, 2018 meeting summarizes the fees of all services performed.
Schedule B, 1(c)	Requires the External Auditor, as an expert in accounting and financial reporting, to express independent judgment about the appropriateness and acceptability of The City's financial statements, in accordance with professional standards.	Communicated in the Year-end Audit Report to be presented by Deloitte to the Audit Committee at the April 17, 2018 meeting.
Schedule B, 1(d)	Prior to the commencement of the annual external financial audit, review the financial audit plan with the External Auditor.	2017 Audit service plan presented by Deloitte on July 27, 2017.
Schedule B, 1(e)	In conjunction with Administration's presentation of the annual financial statements, receive and review the External Auditor's annual audit report. This report is to be forwarded to Council for information.	Report of the Independent Auditor on the Consolidated Financial Statements and Year-end Audit Report to be presented by Deloitte to the Audit Committee at the April 17, 2018 meeting.
Schedule B, 1(f)	Receives and reviews the External Auditor's Management Letter(s), together with any Administrative responses, and forward, either in full or in summary, to Council for information.	Management recommendations letter to be presented by Deloitte at the June 19, 2018 meeting.
Schedule B, 1(g)	Must meet with the External Auditor, in the absence of Administration, at least quarterly.	In-camera sessions held with Deloitte at Audit Committee meetings throughout 2017 and 2018.
Schedule C, 1(g)	Ensures that the combined work of the City Auditor and the External Auditor provides an appropriate level of audit coverage and is effectively coordinated.	Audit work completed will be discussed in the year-end Audit report to be presented by Deloitte to the Audit Committee at the April 17, 2018 meeting.

Bylaw 48M2012	Description	Related Deloitte Involvement
2(a)	Oversees the integrity of, and reviews the Annual Financial Statements and recommends their approval to Council.	Report of the Independent Auditor on the consolidated Financial Statements and year-end Audit report to be presented by Deloitte to the Audit Committee at the April 17, 2018 meeting.
2(b)	Reviews and discusses the City's compliance with financial reporting procedures with Administration, the City Auditor, and the External Auditor.	Report of the Independent Auditor on the consolidated Financial Statements and year-end Audit report to be presented by Deloitte to the Audit Committee at the April 17, 2018 meeting. Letter of recommendations to be presented by Deloitte at the June 19, 2018 meeting.
2(c)	Engages Administration, the City Auditor, and the External Auditor in candid discussions regarding issues that may alter judgment or affect the quality of the reporting process and search for insight into the results.	Participation and attendance by Deloitte at Audit Committee meetings throughout the year.
2(d)	Reviews and discusses areas where changes in accounting standards could have a material impact on financial results, and may request a detailed analysis, prepared by Administration in consultation with the External Auditor, of the implications of those changes.	Appendix 8 of 2017 Audit Service Plan presented by Deloitte on July 27, 2017.
2(e)	Maintains open lines of communication with the External Auditor, City Auditor, and Administration.	Participation and attendance by Deloitte at Audit Committee meetings throughout the year.
6(b)(i)	Review reports from Administration and from the City Auditor as to the adequacy and effectiveness of corporate policies such as legal matters, regulations, ethical principles, code of conduct and conflict of interest.	Year-end Audit report to be presented by Deloitte to the Audit Committee at the April 17, 2018 meeting includes our notification of whether any violations of this nature have come to our attention.

Appendix 2 – Communication requirements

Required communication	Refer to this report or document described below
Audit Service Plan	
1. Our responsibilities under Canadian GAAS, including forming and expressing an opinion on the financial statements	Engagement letter dated July 27, 2017
2. An overview of the overall audit strategy, addressing: <ul style="list-style-type: none"> a. Timing of the audit b. Significant risks, including fraud risks c. Nature and extent of specialized skill or knowledge needed to perform the planned audit procedures related to significant risk 	Audit plan communicated on July 27, 2017
3. Significant transactions outside of the normal course of business, including related party transactions	None noted.
Year End Communication	
4. Fraud or possible fraud identified through the audit process	We are not aware of any fraudulent events.
5. Significant accounting policies, practices, unusual transactions, and our related conclusions	Significant accounting practices, judgements and estimates
6. Alternative treatments for accounting policies and practices that have been discussed with Administration during the current audit period	Significant accounting practices, judgements and estimates
7. Matters related to going concern	We concur with Administration's assessment that there is no substantial doubt about The City's ability to continue as a going concern.
8. Administration judgments and accounting estimates	Significant accounting practices, judgements and estimates
9. Significant difficulties, if any, encountered during the audit	No significant difficulties to report.
10. Material written communications between Administration and us, including Administration representation letters	Administration representation letter - Appendix 4
11. Other matters that are significant to the oversight of the financial reporting process	No other matters to report.

Required communication	Refer to this report or document described below
12. Modifications to our opinion	We will issue an unmodified opinion following the satisfactory completion of outstanding matters discussed earlier in this report.
13. Our views of significant accounting or auditing matters for which Administration consulted with other accountants and about which we have concerns	Consultation with other accountants
14. Illegal or possibly illegal acts that come to our attention	We are not aware of any illegal acts.
15. Significant deficiencies in internal control, if any, identified by us in the conduct of the audit of the financial statements	Letter of recommendations to be presented at the June 19, 2018 Audit Committee meeting.
16. Uncorrected misstatements and disclosure items	Refer to Appendix 5.

Appendix 3 – Draft version of our auditor's report

Our report on the financial statements is expected to be in the following form. However, the final form may need to be adjusted to reflect the final results of our audit.

Independent Auditor's Report

To His Worship Mayor Naheed Nenshi and members of City Council, The City of Calgary:

We have audited the accompanying consolidated financial statements of The City of Calgary, which comprise the consolidated statement of financial position as at December 31, 2017, and the consolidated statements of operations and accumulated surplus, cash flows and changes in net financial assets for the year then ended, and a summary of significant accounting policies and other explanatory information.

City Administration's Responsibility for the Consolidated Financial Statements

City Administration is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with Canadian public sector accounting standards, and for such internal control as City Administration determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by City Administration, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of The City of Calgary as at December 31, 2017, and the results of its operations, cash flows and changes in net financial assets for the year then ended in accordance with Canadian public sector accounting standards.

Chartered Professional Accountants
April 23, 2018
Calgary, Alberta

Appendix 4 – Draft independence and fees

April 23, 2018

The Members of the Audit Committee and City Council of
The City of Calgary

Dear Members:

We have been engaged to perform an audit of the consolidated financial statements of The City of Calgary ("The City") as of and for the year ended December 31, 2017 in accordance with Canadian generally accepted auditing standards.

You have requested that we communicate in writing with you regarding our compliance with relevant ethical requirements regarding independence as well as all relationships and other matters between The City, our Firm and network firms that, in our professional judgment, may reasonably be thought to bear on our independence. You have also requested us to communicate the related safeguards that have been applied to eliminate identified threats to independence or reduce them to an acceptable level.

In determining which relationships to report, we have considered relevant rules and related interpretations prescribed by the appropriate provincial regulator/ordre and applicable legislation, covering such matters as:

- a) Holding a financial interest, either directly or indirectly, in a client.
- b) Holding a position, either directly or indirectly, that gives the right or responsibility to exert significant influence over the financial or accounting policies of a client.
- c) Personal or business relationships of immediate family, close relatives, partners or retired partners, either directly or indirectly, with a client.
- d) Economic dependence on a client.
- e) Provision of services in addition to the audit engagement.

We confirm to you that the engagement team and others in the firm as appropriate, the firm and, when applicable, network firms have complied with relevant ethical requirements regarding independence.

We have prepared the following comments to facilitate our discussion with you regarding independence matters arising since April 24, 2017, the date of our last letter.

We are not aware of any relationships between the Deloitte Entities and The City and its affiliates, or persons in financial reporting oversight roles at The City and its affiliates, that in our professional judgment, may reasonably be thought to bear on independence, that have occurred from April 25, 2017 to April 23, 2018.

As summarized in the attached exhibit, the total fees charged to The City during the period covered by the financial statements were as follows:

Audit services	\$1,354,309 (2016 - \$1,371,266)
Audit related services	\$273,417 (2016 - \$196,431)
Non-audit related services	\$NIL (2016 - \$49,626)
Other services	\$77,150 (2016 - \$309,483)

We hereby confirm that we are independent with respect to The City in accordance with the Rules of Professional Conduct of the Chartered Professional Accountants of Alberta as of April 23, 2018.

This report is intended solely for the use of the Audit Committee, City Council of The City of Calgary, Administration and others within The City and should not be used for any other purposes.

Yours truly,

Chartered Professional Accountants

Total fees charged to The City of Calgary For the years ended December 31, 2017 and 2016

	2017*	2016*
	\$	\$
AUDIT SERVICES		
<u>The City of Calgary</u>		
The City of Calgary	390,015***	397,505**
Calhome Properties Ltd.	81,855	79,458
Calgary Police Service	51,788	50,558
Calgary TELUS Convention Centre	41,623	40,660
Calgary Parking Authority	90,415	96,380
Calgary Municipal Land Corporation	53,928	52,644
Calgary Public Library	41,516	40,473
Municipal Employees Benefits Association of Calgary	28,730	28,023
Family & Community Support Services	20,758	20,277
Core Benefit Plan (audit is conducted every four years)	16,125	-
Elected Officials Pension Plan	7,597	7,458
Supplementary Pension Plan	14,552	14,151
Funds Held in Trust	1,862	1,819
	840,764	829,406
<u>ENMAX Corporation</u>		
ENMAX Corporation audit	432,055	460,370
ENMAX Corporation quarterly reviews	81,490	81,490
	513,545	541,860
Total Audit Services	1,354,309	1,371,266
AUDIT RELATED SERVICES		
<u>The City of Calgary</u>		
City of Calgary Municipal Information Return	4,815	4,708
Calhome Properties Ltd. special government reports	18,725	18,190
Calgary TELUS Convention Centre Authority LAPP audit	8,817	-
Calgary Parking Authority PSAS conversion	19,260	-
	51,617	22,898

ENMAX Corporation

ENMAX Corporation Pension Plan audit	17,550	17,120
Audit of the divisional carve out financial statements of ENMAX Transmission and Distribution	116,750	113,875
Testing of remediation of SAP general information technology control findings from the year ended December 31, 2016	12,500	-
Testing of taxation matters	5,000	-
IFRS 9 Financial instruments and IFRS 15 Revenue from contracts with clients	70,000	-
Re-classification of 2015 property, plant and equipment balances	-	8,500
SAP general information technology controls	-	24,500
Power Purchase Agreement 2016 and tax adjustment related matter	-	9,538
	221,800	173,533
Total Audit Related Services	273,417	196,431

NON - AUDIT RELATED SERVICESEnmax Corporation

Risk Governance	-	47,781
Tax related matters for US based director	-	1,845
Total Non – Audit Related Services	-	49,626

OTHER SERVICESThe City of Calgary

Intranet migration consulting services	50,400	-
Transit maintenance facility advisory work	-	228,483
Green Line Review	26,750	-

Calgary Economic Development

Agribusiness Value Chain Study Project	-	81,000
Total Other Services	77,150	309,483
Total Fees For All Services	1,704,876	1,926,806

* Includes 7% administration fee; excludes GST. Enmax's reported fees exclude 7% administration fee and GST.

** Fee includes \$258,500 for the base audit and newspaper insert, plus the following:

\$10,000 - audit of PS 3260 Liability for Contaminated Sites

\$17,500 - audit of new processes and policies relating to Tangible Capital Assets

\$24,500 - review of the agreements and accounting implications of P3 agreement – Stoney Transit Facility

\$14,500 - review of the agreements and accounting implications of P3 agreement – Composting Facility Project

\$16,500 - consolidation of CED, CADA and AHCC

\$30,000 - TCA prior period adjustments

*** Fee includes \$265,000 for the base audit and newspaper insert, plus the following:

\$5,000 - audit of PS 3260 Liability for Contaminated Sites

\$17,500 - audit of new processes and policies relating to Tangible Capital Assets

\$5,000 - review of the agreements and accounting implications of P3 agreement – Stoney Transit Facility

\$7,500 - review of the agreements and accounting implications of P3 agreement – Composting Facility Project

\$16,500 - consolidation of CED, CADA and AHCC

\$18,000 - Testing of the implementation and internal controls relating to the TCA Costing Module

\$30,000 - TCA prior period adjustments

Appendix 5 – Draft Administration representation letter

[The City letterhead]

April 23, 2018

Deloitte LLP
700, 850 – 2 Street SW
Calgary, AB T2P 0R8

Dear Sirs:

Subject: Consolidated financial statements of The City of Calgary for the year ended December 31, 2017

This representation letter is provided in connection with the audit by Deloitte LLP (“Deloitte” or “you”) of the consolidated financial statements of The City of Calgary (the “The City” or “we” or “us”) for the year ended December 31, 2017, including the comparative financial statements for the year ended December 31, 2016, and a summary of significant accounting policies and other explanatory information (the “Financial Statements”), for the purpose of expressing an opinion as to whether the Financial Statements present fairly, in all material respects, the financial position, results of operations, cash flows and changes in net financial assets of The City in accordance with Public Sector Accounting Standards (“PSAS”).

We confirm that, to the best of our knowledge and belief, having made such inquiries as we considered necessary for the purpose of appropriately informing ourselves:

Financial statements

1. We have fulfilled our responsibilities as set out in the terms of the engagement letter between the City and Deloitte dated July 27, 2017 for the preparation of the Financial Statements in accordance with PSAS. In particular, the Financial Statements are fairly presented, in all material respects, and present the financial position of The City as at December 31, 2017, the results of its operations, cash flows and changes in net financial assets for the years then ended in accordance with PSAS.

The comparative information in the Financial Statements, including the financial position as at December 31, 2016, and the results of operations, cash flows and changes in net financial assets for the year ended December 31, 2016 and related disclosures, has been properly restated to retrospectively correct misstatements in the comparative period financial statements.

2. Significant assumptions used in making estimates, including those measured at fair value, are reasonable.

In preparing the Financial Statements in accordance with PSAS, Administration makes judgments and assumptions about the future and uses estimates. The completeness and appropriateness of the disclosures related to estimates are in accordance with PSAS. The City has appropriately disclosed in the Financial Statements the nature of measurement uncertainties that are material, including all estimates where it is reasonably possible that the estimate will change in the near term and the effect of the change could be material to the Financial Statements.

The measurement methods, including the related assumptions and models, used in determining the estimates, including fair value, were appropriate, reasonable and consistently applied in accordance with PSAS and appropriately reflect Administration's intent and ability to carry out specific courses of action on behalf of The City. No events have occurred subsequent to December 31, 2017, which require adjustment to the estimates and disclosures included in the Financial Statements.

Administration has changed the method of determining the estimated amounts for the following:

- Tangible Capital Asset ("TCA") Land and Land Improvements: Administration has revised the estimated useful lives and capitalization categories and thresholds of these TCA categories. This change in estimate has been applied prospectively.
3. All related party relationships and transactions have been appropriately accounted for and disclosed in the Financial Statements in accordance with the requirements of PSAS.
 4. We have determined that the Financial Statements are complete as of the date of this letter, as this is the date when there are no changes to the Financial Statements (including disclosures) planned or expected and the Financial Statements have been approved in accordance with our process to finalize financial statements.
 5. We have completed our review of events after December 31, 2017 and up to the date of this letter. All events subsequent to the date of the Financial Statements and for which PSAS requires adjustment or disclosure have been adjusted or disclosed. Accounting estimates and disclosures included in the Financial Statements that are impacted by subsequent events have been appropriately adjusted.
 6. The Financial Statements are free of material errors and omissions.

We believe that the effects of any uncorrected Financial Statement misstatements pertaining to the current period presented are immaterial, both individually and in the aggregate, to the Financial Statements taken as a whole. A list of the uncorrected misstatements aggregated by you is attached in Appendix A.

7. The City has satisfactory title to and control over all assets, and there are no liens or encumbrances on such assets. We have disclosed to you and in the Financial Statements all assets that have been pledged as collateral.

Information provided

8. We have provided you with:
 - a. Access to all information of which we are aware that is relevant to the preparation of the Financial Statements, such as records, documentation and other matters;
 - b. All relevant information as well as additional information that you have requested from us for the purpose of the audit; and
 - c. Unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence.
9. Except as listed in Appendix A, all transactions have been properly recorded in the accounting records and are reflected in the Financial Statements.
10. We have disclosed to you the results of our assessment of the risk that the Financial Statements may be materially misstated as a result of fraud.
11. We have disclosed to you all information in relation to fraud or suspected fraud that we are aware of and that affects the entity and involves:
 - a. Administration;
 - b. Employees who have significant roles in internal control; or
 - c. Others where the fraud could have a material effect on the Financial Statements.
12. We have disclosed to you all information in relation to allegations of actual, suspected or alleged fraud, or illegal or suspected illegal acts affecting The City.
13. We have disclosed to you all communications from regulatory agencies concerning non-compliance with or deficiencies in financial reporting practices and all known instances of non-compliance or suspected non-compliance with laws and regulations whose effects should be considered when preparing the Financial Statements.
14. We have disclosed to you the identity of the entity's related parties and all the related party relationships and transactions of which we are aware, including guarantees, non-monetary transactions and transactions for no consideration, and participation in a defined benefit plan that shares risks between group entities.
15. We acknowledge our responsibility for the design, implementation and maintenance of internal control to prevent and detect fraud and error.
16. We have disclosed to you all known, actual or possible litigation and claims, whether or not they have been discussed with our lawyers, whose effects should be considered when preparing the Financial Statements. As appropriate, these items have been disclosed and accounted for in the Financial Statements in accordance with PSAS.
17. We have disclosed to you all liabilities, provisions, contingent liabilities and contingent assets, including those associated with guarantees, whether written or oral, and they are appropriately reflected in the Financial Statements.
18. We have disclosed to you, and The City has complied with all aspects of contractual agreements that could have a material effect on the Financial Statements in the event of non-compliance, including all covenants, conditions or other requirements of all outstanding debt.

19. The City's final version of the annual report (containing the audited financial statements and your auditor's report thereon) will be provided to you when available and prior to its issuance.
20. We have disclosed to you all the documents that we expect to issue that may comprise other information, in the context of CAS 720, *The Auditor's Responsibilities Relating to Other Information in Documents Containing Audited Financial Statements*.

Independence matters

For purposes of the following paragraphs, "Deloitte" shall mean Deloitte LLP and Deloitte Touche Tohmatsu Limited, including related member firms and affiliates.

21. Prior to The City having any substantive employment conversations with a former or current Deloitte engagement team member, The City has held discussions with Deloitte and obtained approval from the Audit Committee.
22. We have ensured that all services performed by Deloitte with respect to this engagement have been pre-approved by the Audit Committee in accordance with its established approval policies and procedures.

Selection of accounting policies and recording of transactions

23. The accounting policies selected and application of those policies are appropriate.
24. The City's accounting policies and their method of application have been applied on a basis consistent with that of the audited Financial Statements as of and for the year ended December 31, 2016, except as discussed in paragraph 2.

Administration's responsibilities

25. All transactions and events have been carried out in accordance with law, regulation or other authority.

Employee benefit obligations

26. We agree with the work of Administration's experts in evaluating the Employee Benefit Obligation and have adequately considered the competence and capabilities of the experts in determining amounts and disclosures used in the Financial Statements and underlying accounting records. We did not give any, nor cause any, instructions to be given to Administration's experts with respect to values or amounts derived in an attempt to bias their work, and we are not aware of any matters that have impacted the independence or objectivity of the experts.
27. Employee future benefit costs, assets and obligations, as applicable, have been properly recorded and adequately disclosed in the Financial Statements including those arising under defined benefit plans, as well as termination arrangements. We believe that the actuarial assumptions and methods used to measure defined benefit plan assets, obligations and costs for financial statement purposes are appropriate in the circumstances. Actuarial gains have been amortized to the liability and the related expense in a systematic and rational manner over the expected average remaining service life of the related employee group.
28. We have disclosed to you any intentions of terminating any of our pension plans or withdrawing from the multi-employer plan that could result in an effective termination or reportable event for any of the plans. We have disclosed to you any occurrences that could result in the termination of any of our pension or multi-employer plans to which we contribute.
29. We have correctly accounted for the multi-employer plan in which we are the sponsoring government or government organization, as a defined benefit plan.

Plans or intentions affecting carrying value/classification of assets and liabilities

30. We have disclosed to you all plans or intentions that may materially affect the carrying value or classification of assets and liabilities reflected in the Financial Statements.
31. The City is responsible for determining and maintaining the adequacy of the allowance for doubtful notes, loans and accounts receivable, as well as estimates used to determine such amounts. Administration believes the allowances are adequate to absorb currently estimated bad debts in the account balances.
32. Provisions have been made to reduce inventories held for resale to the net recoverable amount. All recorded inventories are the property of The City and do not include any items consigned to it, any items billed to customers or any items for which the liability has not been recorded.

Liabilities for contaminated sites

33. We have performed assessments on our known contaminated sites, including those described in paragraph 34. Based on our PS 3260, *Liability for Contaminated Sites* ("PS 3260") evaluation, we have identified three sites as contaminated sites. We have recorded a liability because the contamination of the site exceeds the environmental standard. The City is responsible or has accepted responsibility for the remediation and we believe it is expected that remediation will be required. We believe that the estimate of the liability is reasonable and is our best estimate of the amount required to remediate the sites.
34. We have identified several other sites that exceed the environmental standard for which The City is not responsible for remediation or it is unclear if the remediation is the responsibility of The City. One of the sites relates to the known contamination of the West Village site. We do not accept responsibility for the remediation of these sites (or, it is unclear who has responsibility for the remediation of these sites) and as such we have not recorded a liability with respect to remediation.

Furthermore, The City of Calgary has signed a release agreement effective November 15, 1997 (the "Effective Date") between Her Majesty the Queen in Right of the Province of Alberta and The City of Calgary, which indicates the following in paragraph 2.01 of this agreement:

"The Province acknowledges and agrees that the Contamination existing as of the Effective Date was not caused or contributed to by the City. The Province agrees that from and after the Effective Date it shall not initiate any Recovery Action against the City, its Council, officers, agents, employees, contractors, persons in lawful use and occupation of the Lands, or those for whom they are in law responsible for, save and except with respect to any act or omission whether inadvertent, willful, or negligent by the City, its Council, officers, agents, employees, contractors, persons in lawful use and occupation of the Lands or those for whom they are in law responsible for, which in the opinion of the Province has an adverse effect on the Contamination. Subject to any such act or omission whether inadvertent, willful or negligent, the Province releases and forever discharges the City from all Recovery Actions."

35. Administration's risk assessment process for the identification of potential contaminated sites identified a number of higher potential risk sites. In respect to PS 3260, of these sites, 142 higher risk sites have been identified and The City has completed a full analysis and confirms that the liability recorded in the Financial Statements is adequate and not materially misstated.
36. Administration's policy for the treatment and application of the liability of contaminated sites was finalized as at December 31, 2016, and there were no changes to policy for the year ended December 31, 2017.

Environmental liabilities/contingencies

37. We have considered the effect of environmental matters on The City and have disclosed to you all liabilities, provisions or contingencies arising from environmental matters. All liabilities, provisions, contingencies and commitments arising from environmental matters, and the effect of environmental matters on the carrying values of the relevant assets are recognized, measured and disclosed, as appropriate, in the Financial Statements.

Solid waste landfill closure and post-closure liability

38. We have disclosed to you all solid waste landfill sites that we own and operate. We have recorded a liability, which represents our best estimate of the future costs required for closure and post-closure care related to these sites.

Work of Administration's experts

39. We agree with the work of Administration's experts in evaluating the environmental liability, liability for contaminated sites and the solid waste landfill closure and post-closure liability, and have adequately considered the competence and capabilities of the experts in determining amounts and disclosures used in the Financial Statements and underlying accounting records. We did not give any, nor cause any, instructions to be given to Administration's experts with respect to values or amounts derived in an attempt to bias their work and we are not aware of any matters that have impacted the independence or objectivity of the experts.

Revenues from exchange transactions

40. All documentation related to sales transactions is contained in files, which are used for accounting purposes. We also confirm that:

- a. We are not aware of any "side agreements" with any companies that are inconsistent with the applicable sales agreement, the customer's purchase order, sales invoice or any other documentation contained in the files, which are used for accounting purposes. For the purposes of this letter, a "side agreement" is any agreement, understanding, promise or commitment whether written (e.g., in the form of a letter or formal agreement or in the form of any exchange of physical or electronic communications) or oral by or on behalf of The City (or any subsidiary, director, employee or agent of The City) with a customer from whom revenue has been recognized that is not contained in the written purchase order from the customer or sales order confirmation and sales invoice of The City delivered to or generated by The City's Accounting and Finance Department. The definition of a side agreement is not limited by any particular subject matter. For purposes of example only, any agreement not contained in the written purchase order from the customer or sales order and sales invoice of The City that relates to return rights, acceptance rights, future pricing, payment terms, free consulting, free maintenance or exchange rights would be a side agreement; and
- b. We are not aware of any commitments or concessions to a customer regarding pricing or payment terms outside of the terms documented in the files, which are used for accounting purposes.

Tax revenues

41. We have appropriately recorded tax assets and revenues when they meet the definition of an asset in accordance with Section PS 1000, *Financial Statement Concepts* ("PS 1000"), when they are authorized and when the taxable event occurs. These amounts have been appropriately measured in accordance with Section PS 3510, *Tax Revenue* and have not been grossed up for any amount of tax concessions.

Various matters

42. We have reviewed and approved the year-end adjusting entries, including all related supporting schedules and the financial statements, and acknowledge our responsibility for their accuracy. While discharging our responsibility we may have requested your assistance or input in certain areas such as:
- a. Recording of transactions for which we have determined or approved the appropriate account classification; and
 - b. Preparing financial statements.

We acknowledge our responsibility for the above listed items and confirm that we have authorized, reviewed and approved all of the above items.

43. We have not entered into transactions with members of Council, senior officials, members of their immediate families or enterprises in which such parties have significant interest, which would require disclosures in the Financial Statements.
44. All transactions and events have been carried out in accordance with law, regulation or other authority.
45. We have disclosed to you all communications from regulatory agencies concerning non-compliance with or potential deficiencies in, financial reporting requirements.
46. The following have been properly recorded and, when appropriate, adequately disclosed and presented in the Financial Statements:
- a. Losses arising from sale and purchase commitments;
 - b. Agreements to buy back assets previously sold;
 - c. Provisions for future removal and site restoration costs;
 - d. Financial instruments with significant individual or group concentration of credit risk, and related maximum credit risk exposure;
 - e. Arrangements with financial institutions involving compensating balances or other arrangements involving restriction on cash balances and line-of-credit or similar arrangements;
 - f. All impaired loans receivable; and
 - g. Loans that have been restructured to provide a reduction or deferral of interest or principal payments because of borrower financial difficulties.

Investments

47. The City does not hold any investments in Master Asset Vehicle notes (which replaced third party non-bank asset-backed commercial paper).
48. All investments have been appropriately classified as either temporary investments or portfolio investments.
49. The City has used the appropriate valuation allowances to reflect the temporary investments at their net recoverable amount or other appropriate value.
50. The City believes that it has properly identified all derivative financial instruments and hedging relationships, if any.

51. Investments made during the year and held at the balance sheet date have been made in accordance with Section 250 of the Municipal Government Act.
52. All City of Calgary government organizations have been appropriately classified as government component, government business organizations, government business-type enterprises, government not-for-profit organizations and other government organizations and have been appropriately recorded based on this classification.
53. Administration has performed an assessment of other organizations (Civic Partners) with which The City has fiscal relationships and has determined that these organizations are not required to be consolidated with The City.
54. With regard to The City's investment in ENMAX Corporation, we have disclosed to you any events that have occurred and facts that have been discovered with respect to such investment that would affect the investment's value as reported in the financial statements.
55. With regard to the fair value measurements and disclosures of certain assets and liabilities, such as investments, we believe that:
 - a. The completeness and adequacy of the disclosures related to fair value are in accordance with PSAS;
 - b. No events have occurred subsequent to December 31, 2017 that require adjustment to the fair value measurements and disclosures included in the Financial Statements; and
 - c. They appropriately reflect Administration's intent and ability to carry out specific courses of action on behalf of The City when relevant to the use of fair value measurements or disclosures.

Deficiencies in internal control

56. We have communicated to you all deficiencies in internal control of which we are aware. We have disclosed to you any change in The City's internal control over financial reporting that occurred during the current year that has materially affected, or is reasonably likely to materially affect, The City's internal control over financial reporting.

Adjusting journal entries

57. We have reviewed the year-end adjusting entries and acknowledge our responsibility for their accuracy.

Communicating a threshold amount

58. We understand that the threshold used for accumulating misstatements identified during the year was \$2,850,000 for purposes of Appendix A. Misstatements below this amount have been considered clearly trivial.

Segment Disclosures

59. With regard to segment disclosures, we believe the activities grouped as segments, as disclosed, are appropriate to meet the objectives of PS 2700, *Segment Disclosures*.

60. In identifying segments, we have considered the definition of a segment and other factors, including:
- a. The objectives of disclosing financial information by segment;
 - b. The expectations of members of the community and their elected or appointed representatives regarding the key activities and accountabilities of the government;
 - c. The qualitative characteristics of financial reporting as set out in Section PS 1000 and Section PS 1700 - *General Objectives of Financial Statements; Local Governments*;
 - d. The homogenous nature of the activities, service delivery or recipients of the services;
 - e. Whether the activities relate to the achievement of common outcomes or services as reflected in government performance reports and plans;
 - f. Whether discrete financial information is reported or available; and
 - g. The nature of the relationship between the government and The City (within the reporting entity).

Government transfers

61. We have disclosed to you all correspondence relating to government transfers that The City has had with the funding body.
62. We have assessed the eligibility criteria and determined that The City is an eligible recipient for the government transfers received.
63. We have assessed the stipulations attached with the funding and have recognized the revenue in accordance with meeting the stipulations required.
64. All government transfers that have been recorded as capital deposits give rise to an obligation that meets the definition of a liability. Those liabilities have been properly recorded and presented in the Financial Statements.
65. All authorized transfers that have been expensed have been transferred to recipients whom have met the eligibility criteria.

Tangible Capital Assets

66. TCA have been recorded properly and consistently according to the standards in Section PS 3150, *Tangible Capital Assets*.
67. Contributed TCA have been appropriately recorded at fair value, unless fair value is not reasonably determinable, and in such case, have been recorded at an appropriate nominal value. All contributed TCA have been appropriately disclosed.
68. We have assessed the useful lives of tangible capital assets and have determined all TCA contribute to The City's ability to provide goods and services and therefore do not require a write-down. If applicable, we have identified that there are various TCA, which no longer contribute to The City's ability to provide goods and services or have future economic benefits that are below the net book value of the tangible capital asset, and have therefore written down this asset to its residual amount and expensed the charge in the statement of operations.

Tangible Capital Assets - Prior period adjustments

69. As discussed in Note 30 of the Financial Statements, during the course of year-end procedures, we identified certain balances relating to TCA that were incorrectly recorded in prior years. We have performed procedures to assess the impact of these misstatements and have accurately recorded the adjustments in the restated comparative balances for the year ended December 31, 2016. We also confirm that these adjustments are complete.

Tangible Capital Assets - Change in estimate

70. As discussed in Note 31 of the Financial Statements, during the course of the year we identified certain balances relating to TCA that were recorded as a change in estimate. The change in estimate has been properly reflected in the Financial Statements in accordance with PS 2120.28, *Accounting changes, Measurement uncertainty*.

Impact of the 2013 flood

71. We have assessed the impact of the 2013 flood on the financial assets of The City and the impairment of TCA as a result of the flood. We have determined that no permanent impairment of TCA exists as a result of the 2013 flood and the year-end financial statements appropriately reflect TCA values. We believe that the completeness and estimates utilized in the determination of the impairment of TCA have been adequately disclosed in the December 31, 2017 year-end financial statements.

Notes, loans and receivables

72. The City is responsible for determining the appropriate carrying amount of loans and accounts receivable, as well as estimates used to determine such amounts. Administration believes that the carrying amounts recorded and disclosed are appropriate.

73. We have identified to you all forgivable loans and have appropriately reflected these amounts including any required allowances in the financial statements. These loans are secured by The City's encumbrance on the title of the related property.

Accumulated Surplus

74. Reserves and surplus accounts are correctly recorded and all transactions comply with the purposes approved according to relevant legislation and City Council authorizations.

75. In accordance with established policy, for all self-supported business units, any levies received in the year are recorded as revenue in the Statement of Operations and are transferred to the Utility Sustainment Reserve at the end of the year. These funds are utilized from the reserve in the following year to pay for debt servicing costs specific to the levy projects.

Revenues and deferred revenues

76. Revenues and deferred revenues are recorded accurately. Specifically:

- a. Revenues are not overstated and deferred revenues are not understated. These inaccuracies result if financial statements record externally restricted transfers/contributions as revenue before the transferor's/contributor's stipulations are met; and
- b. Revenues are not understated and deferred revenues are not overstated. These inaccuracies result if financial statements record externally restricted transfers/contributions as deferred revenue, not as revenue, after the transferor's/contributor's stipulations are met.

P3 agreements

77. The City has entered into a P3 agreement, signed on June 25, 2015, to design, build and maintain a composting facility. The facility was completed in fiscal 2017 and the work in progress related to this facility was appropriately transferred to TCA for the year ended December 31, 2017.

78. The City has entered into a P3 agreement, signed on September 13, 2016, to design, build, finance and maintain a compressed natural gas bus storage and transit facility. As at December 31, 2017 year-end, \$68.4M has been recorded as work in progress (TCA) and accounts payable. As at December 31, 2017, The City asserts that the asset and payable relating to this agreement are not materially misstated and the financial statement impact of this P3 are complete.

Related entities

79. The City has completed a review of all related entities and confirms that all entities that should be consolidated into The City's Financial Statements for the year ended December 31, 2017 have been included.

Capital deposits

80. All capital deposits give rise to an obligation that meets the definition of a liability. Those liabilities have been properly recorded and presented in the Financial Statements. Specifically in certain circumstances, The City may receive funds from developers which are not necessarily allocated for a specific project but can be utilized by The City on broader basis for development, but if not spent, are refundable to the developer. Those funds are recorded as capital deposits until such time as they are spent.

Yours truly,

The City of Calgary

Jeff Fielding, City Manager

Eric Sawyer, Chief Financial Officer

Carla Male, City Treasurer

Gregory Wiebe, Finance Manager Corporate Financial Reporting

Appendix A

The City of Calgary

Summary of corrected and uncorrected misstatements and disclosure deficiencies
Year ended December 31, 2017

APPENDIX TO BE PRESENTED IN-CAMERA

Appendix B

The City of Calgary

Summary of disclosure deficiencies
Year ended December 31, 2017

None identified.

Appendix 6 – Related authorities

For the purposes of the consolidated audit, we have completed our audit procedures on the following related authorities or other significant assurance engagements:

Entity	Reporting Entity Relationship	Entity Audit Committee Meeting Date
Calgary Parking Authority	Calgary Parking Authority Audit Committee	March 20, 2018*
Calgary TELUS Convention Centre	CALGARY TELUS Convention Centre Audit and Finance Committee	April 18, 2018*
Calhome Properties Ltd.	Calhome Properties Ltd. Audit and Risk Management Committee	March 9, 2018*
Calgary Municipal Land Corporation	Calgary Municipal Land Corporation Audit Committee	April 27, 2018*
Calgary Public Library	Calgary Public Library Audit and Finance Committee	March 22, 2018*
Calgary Police Service	Calgary Police Commission and Finance and Audit Committee	May 16, 2018*
ENMAX Corporation	ENMAX Audit Committee	March 14, 2018*
Attainable Homes Calgary Corporation Calgary Economic Development Ltd. Calgary Arts Development Authority	The overall financial results for each of these entities are not significant in relation to The City's consolidated financial statements and therefore, only specified procedures on material account balances were applied for the 2017 audit	Not applicable
Elected Officials Pension Plan	Pension Governance Committee	June 28, 2018
Supplementary Pension Plan	Pension Governance Committee	June 28, 2018
Municipal Employees Benefits Association of Calgary	Municipal Employees Benefits Association of Calgary - Finance and Investment Committee	May 16, 2018

*Audit fieldwork for these entities has been completed prior to issuance of The City's consolidated financial statements.

Related Authority	Materiality	Areas of audit risk and audit results
Calgary Parking Authority	Materiality levels were determined on the basis of total revenues. Final materiality for the year ended December 31, 2017 was \$2,500,000 (2016, \$2,500,000).	<p>The following areas of significant audit risk were noted relating to Calgary Parking Authority:</p> <ul style="list-style-type: none"> • Revenue recognition – ParkPlus and Parking Control Revenue • Valuation of long term investments • First-year of PSAS adoption • Management override of controls <p>Audit fieldwork has been completed and the financial statements have been approved by the Board of Directors. We issued an unmodified opinion dated March 27, 2018.</p>
Calgary TELUS Convention Centre	Materiality levels were determined on the basis of a percentage of revenue. Final materiality for the year ended December 31, 2017 was \$700,000 (2016, \$700,000).	<p>The following area of significant audit risk was noted relating to the Calgary TELUS Convention Centre:</p> <ul style="list-style-type: none"> • Management override of controls <p>Audit fieldwork has been completed. Based on audit work performed, we expect to issue an unmodified opinion.</p>
Calhome Properties Ltd.	Materiality levels were determined on the basis of total actual operating expenditures. Final materiality for the year ended December 31, 2017 was \$2,550,000 (2016, \$2,400,000).	<p>The following areas of significant audit risk were noted relating to Calhome:</p> <ul style="list-style-type: none"> • Revenue recognition • Management override of controls <p>Audit fieldwork has been completed and the financial statements have been approved by the Board of Directors. We issued an unmodified opinion dated March 23, 2018.</p>
Calgary Municipal Land Corporation	Materiality levels were determined on the basis of total assets. Final materiality for the year ended December 31, 2017 was \$16,500,000 (2016, \$14,200,000).	<p>The following area of significant audit risk were noted relating to the Calgary Municipal Land Corporation:</p> <ul style="list-style-type: none"> • Management override of controls • Completeness of work in progress related to new Central Library assets <p>Audit fieldwork has been completed. Based on audit work performed, we expect to issue an unmodified opinion.</p>
Calgary Public Library	Materiality levels were determined on the basis of total revenues. Final materiality for the year ended December 31, 2017 was \$1,700,000 (2016, \$1,500,000).	<p>The following area of significant audit risk was noted relating to the Calgary Public Library:</p> <ul style="list-style-type: none"> • Management override of controls <p>Audit fieldwork has been completed and the financial statements have been approved by the Board of Directors. We issued an unmodified opinion dated March 28, 2018.</p>

Calgary Police Service	Materiality levels were determined on the basis of a percentage of actual operating expenses. Final materiality for the year ended December 31, 2017 was \$7,400,000 (2016, \$7,000,000).	<p>The following areas of significant audit risk were noted relating to the Calgary Police Service:</p> <ul style="list-style-type: none"> • Revenue recognition • Management override of controls <p>Audit fieldwork has been completed. Based on audit work performed, we expect to issue an unmodified opinion.</p>
ENMAX Corporation	Materiality levels were determined on the basis of consolidated normalized earnings before interest, income tax, depreciation and amortization. Final materiality for the year ended December 31, 2017 was \$19,000,000 (2016, \$22,000,000).	<p>The following areas of significant audit risk were noted relating to ENMAX Corporation:</p> <ul style="list-style-type: none"> • Revenue recognition • Management override of controls • Residential, commercial and industrial power and natural gas sales • Impairment of natural gas generating assets • Derivative instruments and related hedging activities • Provision for tax uncertainties associated with the Payments in Lieu of Taxes ("PILOT") <p>Audit fieldwork has been completed and the financial statements have been approved by the Board of Directors. We issued an unmodified opinion dated March 14, 2018.</p>

Appendix 7 – New and revised auditor reporting standards

On April 11, 2017, the Canadian Auditing and Assurance Standards Board (AASB) approved new and revised Canadian Auditing Standards (CASs) on auditor reporting which will be effective for audits of financial statements for periods ending on or after December 15, 2018 with earlier application permitted.

While a number of CASs were impacted, the most significant changes made relate to the following four standards:

- Revised CAS 700, Forming an Opinion and Reporting on Financial Statements
- New CAS 701, Communicating Key Audit Matters in the Independent Auditor's Report
- Revised CAS 720, The Auditor's Responsibilities Relating to Other Information
- Revised CAS 570, Going Concern

These CASs are based on the International Auditing and Assurance Standards Board's (IAASB) new and revised International Standards on Auditing (ISAs) that were effective for periods ending on or after December 15, 2016 however there are two significant differences:

1. Deferral of the effective date for application by one year, and
2. Amending the scope of reporting Key Audit Matters so that such matters are communicated in the auditor's report only when required by law or regulation or the auditor decides to do so.

The following sets out the enhancements made to the new Independent Auditor's Report

Changes to the Auditor's Report and new reporting requirements

For all audits	
Auditor's opinion	<ul style="list-style-type: none"> • Auditor's opinion moved from the end of the auditor's report to the very beginning.
Auditor's independence and ethics	<ul style="list-style-type: none"> • An explicit statement of the auditor's independence in accordance with relevant ethical requirements and the auditor's fulfilment of other ethical responsibilities.
Going concern	<ul style="list-style-type: none"> • A separate section under the heading "Material Uncertainty Related to Going Concern", when a material uncertainty exists related to an entity's ability to continue as a going concern and is adequately disclosed in the financial statements.
Other information	<ul style="list-style-type: none"> • A separate section under the heading "Other Information", when an entity prepares other information (e.g., an annual report) containing or accompanying the entity's financial statements and auditor's report thereon, to explain management's and the auditor's responsibilities for the other information and the auditor's conclusion from reading and considering the other information.

Changes to the Auditor's Report and new reporting requirements

For all audits	
Roles and Responsibilities	<ul style="list-style-type: none"> • An enhanced description of management's responsibilities for assessing the entity's ability to continue as a going concern and whether the use of the going concern basis of accounting is appropriate. • Identification of those charged with governance (when applicable) and their responsibility for the oversight of the financial reporting process. • An enhanced description of the auditor's responsibilities to conclude on the appropriateness of management's use of the going concern basis of accounting. • An enhanced description of the auditor's responsibilities in an audit of group financial statements.
For audits of entities where the auditor decides or law or regulation requires reporting of key audit matters	
Key audit matters	<ul style="list-style-type: none"> • A separate section under the heading "Key Audit Matters", when law or regulation requires the auditor, or the auditor decides, to communicate key audit matters in the auditor's report to those charged with governance that, in the auditor's judgment, were of most significance to the audit.

We will work to provide the Audit Committee and Administration with guidance on the implications of the new and revised auditor reporting standards.

Benefits

- **Transparency** into the audit and discussions between the auditor, those charged with governance, and management
- **More robust** discussions between auditors and those charged with governance
- **Enhanced** communications between all stakeholders including regulators
- **Relevant** auditor's reports and insights into the complexities of the entity
- **Comparability** across industries and audit firms
- **Improved** audit and financial reporting quality

Highlights of Changes to Performance Requirements with respect to Going Concern

Auditors are now required to evaluate the adequacy of management's disclosure in the financial statements for "close calls" related to going concern (i.e., when events or conditions were identified that may cast significant doubt of an entity's ability to continue as a going concern but due to management's plans, the auditor concluded that no material uncertainty exists).

The following are some considerations for those charged with governance to start discussing with their auditor.

Implementation considerations for those charged with governance

- **Key Audit Matters ("KAMs")**: If applicable, this commentary in the audit report will have a significant impact on the timing of:
 - Meetings between the auditor and the Audit Committee to discuss risks, which will form the basis of KAMs
 - Meetings with the auditor to identify, discuss and challenge KAMs as early as possible, and
 - Review of the auditor's report as the process will likely be more rigorous.

- **Going Concern:** Increased auditor focus may heighten your scrutiny of management's process for assessing the entity's ability to continue as a going concern and the relevance and completeness of related disclosures in the financial statements, particularly for "close calls".
- **Other information:** Discuss with the auditor which documents will be within the scope of "other information", evaluate timeframes for drafting and finalizing these documents, and assess documents for consistency with financial statements to ensure factually correct and reasonable.

Resources

The AASB is currently working with CPA Canada and other groups to drive the effective implementation of the new standards through a broad range of communications, tools and guidance materials for stakeholders. CPA Canada has issued a number of [Audit and Assurance alerts](#) in June 2017 discussing key features of the changes and will be releasing a web portal devoted exclusively to the topic of implementing auditor reporting. Webinars and other publications will be issued throughout the remainder of the year, including an update expected in December incorporating the changes to the new auditor's report into a revised reporting guide, "[Reporting Implications of New Auditing and Accounting Standards](#)."

- Keep abreast of the Canadian project at www.cfr.deloitte.ca.
- Information relating to the new and revised CASs and conforming amendments to other CASs can be found on the [AASB website](#).

We encourage you to engage your engagement partner or any other member of the Deloitte Team with any questions or enquiries related to the new and revised auditor reporting standards.

**Deputy City Manager's Office Report to
SPC on Utilities and Corporate Services
2018 March 14**

**ISC: UNRESTRICTED
UCS2018-0116
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The City of Calgary 2017 Infrastructure Status Report

EXECUTIVE SUMMARY

The 2017 Infrastructure Status Report (ISR) is a key document helping City Council make informed infrastructure investment decisions. It is produced every business cycle, providing information on overall infrastructure condition to inform and guide decisions to ensure that The City's infrastructure maintains the ability to deliver required services to the citizens of Calgary.

ADMINISTRATION RECOMMENDATION:

That the Standing Policy Committee on Utilities and Corporate Services recommends that Council receive the 2017 Infrastructure Status Report for information.

RECOMMENDATION OF THE SPC ON UTILITIES AND CORPORATE SERVICES, DATED 2018 APRIL 18:

That Council:

1. Receive Report UCS2018-0116 and Revised Attachment 1 for information; and
2. Approve the SPC on Utilities and Corporate Services' request that a Strategic Session of Council be held in May or June 2018 on the Capital Infrastructure Management to include:
 - addressing City-Owned assets
 - short and long term infrastructure risks
 - addressing the infrastructure gap

Excerpt from the Minutes of the Regular Meeting of the SPC on Utilities and Corporate Services, dated 2018 April 18:

"And further that this Report be forwarded to the 2018 April 23 Regular Meeting of Council as an item of Urgent Business.

MOTION CARRIED"

PREVIOUS COUNCIL DIRECTION / POLICY

City of Calgary's Asset Management Policy – ALT2016-0829 (GN-001(B))

BACKGROUND

The Infrastructure Status Report (Attachment 1) is prepared every business cycle in alignment with the business planning and budgeting process. It supports Council's Fiscal Plan for Calgary and Calgary's Municipal Development Plan. The 2017 Infrastructure Status Report is the fifth iteration of the document since the initial publication in 2004.

Calgary's Asset Management Strategy identified 11 essential elements of an effective asset management system. The four elements listed below guide the development of the ISR:

- An accurate and consistent inventory for all municipal infrastructure.

The City of Calgary 2017 Infrastructure Status Report

- Continual infrastructure status reporting to enable asset stewards to develop infrastructure investment priorities.
- Alignment between service and infrastructure decisions with future urban form goals.
- Benchmarking to measure infrastructure performance.

As a result, the ISR provides answers to five key questions:

- What do we own?
- What is it worth?
- What condition is it in?
- What is its remaining service life?
- What is the infrastructure funding gap?

The benefits of knowing the answer to these questions assists with:

- Ability to plan for and manage the delivery of the required level of service
- Avoidance of premature asset failure
- Risk management associated with asset failures, and mitigation of the consequences of failure
- Accurate prediction of future expenditure requirements through understanding remaining asset life and capital investment needs

An essential element of a successful asset management program is an understanding of the condition and needs of a corporation's infrastructure that enables educated investment decisions. The ISR provides The City of Calgary with a reference point to benchmark infrastructure needs. It identifies investment shortfalls and provides future direction for managing corporate assets.

The current replacement value and age data for the 2017 ISR represents post-flood data, reflective of The City's portfolio of assets as of January 1, 2017.

INVESTIGATION: ALTERNATIVES AND ANALYSIS

The 2017 Infrastructure Status Report has the following key findings:

- Since the last Infrastructure Status Report (2013), The City's infrastructure assets have increased in value, from \$60.48 billion to \$84.70 billion. The primary reasons for this increase in inventory replacement value include implementation of new cost evaluation methods, improvement in The City's understanding of its asset inventory, addition of new assets built by The City and acquired from developers, cost escalation factor and the delivery of a broader portfolio of services.
- Average life expectancy of the infrastructure, on a weighted scale, is currently about 68 years with the remaining life at 29 years. Since 2013, remaining asset life has decreased slightly.
- 88% of The City's infrastructure assets are in good or very good physical condition and 9.70% are in fair condition. Approximately 2.30% of The City's assets are in poor physical condition.
- Over the next 10 years, The City of Calgary will require an additional investment of \$5.67 billion to fund infrastructure maintenance, growth and operating requirements.
- Budget cuts in 2017-2018 will have an impact on service levels and capital maintenance which can affect this 10-year funding gap forecast and hence, service delivery.

The City of Calgary 2017 Infrastructure Status Report

- The 10-year operating gap forecast has dropped by \$1.04 billion since 2013.
- The capital maintenance gap forecast has dropped by about \$0.29 billion indicating that additional commitments have been made to maintaining The City's assets based on business units' better understanding of levels of service and risk.
- Currently identified financing sources for service growth over the next 10 years, also fall short by \$3.19 billion. This was identified in 2013 as \$3.23 billion.

Stakeholder Engagement, Research and Communication

The 2017 Infrastructure Status Report is a consolidation of corporate-wide asset data and has been developed from inputs from all City of Calgary asset managing business units. Business units have been involved in providing and confirming asset data as well as review and approval of the report. The report was communicated to business units through the Accommodation and Infrastructure Steering Committee (AISC) and the Asset Management Network.

Strategic Alignment

The 2017 Infrastructure Status Report is presented to Council to provide perspective regarding the state of The City's infrastructure to support capital allocations and infrastructure decision making. It aligns with the corporation's Asset Management Policy – ALT2016-0829 (GN-001(B)) and the four identified elements of an asset management system: Plan, Do, Check, Act. The 2017 Infrastructure Status Report supports the Check component of the Policy, specific to managing the performance of asset management. The 2017 Infrastructure Status Report also supports Calgary's Asset Management Strategy (2005).

Social, Environmental, Economic (External)

The City can play its role in fostering the local economy through ongoing investments in infrastructure.

Financial Capacity

Current and Future Operating Budget:

The Infrastructure Status Report is presented to provide perspective regarding the state of The City's infrastructure to support capital allocations and infrastructure decision making.

Current and Future Capital Budget:

The Infrastructure Status Report is presented to provide perspective regarding the state of The City's infrastructure to support capital allocations and infrastructure decision making. The findings of this report will act as input to ongoing actions by business units in their actions and objectives in asset management and business plans.

Risk Assessment

The two key risk areas are:

- The quality of analysis and decision making resulting from nonaligned or nonstandard data and reporting between various Business Units.

PROPOSED URGENT BUSINESS

Deputy City Manager's Office Report to
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2018 March 14

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The City of Calgary 2017 Infrastructure Status Report

- The ability or speed of adoption of the asset management practice as a result of embedded corporate culture and/or resource availability.

Significant risks are associated with deteriorating or failing infrastructure. At a Corporate level, the risk to The City includes, but is not limited to, the ability to provide appropriate level of service, injury or death, alignment with sustainability objectives and financial viability. In accordance with The City's Integrated Risk Management Framework the Infrastructure Status Report is one mechanism for monitoring and reporting on the status of The City's infrastructure health as a risk management strategy. Successful implementation of the asset management program and the continued use of the Infrastructure Status Report to enable budget decision making helps mitigate these risks.

REASON(S) FOR RECOMMENDATION(S):

The 2017 Infrastructure Status Report is presented to Council to provide perspective regarding the state of The City's infrastructure to support capital allocations and infrastructure decision making.

ATTACHMENT(S)

1. **Revised** Attachment 1 – The City of Calgary 2017 Infrastructure Status Report
2. 2017 Infrastructure Status Report PowerPoint presentation

PROPOSED URGENT BUSINESS



2017 Infrastructure Status Report



Preface

Infrastructure Status Report (ISR) is a key component of The City of Calgary's asset management system. It is produced every business cycle to enable sustainable management of corporate infrastructure. The report highlights the status of all City-owned assets and identifies areas of short- and long-term infrastructure risk. This information helps The Corporation maintain its ability to deliver the required services to the residents of Calgary.

The 2017 report is the fifth iteration of the document. It serves as a guide for City Council to make informed infrastructure investment decisions by highlighting the needs and performance of its infrastructure ahead of the development of 2019-2022 service plans and budget – “One Calgary.”

The data for the 2017 Infrastructure Status Report is based on The City's portfolio of assets as of Jan. 1, 2017 and is reflective of post-2013 flood data.

The following key principles guide the development of the ISR:

- The ISR benchmarks future infrastructure needs over a 10-year horizon.
- Infrastructure needs include operating, capital maintenance and capital growth costs.
- Operating and capital maintenance costs relate to maintenance and upgrade of existing infrastructure, and capital growth costs relate to investments required to support The City's expansion.
- Information used in this report was collected from 11 business units that own 99 per cent of the assets as well as Calgary Police Service, Calgary Parking Authority and Calgary Public Library. The data was rolled up to present an overall corporate picture.
- Since 2015, The City has been working with the Calgary Public Library and seven civic partners (Arts Commons, Calgary TELUS Convention Centre, The Calgary Zoological Society, Fort Calgary Preservation Society, Heritage Park Society, Lindsay Park Sports Society, and Calgary Science Centre Society) to support partner-specific asset studies and tools. Work with most civic partners is underway and will be complete for inclusion in the next report.
- The City of Calgary also reports the value of its infrastructure assets in its annual financial statements. These statements, however, report depreciated asset values in compliance with the Public-Sector Accounting Board's, PS3150 Tangible Capital Asset reporting requirements. Depreciated asset value¹ is an accounting concept which differs significantly from the current replacement value (CRV)². CRV, as used in this report, is the cost to replace an asset at the current price.

¹ Depreciated asset value is calculated by depreciating the original purchase cost over the useful life of the asset.

² Current replacement value is calculated by appreciating the original purchase cost using escalation rates that depend on market conditions and inflation.

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Infrastructure Status Report (ISR)
is a key component of The City
of Calgary's asset management system.
It benchmarks future infrastructure
needs over a 10-year horizon.

Executive Summary

The City of Calgary owns, operates and maintains a wide range of infrastructure assets. These assets support social, economic and environmental services that The City provides. To continue to provide these services, it is important to know the state of its current assets. This information helps The Corporation effectively and efficiently manage its infrastructure. With proper asset management, The City can play its role in fostering the local economy through ongoing investments in infrastructure. In addition, this information also helps us effectively plan quality services for the citizens of Calgary.

This report provides a snapshot of The City of Calgary's current infrastructure inventory. It informs and guides the decision makers as they plan for the next four-year business cycle. Information used in this report is based on the best available data, as of Jan. 1, 2017, supplied by various business units/service areas.

An analysis of corporate asset data shows that, over the past four years, The City's infrastructure assets have grown in value from \$60.48 billion to \$84.70 billion. This increase has been a result of the following:

- **Addition of new assets:** The City's asset base has expanded over the last business cycle to meet the growing demand. Assets created in the last four years include Airport Tunnel, new interchanges, new Treated Effluent Water Facility, Valleyfield Station, new Fats, Oils and Grease Facility, new Headworks Facility, capacity upgrades at the Bonnybrook Wastewater Treatment Plant and upgrade of its electrical system, as well as the addition of a Carbon Dioxide System, and Sodium Hypochlorite Facilities at Water Treatment Plants.
- **Asset management maturity:** The City's asset management practices have matured which has led to a better understanding of its asset base. This has resulted in an improved and more detailed inventory recording and subsequent reporting.

- **Cost escalation factor:** Current replacement value is calculated by using the inflationary index against the cost.
- **New cost evaluation methods:** New methods have been developed for certain asset types to help standardize the methodology going forward. These include the new unit rate for pavement and concrete and unit cost increase for water/sanitary services (e.g. pipe and valve replacements).

It should be noted that the asset value stated above does not include land holdings that The City owns. This is because land does not depreciate like other assets and, hence, does not require the same level of maintenance.

Asset condition is another useful indicator for The City because it helps us understand when interventions may be required to improve or maintain our levels of service. Analysis of past data shows a general upward trend over the last decade as efforts have been consistently made to improve the state of the assets. While the overall asset health is good (at 88 per cent), it is also seen that the condition profile has deteriorated since 2013 from 95 per cent. This indicates The City should consider additional expenditure on asset replacement, lifecycle maintenance and upgrades in order to maintain the desired service standards.



Since 2013, The City's infrastructure assets have grown in value from \$60.48 billion to \$84.70 billion.

The 10-year infrastructure funding gap has been identified as \$5.67 billion.

Executive Summary

It is also estimated that The City's total infrastructure needs, funded and unfunded, over the next 10 years is approximately \$25.87 billion. The City forecasts the ability to fund approximately \$20.2 billion during this time. The remaining \$5.67 billion has been identified as the 10-year infrastructure funding gap. In the 2013 report, the 10-year gap was reported as \$7.04 billion. Narrowing of this gap is an indication that The City is maturing in its asset management practices. This also reflects a dedication by City Council to invest in infrastructure.

To help close the infrastructure gap, Corporate Asset Management has continued its work with the business units. Focus has been to align condition assessments with a risk management strategy and well-defined levels of service. This integrated approach to asset management is vital in bringing about consistent asset management practices across all areas of The Corporation. This approach also ensures the use of assets is optimized. To continue to improve asset

management at The Corporation, formalization of asset management planning/plans is taking place. This includes the following activities:

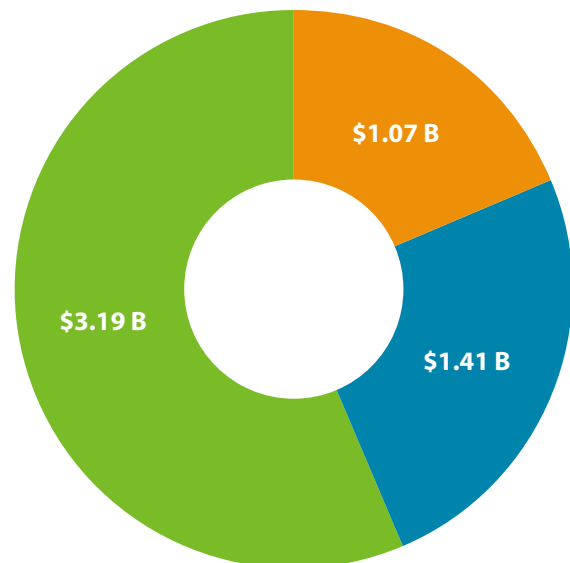
- Establishing standard performance monitoring mechanisms.
- Adopting risk management as a core business driver.
- Defining and aligning levels of service to asset performance.
- Developing comprehensive lifecycle management and financial plan.

Infrastructure Gap \$5.67 (\$ Billions)

\$1.07 B
Total Operating Gap

\$1.41 B
Total Maintenance Gap

\$3.19 B
Total Growth Gap



* Does not include Transit projects from RouteAhead including Green Line, as well as projects beyond the 10-year horizon.

1.0 Introduction

1.1 History

The City of Calgary defines its assets as all physical infrastructure necessary to support social, economic and environmental services that it provides. In 2005, City Council approved an Asset Management Strategy and Corporate Asset Management Program to effectively and more efficiently use and maintain these assets. This set the stage for The City to develop an asset management system. This system is intended to monitor and maintain The City's assets. It is the foundation for infrastructure best practices that help The City provide effective municipal service while balancing smart growth and quality of life.

In general, the business units assess and maintain their assets and make recommendations for infrastructure growth. This work is completed with operational, strategic and governance support from the corporate asset management team and forms the basis of The City's asset management system. The asset management system is underscored by a process of continuous improvement based on the cycle of plan, do, check and act. The following three items are an important part of this cycle:

1. **Infrastructure Status Report (ISR)** – A corporate level document which includes business unit data. It reports on the overall state of City assets.
2. **Corporate Asset Management Plan (CAMP)** – A corporate plan which comprises individual business unit asset management plans and serves as an action plan for the improvement of The Corporation's Asset Management System (including practices, technology, people and business processes).
3. **Monitoring State of Asset Management or Asset Management Maturity** – This is measured within The City's Asset Management Plan.

1.2 Advancement of Asset Management System

Asset management provides a systematic, holistic, cost-effective and integrated approach to planning and management of assets. The purpose is to achieve agreed upon service levels with acceptable risk levels at the lowest lifecycle costs. Since the first-generation asset management strategy was developed in 2005, The City has evolved and improved its asset management capabilities. This has happened through the development of a more robust policy and updated strategy, the alignment of practices with international standards (ISO 50001), and the development of internal, made-in-Calgary-for-Calgary, corporate standards and frameworks.

Business units have developed investment forecasts that will begin to drive the development of business cases through the business planning period. In addition, there are clear actions for improvement identified by each of the business units. These actions include improving the understanding of performance and risk and using this information in decision-making, improving the quality of data and information, and integrating asset management into the core business planning processes.

Since 2008, The City has put a more concerted effort into developing asset management frameworks, plans, guidance and practice. This shows an improvement trend and to continue this trend, Corporate Asset Management and Infrastructure Calgary will need to collaborate further to ensure these initiatives are captured in business plans.

In 2016 and 2017, business units have identified more clearly the services they provide within their areas of responsibility. Most business units provide five or six clear service lines. Information provided by the business units with regards to infrastructure status or investment planning is not yet aligned with these service lines and a more aggregated view has been taken.

1.3 Role of Infrastructure Status Report

This report is a key component of The City of Calgary's asset management system, as noted earlier. The 2017 version of the ISR is the fifth iteration of the document. It continues to be an important document for helping to mitigate risk throughout The Corporation. It also serves as a guide for City Council to make informed infrastructure investment decisions.

This document helps The City understand the needs and performance of its infrastructure ahead of the development of 2019-2022 service plans and budget – “One Calgary.”

We recognize the need to apply more robust decision-making processes that are founded on accurate data. This document seeks to build on these aspirations. It highlights the status of The City of Calgary's assets and provides an indication of its organizational capacity to deliver on strategic outcomes.

The infrastructure status is presented at an asset portfolio level, rolling up information and data from individual assets. This information provides an overall assessment of our assets and highlights how well these assets are achieving their strategic objectives. It consequently supports asset stewards to develop infrastructure investment priorities.

1.4 Purpose

Calgary's Asset Management Strategy identifies 11 essential elements for an effective asset management system. The four elements listed below guide the development of the ISR:

1. An accurate and consistent inventory for all municipal infrastructure.
2. Continual infrastructure status reporting to enable asset stewards to develop infrastructure investment priorities.
3. Alignment between service and infrastructure decisions.
4. Benchmarking to measure infrastructure performance.

As a result, the ISR provides answers to five key questions:

1. What do we own?
2. What is it worth?
3. What condition is it in?
4. What is its remaining service life?
5. What is the infrastructure funding gap?

The benefits of knowing the answer to these questions assist with the:

- Ability to plan for and manage the delivery of the required service level.
- Avoidance of premature asset failure.
- Risk management associated with asset failures, and mitigation of the consequences of failure.
- Accurate predication of future expenditure requirements through understanding remaining asset life and capital investment needs.

1.5 Report Overview

This report begins by answering the five key questions noted above. Answers to these five questions are first provided at a corporate level, followed by trend analysis based on the historical data. Answers to the questions are then provided at the asset portfolio level. The report ends with conclusions and next steps. More detailed information is available in the appendices. Information regarding service level and risk analysis can be found in the Corporate Asset Management Plan.

In June 2013, Southern Alberta and The City of Calgary experienced severe flooding because of a major rainstorm. The City of Calgary was faced with extensive damage to public infrastructure assets including bridges, roadways, public transit, a wastewater treatment facility, numerous City buildings, parks and pathways. Information technology and communications infrastructure was also impacted. The initial assessments quantified a total of 185 projects with an estimated cost of \$445 million to repair or rebuild.

As of July 2017, the program of work to repair and replace infrastructure damaged by the 2013 flood has evolved into a total of 220 projects of which 194 have been completed at a total estimated cost ranging from \$320 to \$340 million. It is expected that the full program of work will be completed by the summer of 2019 (due to anticipated delays in provincial government approvals).

The data for the 2017 Infrastructure Status Report is based on The City's portfolio of assets as of Jan. 1, 2017 and reflects post flood data.

1.6 Methodology

Although there are many commonalities across business units, in terms of how they manage their assets and record asset data and transactions, there are also many differences. To complete the ISR in a consistent manner, the following methodology was adopted:

- The largest business units (that comprise over 99 per cent of The City's asset value) were contacted to provide their asset data.
- Corporate Analytics and Innovation (CAI) acted in a supporting and co-ordinating role to collect asset data from the business units. This included:
 - Developing a template in the RIVA system to input the data. Business units were given the option to directly enter the required information into the RIVA system. They were also contacted on a regular basis to identify any concerns and answer questions.
 - CAI collected the responses, consolidated the data, conducted analyses, compiled the report and made recommendations for next steps.

The ISR provides answers to five key questions:

1. What do we own?
 2. What is it worth?
 3. What condition is it in?
 4. What is its remaining service life?
 5. What is the infrastructure funding gap?
-



2.0 Five Questions – Corporate Level Overview

2.1 What do we own?

In a broad sense, The City's asset base is comprised of five major asset portfolios:

1. **Engineered structures** – A broad portfolio of assets including roads, bridges and associated assets, track and stations, water treatment and distribution, wastewater collection and treatment infrastructure, communications towers and cabling conduits, and landfill sites.
2. **Buildings** – All buildings including the corporate accommodation portfolio (69 properties), fire halls, recreation centres, laboratories and affordable housing portfolio.
3. **Land improvements** – Includes parks, playgrounds and sports pitches, as well as boulevards, carparks and other land improvements.
4. **Vehicles** – Includes all bus and light rail vehicles as well as trucks and other vehicles to support all business unit operations.

5. **Machinery and equipment** – Includes plant and equipment used in supporting fleet maintenance for transit and other vehicles to work landfill facilities, create asphalt for roads, fire fighting equipment as well as computer hardware/software.

Engineered structures (88.16 per cent) make up the majority of The City's asset base, followed by buildings (5.35 per cent), land improvements (3.39 per cent), vehicles (2.14 per cent), and machinery and equipment (0.95 per cent).

In addition to these major asset portfolios, The City also has land holdings. Land does not, however, depreciate like the other assets and does not require the same level of maintenance.

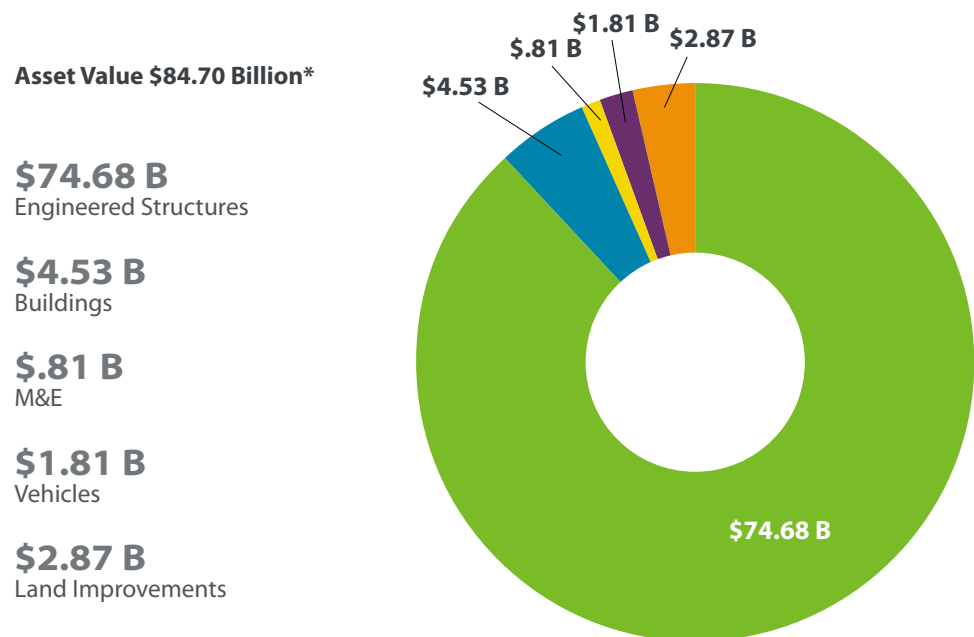
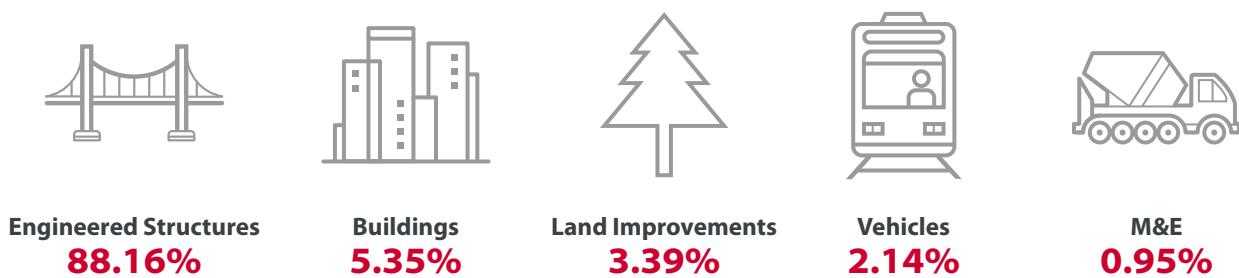


2.2 What is it worth?

As of Jan. 1, 2017, The City's total asset base has a replacement value of \$84.70 billion, up from \$60.48 billion in 2013.

A breakdown by asset category is summarized in the chart. Engineered structures comprise approximately \$74.68 billion of the total, followed by buildings at \$4.53 billion, land improvements at \$2.87 billion, vehicles at \$1.81 billion, and machinery and equipment at \$0.81 billion.

Asset Value



* Does not include \$4.22 billion land holdings owned by The City. Land does not depreciate like other assets and does not require the same level of maintenance.

2.3 What condition is it in?

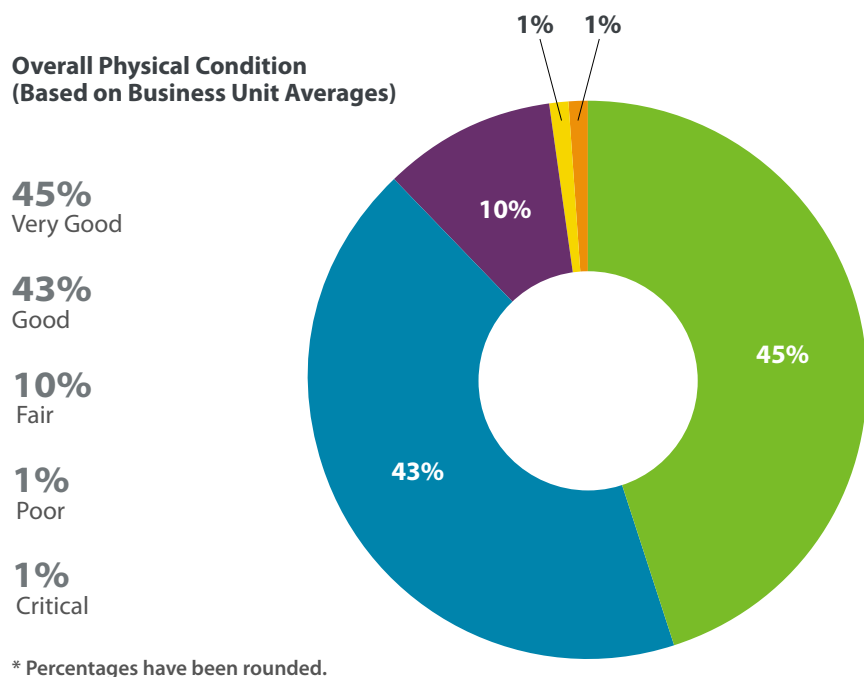
More than 88 per cent of The City's infrastructure assets are in good or very good physical condition. Approximately 2.29 per cent of The City's assets are in poor or critical physical condition.

In previous infrastructure status reports, the focus was on three types of condition assessments: physical, demand and functional. The current report only focuses on physical condition. Demand and functional conditions are addressed in the asset management plans.

Physical condition reflects the physical state of the asset, which may or may not affect its performance. The performance of the asset is the ability to provide the required level of service to customers in terms of reliability, availability, capacity, and meeting customer demands and needs. All of this is critical information for determining the remaining useful life of an asset. More importantly, it helps identify the timing for possible intervention steps to help bring levels of service to a desired standard.

Condition Assessment Rating Scale

Condition Category	Description	Rating Scale
Physical	Physical deterioration of the asset.	Very good – Sound or “as new” condition
		Good – Acceptable physical condition. Asset shows only minor deterioration.
		Fair – Tolerable physical condition. Moderate deterioration evident.
		Poor – Major deterioration evident.
		Critical – Asset deteriorated to such an extent that it is generally inoperable or unsafe.

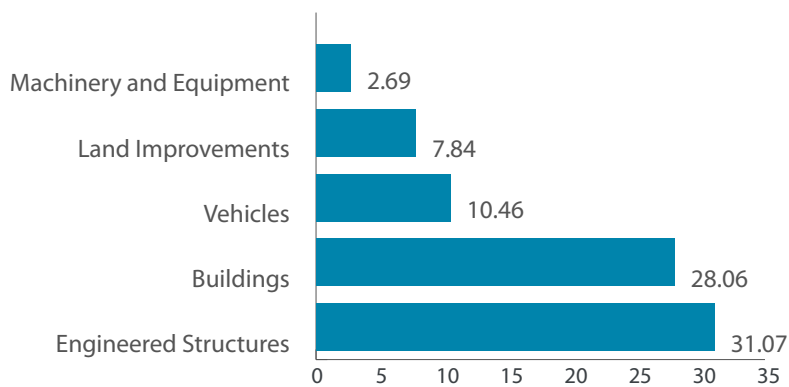


2.4 What is the remaining asset life?

Another important piece of information required, when making infrastructure investment decisions, is the remaining asset life within each major asset portfolio. This metric can help to illustrate where and when upgrades and replacements may be required.

The average remaining life varies by asset portfolio as shown in the chart below. It is important to understand that a long remaining useful life doesn't necessarily mean that the asset is in good physical condition. On the other hand, a negative useful life doesn't always mean the asset requires replacement. The asset still may be meeting its required level of service or can continue with maintenance.

Average Remaining Asset Life (Years)



2.5 What is the infrastructure gap?

The City of Calgary has identified that the current replacement value of its existing assets is approximately \$84.70 billion. With such an extensive asset base, it is important to understand the requirements for maintaining and upgrading these assets because as a municipality's overall capital stock grows, so do the funding requirements to help maintain, upgrade and repair these assets.

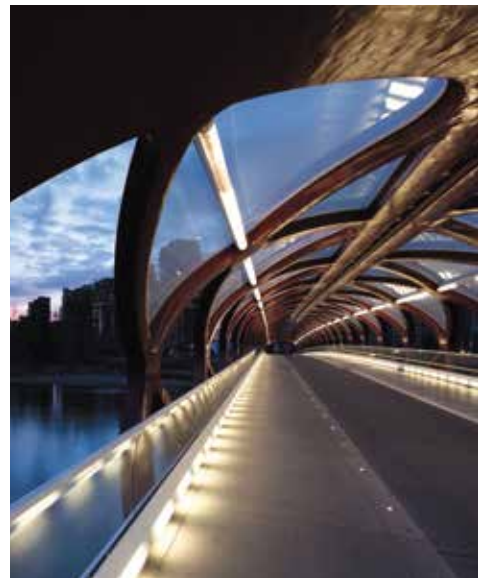
Capital investments are mostly long-term. Infrastructure spending, hence, relates not only to building long-term capital assets but also includes plans to repair and eventually replace these assets. Infrastructure gap, therefore, is an estimate of the total unfunded investments and is grouped into the following three categories:

- 1. Capital growth gap:** Unfunded investments required to support The City's expansion. Primary drivers of growth-related expenditures are economic growth, population growth and demographic changes.
- 2. Capital maintenance gap:** Unfunded investments required to maintain and upgrade existing infrastructure assets.
- 3. Operating gap:** Funding shortfall required to bring existing assets to a minimum acceptable level for operation over their service life.

The City's 10-year projected infrastructure funding gap is \$5.67 billion. This has dropped from \$7.04 billion reported in 2013.

The table on the next page, outlines the estimates for operational, maintenance and growth funding requirements over the next 10 years.

Funded operating budget figures are based on approved 2016 operating budget extrapolated over the next 10 years. Funded and unfunded 10-year capital budget numbers are based on long-term data available in The City's capital budget system. These numbers have been calculated by individual business units and the data was rolled up to arrive at the total corporate gap.



	Operating	Capital Maintenance	Capital Growth	Total
Required	\$14.12 B	\$5.14 B	\$6.61 B	\$25.87 B
Funded	\$13.05 B	\$3.73 B	\$3.42 B	\$20.2 B
Gap	\$1.07 B	\$1.41 B	\$3.19 B	\$5.67 B

Based on the above data provided by the business units and civic partner outlining their infrastructure funding projections over the next 10 years, it is estimated that The City's total infrastructure needs, funded and unfunded, over the next 10 years is approximately \$25.87 billion. Business units/civic partner anticipate the ability to fund approximately \$20.2 billion during this time. The remaining \$5.67 billion is the 10-year infrastructure gap. Of this, \$1.07 billion is attributable to operating, \$1.41 billion to infrastructure maintenance and \$3.19 billion to capital growth. As the business planning and budgeting process spans four-year periods, the long-term portion of the funding gap has not been fully realized.

Infrastructure Gap \$5.67 Billion

\$1.07 B

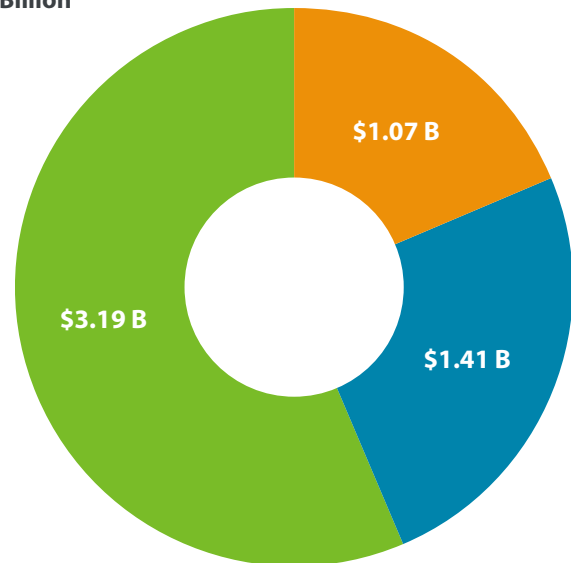
Total Operating Gap

\$1.41 B

Total Maintenance Gap

\$3.19 B

Total Growth Gap



* Does not include Transit projects from RouteAhead including Green Line as well as projects beyond the 10-year horizon.

3.0 Trends

The tables below show the value of The City of Calgary's infrastructure assets, remaining life, infrastructure gap (forecast) as well as assets' physical condition over the five business cycles.

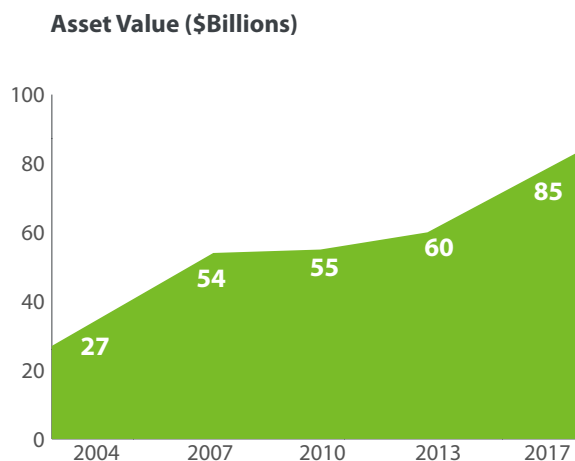
		2004	2007	2010	2013	2017
Value (\$Billions)		27	54	55.14	60.48	84.70
Age (Years)	Expected	68	65	67	59	68
	Remaining	31	31	43	32	29
Gap (\$Billions)	Operating	0.50	0.76	0.86	2.11	1.07
	Maintenance	2.30	2.67	3.23	1.70	1.41
	Growth	2.50	6.96	3.31	3.23	3.19
	Total Gap	5.30	10.39	7.40	7.04	5.67

	Physical Condition		
	Good* (combined with V. Good)	Fair	Poor* (combined with Critical)
2004	80%	14%	6%
2007	76%	17%	7%
2010	78%	16%	6%
2013	95%	3.50%	1.50%
2017	88%	9.70%	2.30%

3.1 Asset value

There has been a continual upward trend in the value of our assets.

The most recent \$25 billion increase is largely because of newly built assets, new cost evaluation methods/rates and corporate-wide asset management maturity leading to a better understanding of asset inventory.





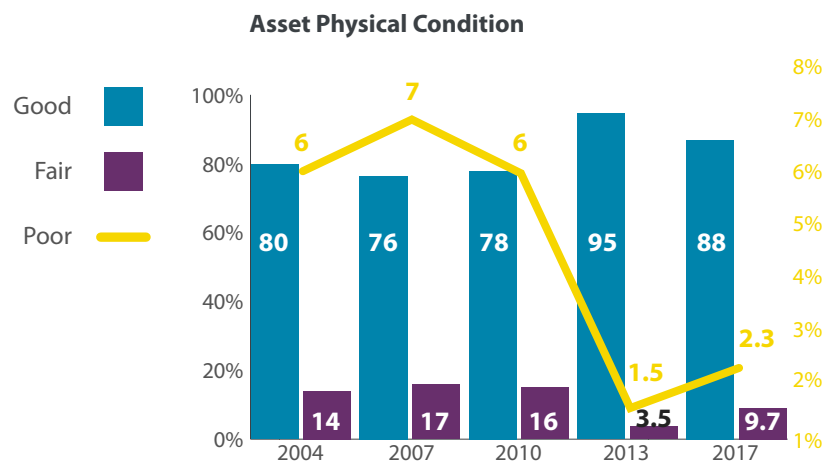
3.2 Physical condition

Physical condition reflects the physical state of the asset, which may or may not affect its performance. The performance of the asset is the ability to provide the required level of service to customers in terms of reliability, availability, capacity, and meeting customer demands and needs. Physical condition helps determine the remaining useful life of an asset and more importantly, the timing for possible intervention steps to help bring levels of service to a desired standard.

Efforts are consistently being made at The City to improve the state of its assets as evident from the graph, which shows an overall improvement over the past decade. However, from 2013 to 2017, there has been a decline in the condition. This indicates The City should consider additional expenditure on asset replacement, lifecycle maintenance and upgrades. As an example, it has been reported in the Roads Asset Management Plan that maintaining overall pavement conditions over the next 10 years requires an estimated budget of \$35 million each year. Pavement rehabilitation projects beyond the current year, however, are tentative and will be determined by funding availability, construction costs and strategic priorities.

In this context, it is important to understand that repeated maintenance spending shortfall over years can lead to a decline in asset condition, which can impact asset performance and ultimately service performance. This indicator, hence, should be actively managed so service targets can continue to be achieved.

Given the extent and confidence in the data, it is difficult to accurately determine whether The City's operational and technical performance is improving or declining. Customer satisfaction, however, can be impacted by declining condition which, if allowed to continue, may have to be propped up by extensive operational customer service and response efforts.



* Good and fair percentage reflected on the left axis and poor on the right axis

3.3 Age of assets

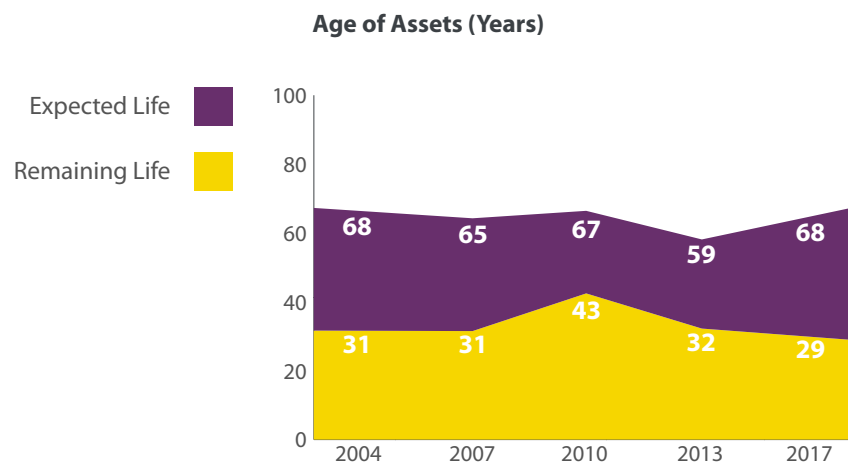
The life span of The City's diverse assets varies from a few years (e.g. information technology) to over 70 years (e.g. water network). On a weighted scale, average life expectancy of the infrastructure is currently about 68 years with the remaining life at 29 years.

At an aggregate level, expected life of assets has increased to 68 years. This increase can partially be attributed to the addition of new assets that have offset the deteriorating life expectancy recorded in 2013. Another reason may be related to improved asset inventory recording.

Remaining asset life values, in contrast, have slightly decreased. This indicates that some existing in-service infrastructure requires upgrades or replacement.

The life span of The City's diverse assets varies from a few years (e.g. information technology) to over 70 years (e.g. water network).

Age of assets shown below is derived from a weighted average scale.



3.4 Infrastructure gap

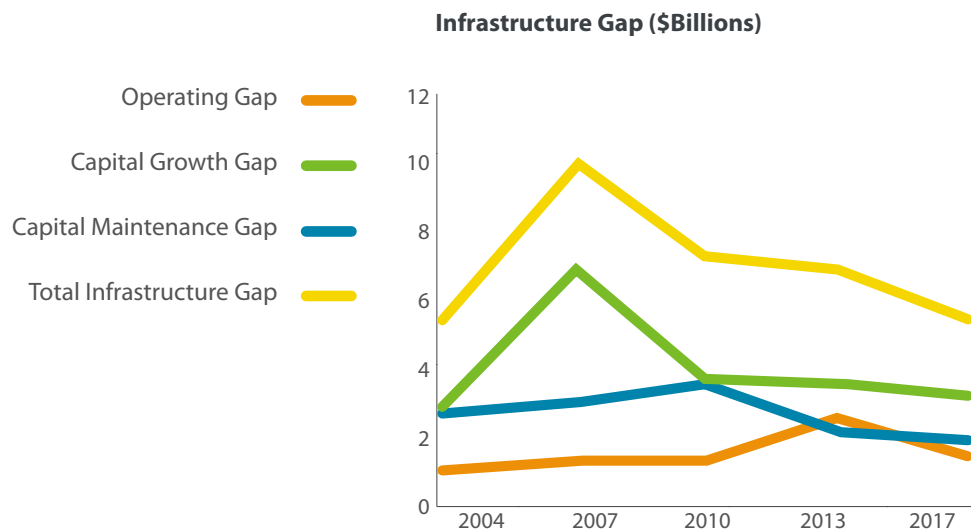
With such an extensive asset inventory, it is important to understand the requirements for maintaining and upgrading growing assets.

As the inventory expands to support growth, operating and maintenance costs associated with these new assets also go up. If there is not enough funding to repair, maintain and upgrade these assets, it creates a backlog of maintenance related projects. This affects The City's ability to deliver quality public service to its citizens and, in turn, has an impact on Calgarians' quality of life.

Since the last business cycle, total projected infrastructure gap has dropped by \$1.37 billion. However, any budget cuts in 2017-2018 can potentially impact capital maintenance and service levels which can affect this 10-year funding gap forecast and, hence, service delivery.

Declining operating gap over the last business cycle indicates that there is a growing awareness and an improved understanding of the operating impacts of capital across The Corporation. The capital maintenance gap has also dropped by almost \$0.29 billion since 2013. This indicates that additional commitments have been made to maintain The City's assets as business units gain a better understanding of how to manage levels of service and risk.

The capital growth gap has decreased as well by \$0.04 billion since 2013, but remains steady since 2010. This is because growth projections have not changed significantly so there is little change in funding projections.



4.0 Asset Portfolio Overview

4.1 Engineered structures

4.1.1 What do we own?

Engineered structures are defined as permanent structural works such as roads, bridges and associated assets, track and stations, water treatment and distribution, wastewater collection and treatment infrastructure, communications towers and cabling conduits, and landfill sites.

Examining the engineered structures portfolio of assets reveals that majority of The City's engineered structures are located within Water followed by Roads.

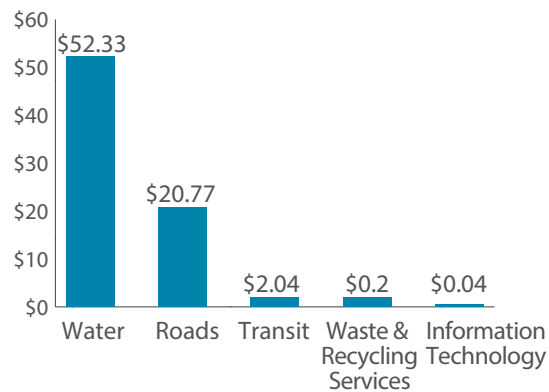
4.1.2 What is it worth?

The total value of the engineered structures portfolio is approximately \$74.68 billion or 88.16 per cent of the total asset base.

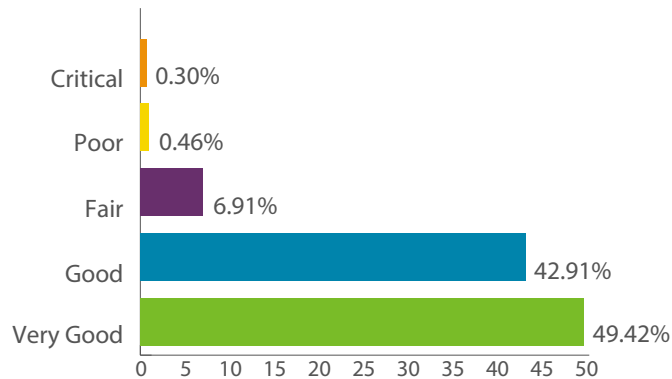
4.1.3 What condition is it in?

A significant majority of The City's engineered structures are in very good/good physical condition.

Engineered Structures Value by Business Unit (\$Billions)



Engineered Structures Condition



* Aggregate view of all corporate engineered structures.

4.1.4 What is the remaining asset life?

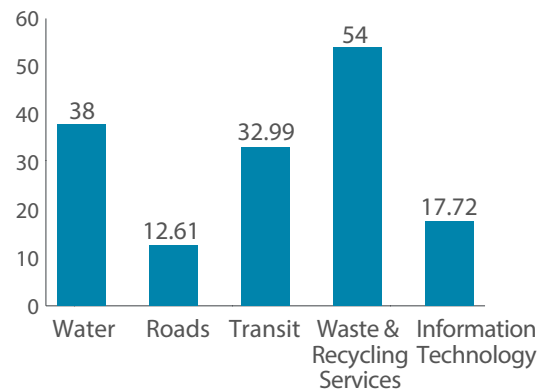
The average remaining asset life for the engineered structures portfolio is approximately 31.07 years. Business unit specific average remaining life is reflected in the graph below.

4.2 Buildings

4.2.1 What do we own?

Buildings are defined as permanent, temporary or portable building structures intended for shelter and working space. Buildings include the corporate accommodation portfolio (69 properties), fire halls, recreation centres, laboratories and affordable housing portfolio.

Engineered Structures Average Remaining Asset Life (Years)



Examining the buildings portfolio of assets reveals that most of The City's buildings are located within three business units: Facility Management, Recreation and Calgary Housing.

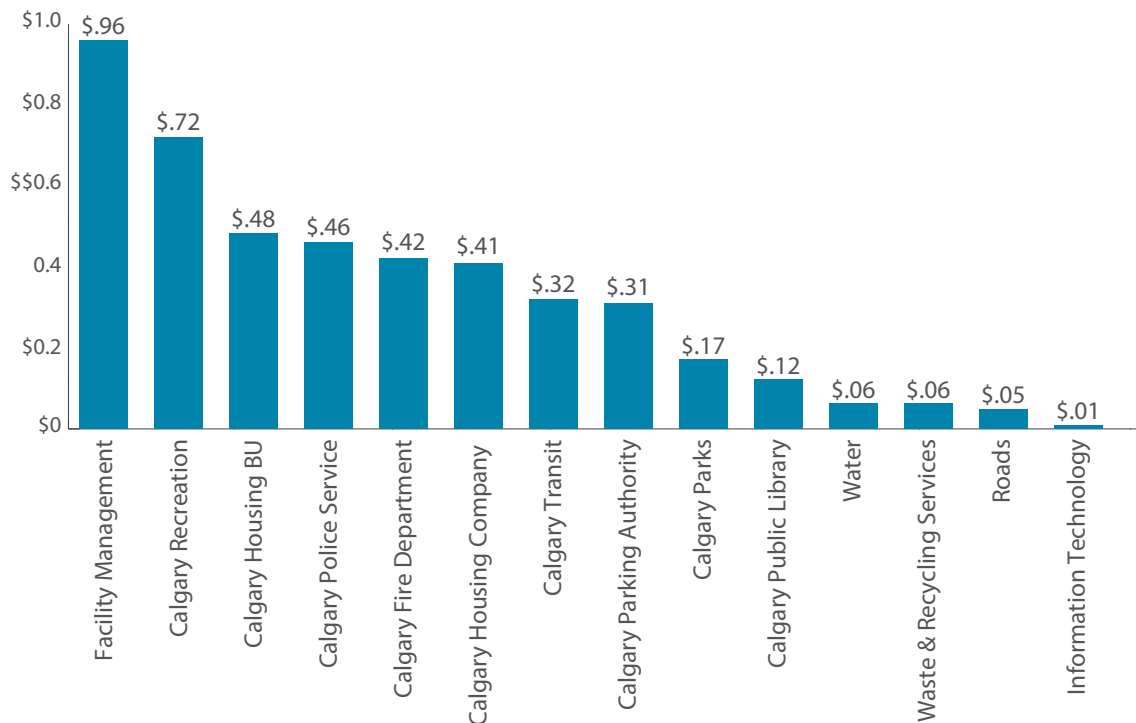
4.2.2 What is it worth?

The total value of the buildings portfolio is approximately \$4.53 billion or 5.35 per cent of the total asset base.

4.2.3 What condition is it in?

Although the physical condition of buildings is overall good or fair, almost 20 per cent (at an aggregate level) are rated as poor or critical. There is a high risk of further deterioration of buildings which can severely impact the services provided by this asset class. Services that come under this category are recreation facilities, libraries, operational storage, safe and healthy workspace, public use space, laboratories, fire halls and affordable housing portfolio.

Buildings Value by Business Unit (\$Billions)

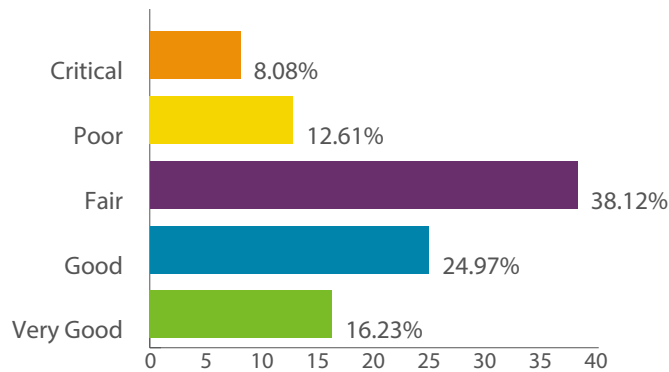


Recreation has reported almost 44 per cent of its buildings in poor or critical condition followed by Library at 37 per cent, Roads, Facility Management and Transit at 32 per cent, 30 per cent and 27 per cent respectively. Waste & Recycling Services, Calgary Police Services, Parks, Calgary Fire Department and Calgary Housing have also categorized a portion of this asset class under poor or critical condition.

4.2.4 What is the remaining asset life?

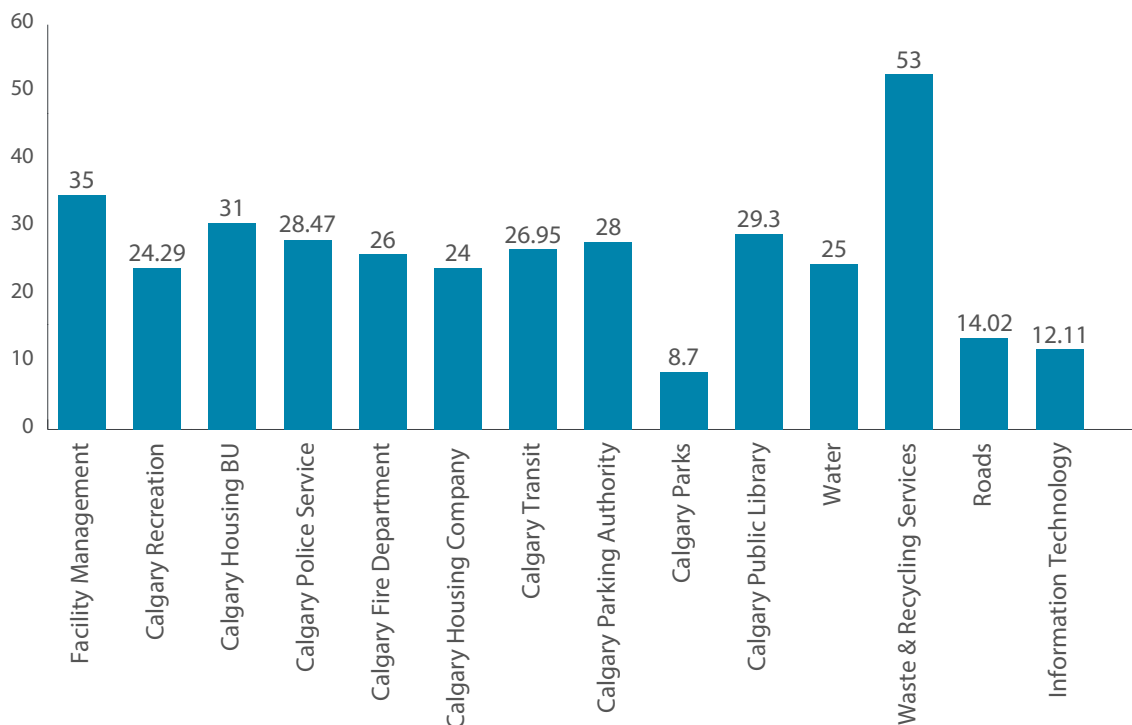
The weighted average remaining asset life for the buildings portfolio is approximately 28.06 years. Business unit specific average remaining life is reflected in the graph below.

Buildings Condition



* Aggregate view of all corporate building.

Buildings Average Remaining Asset Life (Years)



4.3 Land improvements

4.3.1 What do we own?

Land improvements are defined as all improvements of a permanent nature to land such as parks, boulevards, parking lots, landscaping, lighting, pathways and fences.

Examining the land improvements portfolio of assets reveals that the majority of The City's land improvements are located within Parks.

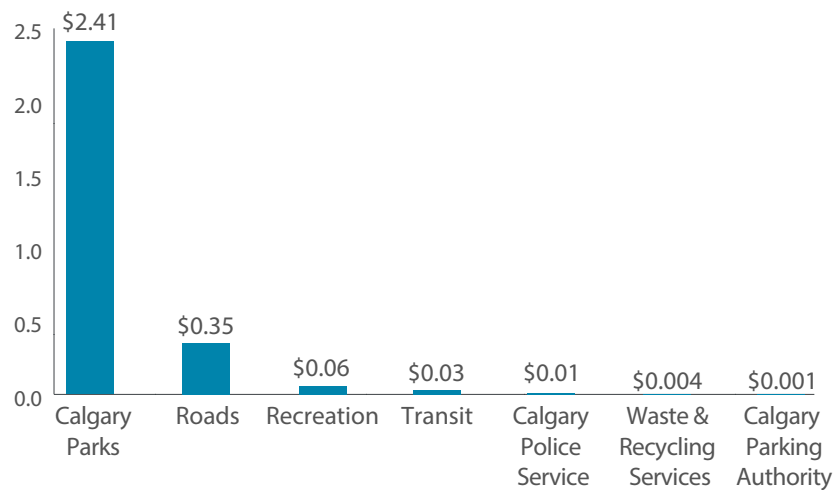
4.3.2 What is it worth?

The total value of the land improvements portfolio is approximately \$2.87 billion or 3.39 per cent of the total asset base.

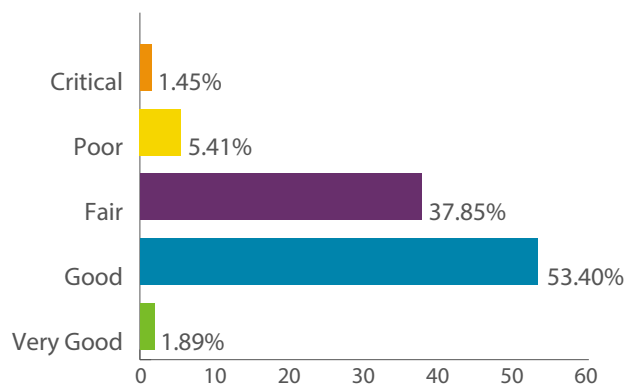
4.3.3 What condition is it in?

The physical condition of The City's land improvement is generally good or fair. They should be monitored to ensure these assets do not fall into the poor or critical categories. Land improvements that fall into poor or critical condition mostly belong to Transit with a small percentage belonging to Parks. At an aggregate level, 6.86 per cent are currently in poor or critical condition and require maintenance or upgrades.

Land Improvements Value by Business Unit (\$Billions)



Land Improvements Condition



* Aggregate view of all corporate land improvements.

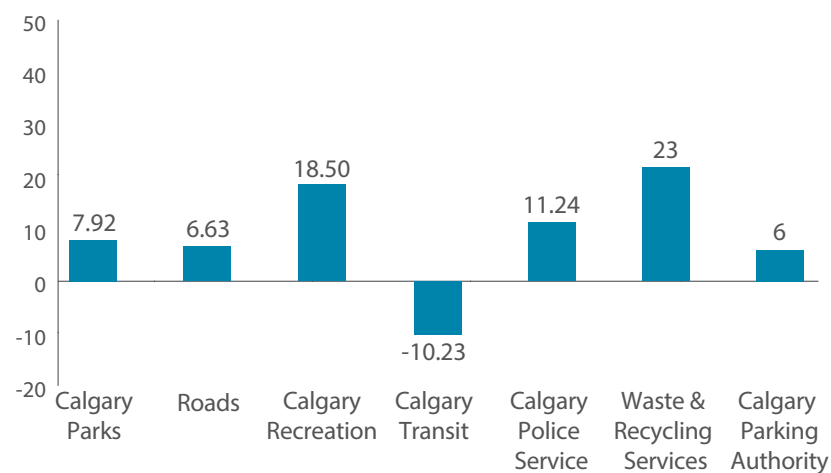
4.3.4 What is the remaining asset life?

The weighted remaining asset life for the land improvement portfolio is approximately 7.84 years, however, there are some areas where assets appear to have exceeded their useful life and should be further examined. It is also important to understand that a long remaining useful life doesn't necessarily mean

that the asset is in good physical condition. On the other hand, a negative useful life doesn't always mean the asset requires replacement. The asset still may be meeting its required level of service or can continue with maintenance.

Business unit specific average remaining life is reflected in the graph below.

Land Improvements Average Remaining Asset Life (Years)



* Asset lifecycle review is underway in Transit.



4.4 Vehicles

4.4.1 What do we own?

Vehicles are rolling stock primarily used for transportation purposes and include all bus and light rail vehicles as well as trucks and other vehicles to support all business unit operation.

Examining the vehicles portfolio of assets reveals that Transit holds the majority of vehicles (by value) followed by Fleet.

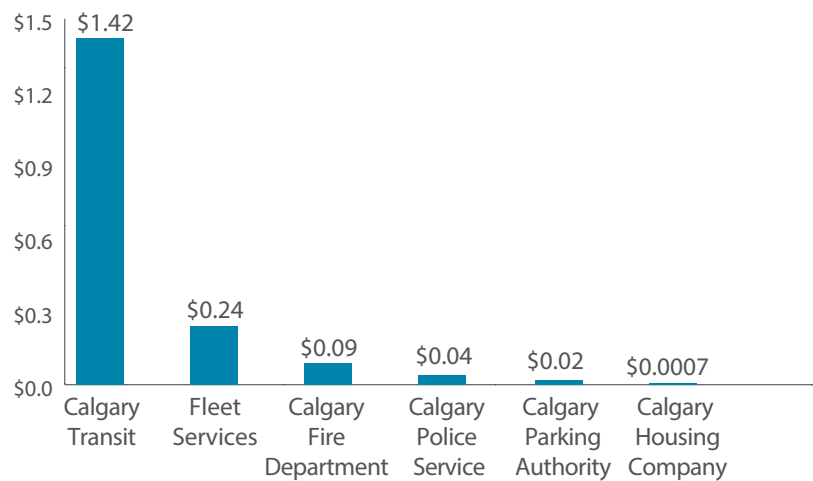
4.4.2 What is it worth?

The total value of the vehicles portfolio is approximately \$1.81 billion or 2.14 per cent of the total asset base.

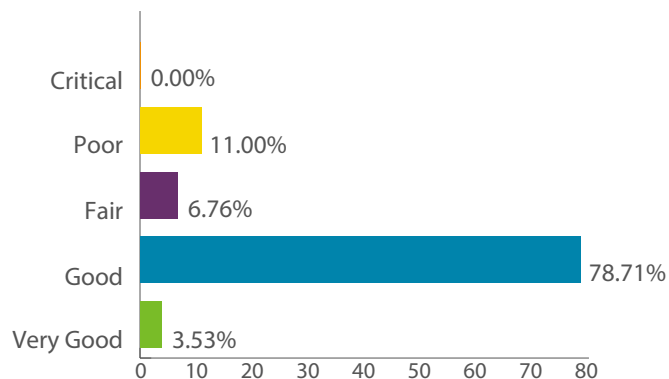
4.4.3 What condition is it in?

The physical condition of The City's vehicles is, on average, good. Some business units and partners, however, have reported poor condition for part of their fleet (Calgary Housing Company: 12 per cent, Fire: 16 per cent, and Transit: 13 per cent).

Vehicles Value by Business Unit (\$Billions)



Vehicles Condition



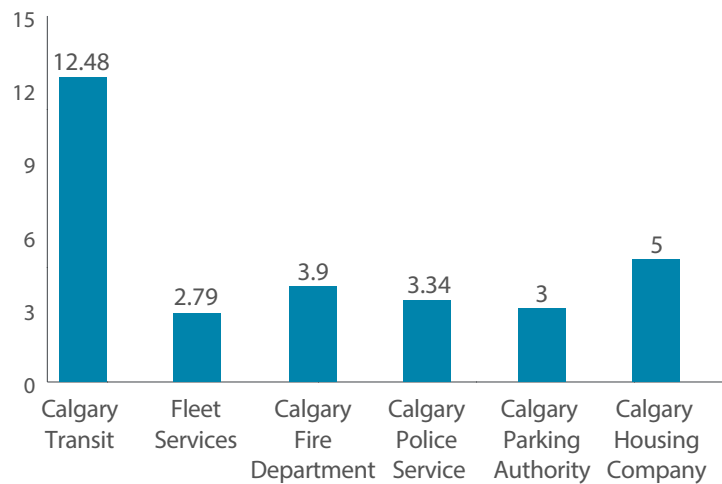
* Aggregate view of all corporate vehicles.

Poor condition is typically a result of gap in maintenance spending and is a lead indicator for asset performance and ultimately service performance. Declining condition, if allowed to continue, is associated with the risk of declining service delivery for these areas of service.

4.4.4 What is the remaining asset life?

The weighted remaining asset life for the vehicles portfolio is approximately 10.46 years. Business unit specific average remaining life is reflected in the graph below.

Vehicles Average Remaining Asset Life (Years)



4.5 Machinery and equipment

4.5.1 What do we own?

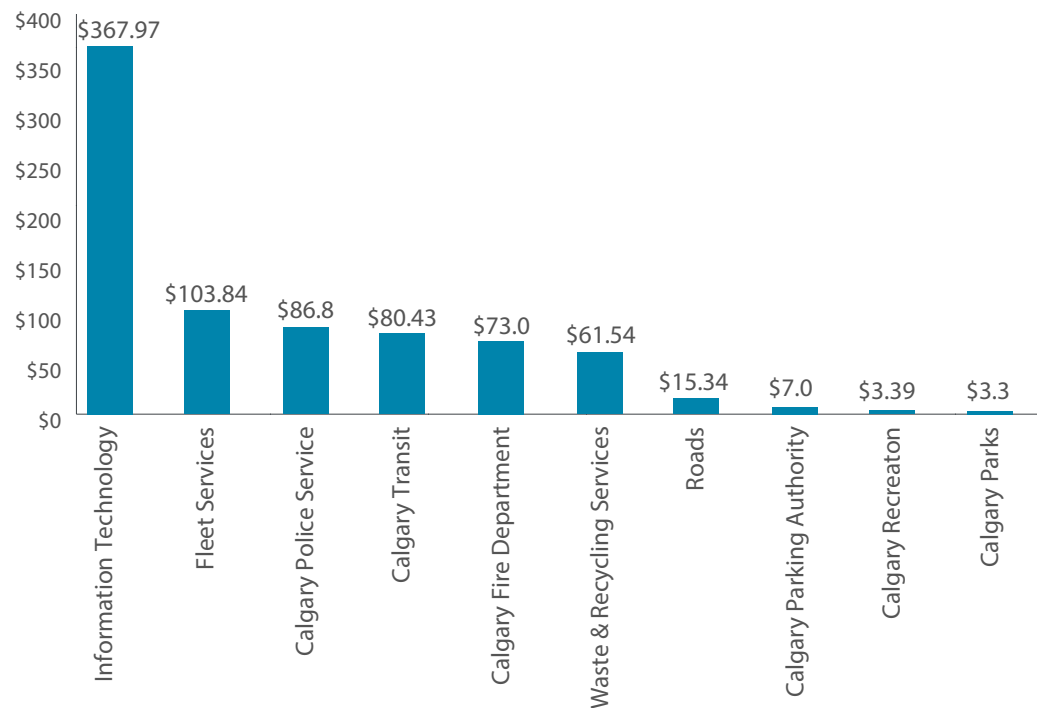
Machinery and equipment include plant and equipment used in supporting fleet maintenance for transit and other vehicles to work landfill facilities, equipment to create asphalt for roads, firefighting equipment and computer hardware and software.

Examining the machinery and equipment portfolio of assets reveals that most of The City's machinery and equipment assets are located within Information Technology followed by Fleet.

4.5.2 What is it worth?

The total value of the machinery and equipment portfolio is approximately \$806.81 million or 0.95 per cent of the total asset base.

Machinery and Equipment Value by Business Unit (\$Millions)



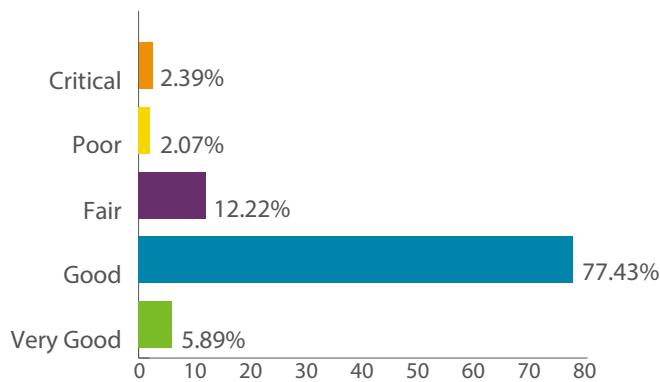
4.5.3 What condition is it in?

The physical condition of The City's machinery and equipment is generally good. At an aggregate level, however, 4.46 per cent of The City's machinery and equipment is in poor or critical condition that requires attention to maintain the service levels.

4.5.4 What is the remaining asset life?

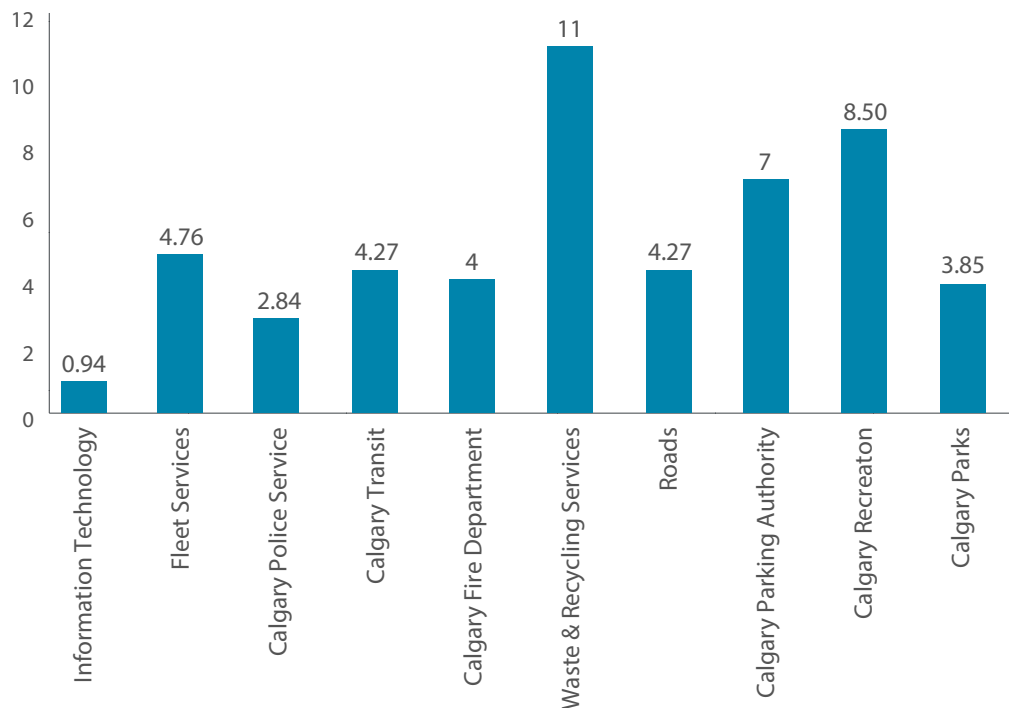
The weighted average remaining asset life for the machinery and equipment portfolio is approximately 2.69 years. Business unit specific average remaining life is reflected in the graph below.

Machinery and Equipment Condition



* Aggregate view of all machinery and equipment.

Machinery and Equipment Average Remaining Asset Life (Years)



5.0 Conclusions

This report provides a snapshot of our current infrastructure inventory and informs and guides the decision makers as they plan for the next four years' business cycle. Information used in this report is based on the best available data, as of Jan. 1, 2017, supplied by various business units/service areas.

An analysis of corporate asset data reveals that, over the past four years, The City's infrastructure assets have grown in value from \$60.48 billion to \$84.70 billion. This increase has been a result of the following factors:

- Addition of new assets
- Asset management maturity
- Updated cost escalation factor
- New cost evaluation methods

Asset condition is a useful indicator of the extent of asset deterioration and remaining life of the asset. Assets in poor condition are more likely to be unreliable, leading to asset failures and potentially service failures.

Asset condition is, therefore, critical information for The City to understand to support the timing of possible interventions to improve or maintain the levels of service at a desired standard. While overall asset health is still good, with a general upward trend over the last decade, it is seen that the condition profile has deteriorated since 2013.

Over the next 10 years, it is estimated The City's total infrastructure need, funded and unfunded, is approximately \$25.87 billion. As The City anticipates the ability to fund approximately \$20.20 billion during this time, it has been identified that the total 10-year infrastructure gap is approximately \$5.67 billion. Of that, approximately \$ 1.07 billion is attributable to operating, \$1.41 billion is unfunded infrastructure maintenance and \$3.19 billion is for new construction due to growth. As the business planning and budgeting process spans four-year periods, the long-term portion of the funding gap has not been fully realized.

As The City of Calgary prepares for the next four-year business planning cycle, it is important The City looks to close the infrastructure funding gap through comprehensive asset management. The current economic environment has created additional funding constraints which means the allocation of scarce resources must be prioritized efficiently and effectively. The corporate asset management plan draws on the business unit asset management plans to highlight the investment needs through the next business plan period from 2019 to 2022, for infrastructure based on service performance objectives, asset performance trends, asset condition and risks. This work is critical to ensure citizens are provided the services they expect.

Appendix 1

Total asset replacement value by business unit/civic partner/related authority

(Does not include land)

Business Unit/Civic Partner/Related Authority	Replacement Value (\$Billion)	Percentage
Calgary Fire Department	\$0.58	0.69%
Calgary Housing BU	\$0.48	0.57%
Calgary Housing Company	\$0.41	0.48%
Calgary Parking Authority	\$0.34	0.40%
Calgary Parks	\$2.58	3.07%
Calgary Police Service	\$0.60	0.70%
Calgary Public Library	\$0.12	0.15%
Calgary Recreation	\$0.78	0.92%
Calgary Transit	\$3.89	4.59%
Facility Management	\$0.96	1.13%
Fleet Services	\$0.34	0.41%
Information Technology	\$0.42	0.49%
Roads	\$20.48	24.19%
Waste & Recycling Services	\$0.32	0.38%
Water	\$52.39	61.85%
Total		100.02%*

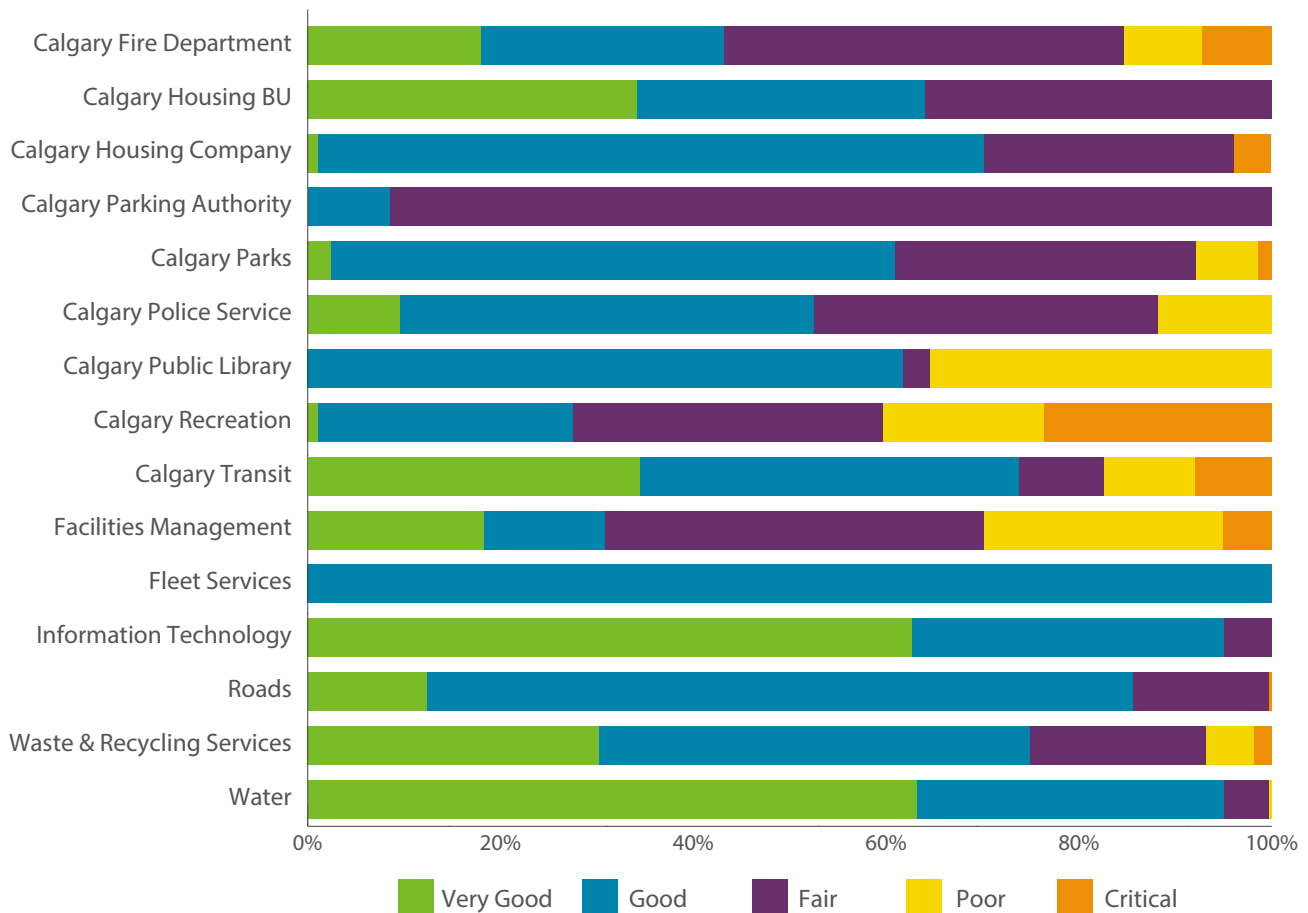
* Adds to more than 100 per cent due to rounding.



Appendix 2

Physical condition by business unit/ civic partner/related authority (percentage)

Physical Condition by Business Unit

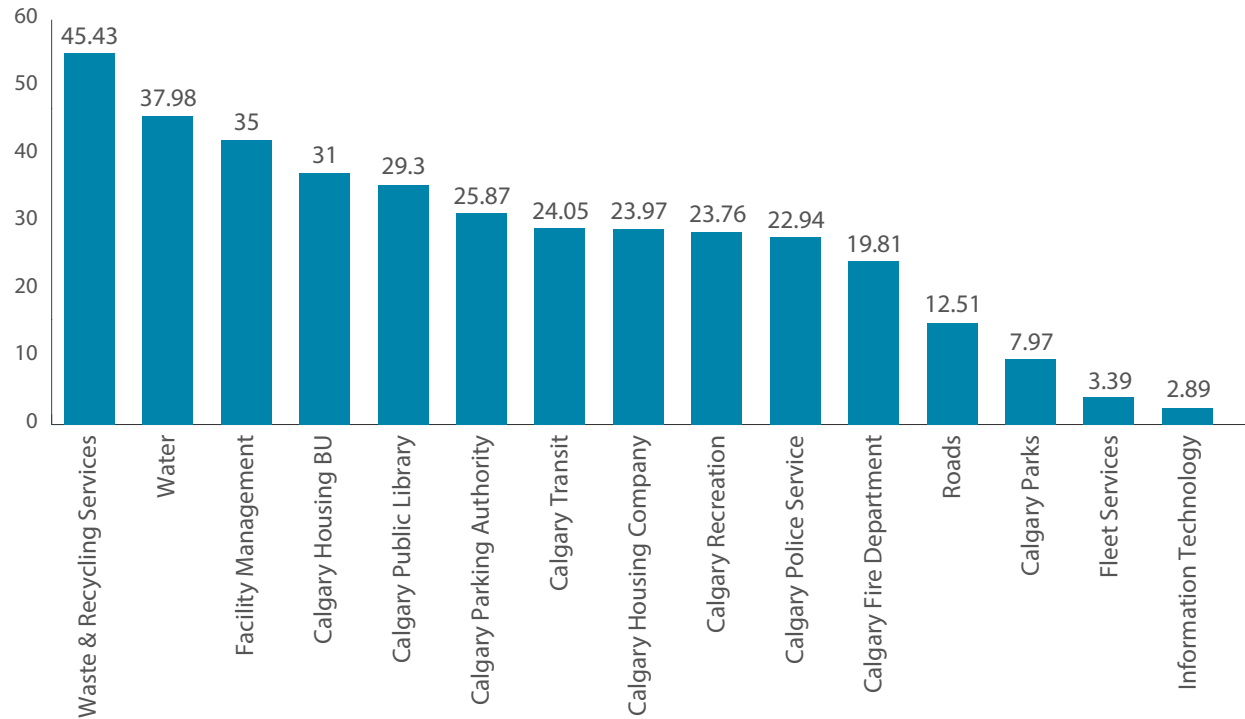


* Based on the aggregate of a business unit/civic partner/related authority's asset portfolio.

Appendix 3

Remaining average asset life by business unit/civic partner/related authority (years)

Remaining Average Asset Life by Business Unit (Years)



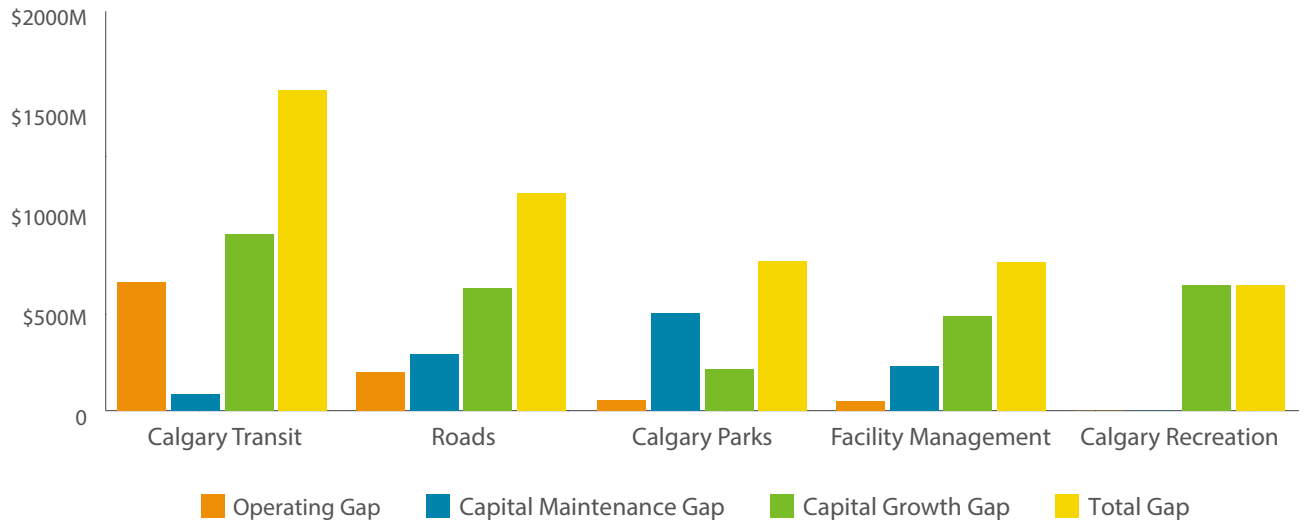
*Represents weighted average remaining life of the entire asset portfolio owned by the business units/civic partner/related authority.

Appendix 4

10-year infrastructure funding gap by business unit/civic partner/related authority

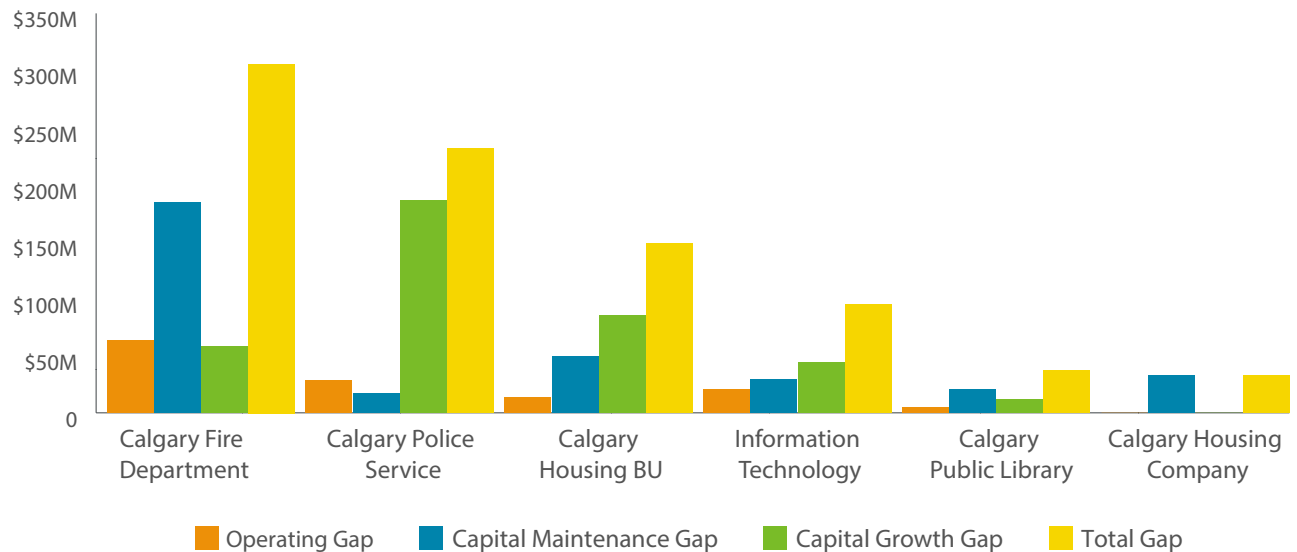
Total Corporate Gap = \$5.67 billion (\$5670 Million)

Business units with a 10-year infrastructure funding gap of \$600 million or more



*Recreation's capital maintenance requirements for assets that would be replaced as part of capital growth have been deducted from the overall maintenance requirement value resulting in capital maintenance cost savings of approximately \$101 million over 10 years, and hence, closing the capital maintenance gap.

Business units with a 10-year infrastructure funding gap of less than \$350 million



Appendix 5

Business unit (BU), civic partner and related authority narratives

The following provides an overview of the services, standards, infrastructure and management strategies for the individual participating business units, civic partner and related authority.



Chief Financial Officer

Information Technology (IT)

The main purpose of IT is to provide a large and diverse asset portfolio to support the delivery of core and essential services to the citizens of Calgary.

Information Technology services include:

- Technology architecture, infrastructure governance and security to ensure the privacy and confidentiality of customer and corporate information.
- Partnership and collaboration with business units to provide effective systems solutions and hosting services.
- Information management to ensure the integrity of access, use and storage of customer and corporate data.
- Management of corporate technology lifecycle planning and portfolio management.
- Guidance to business units on change management and business process management.
- Leadership on web innovation and emerging technologies to address growing demands within a changing environment.

A common thread that runs through all City services, Information Technology owns and operates a pool of assets with a replacement value of \$414 million (reported end of year 2016, cost based BI report). These assets have been divided into four groups:

Hardware

IT hardware assets are comprised of the physical components such as computers, servers, peripherals, storage and computer networks.

Software

IT software assets include corporate enterprise systems, databases, desktop software, cloud applications and software tools.

Data Centre

IT Data Centre group is focused on assets specific to the enablement of the data centre function (i.e. raised floor, UPS, fibre interconnects, environmental) and not general building assets. IT does not report or manage actual buildings.

Fibre plant - towers

Two main categories of engineered structures are The City's fibre optics network (over 400 kilometres) and wireless network towers.

Condition

Asset condition ratings are based on straight-line deterioration. Most technology asset types do not display visible physical deterioration, but the physical, demand or functional condition decrease over time. At an aggregate level, the IT asset base is in good/very good condition.

Lifecycle Management

IT owns and manages a variety of asset types, which in turn require a range of lifecycle management approaches. Information held on all the assets is updated on an ongoing basis as assets are continually replaced, upgraded and retired. The lifecycle of IT assets is typically shorter than other City-owned infrastructure assets and replacement is often based on age rather than on condition due to high consequences of assets failing and the lack of a visible deterioration profile. The need to keep existing information technology infrastructure current and compatible with industry and product lifecycles is also a key driver of asset replacement on relatively short lifespans.

ITAM Practice

The IT asset management strategy and action plan is founded upon continuous improvement across the three ITAM pillars of:

- Managing “the Assets.”
- Maturing “the Practice.”
- Managing “the Information.”

IT supports a significant percentage of non-IT, business unit reported technology assets with significant interdependencies between planning for and managing these assets. To address the gap, IT is moving to horizontally integrate the IT BU asset management plans with other BUs.

IT leverages ITIL v3.0 Service Management frameworks, International Association of Information Technology Asset Managers (IAITAM) best practices and the development of a formal ITAM practice, and continues to define Levels of Service (LOS) across distinct three layers (Backbone/Systems, IT Services and Outward Facing Services).



Community Services

Calgary Fire Department

Calgary Fire Department's (CFD) vision is, "To be the international fire service leader" and its mission is, "To serve the community through excellence in fire prevention, education, protection and safety." Safe, reliable and well-maintained infrastructure is essential for the delivery of CFD's emergency and non-emergency services to the citizens of Calgary. The performance and reliability of CFD's infrastructure provides a critical foundation for Calgary's economic development, competitiveness, prosperity, reputation and overall quality of life of its citizens.

CFD has three service portfolios:

Fire and emergency response

This service provides emergency response services, including responses to fire, fire-related and medical incidents, as well as motor vehicle accidents, hazardous material releases, other specialized rescue services needed to save lives, protect property and the environment for residents, businesses and visitors of Calgary.

Fire inspections and enforcement

This service provides fire inspections and enforcement, saves lives, protects property and the environment by providing services to business and property owners to ensure compliance with Safety Codes Act regulations to minimize fire-related risks to Calgarians.

Fire safety education

This service provides home safety and injury prevention education and initiatives to citizens in order to increase knowledge and awareness of safety, and promote behaviours that contribute to safe living in our communities.

In 2016, close to 1,500 women and men, both uniformed and civilian, responded to over 57,000 incidents, made over 17,000 non-emergency public contacts with safety and prevention messages, and provided essential training and support to front-line emergency personnel.

CFD uses a variety of specialized assets to meet its operational demands for emergency services.

Assets include:

Buildings and land

- 40 active emergency response stations (including multi-service and leased facilities).
- Emergency Operations Centre.
- Fire Headquarters.
- Apparatus & Equipment Maintenance Facility.
- Wellness Centre.
- Fire Training Academy.
- Former Station #10.
- 46 Buildings and land improvement.

Fleet, machinery and equipment

- 112 heavy apparatus (pumpers, tankers/ladders and emergency response units).
- 156 light duty vehicles (including trucks, boats and trailers).
- 35,148 pieces of fire equipment (including life safety, hazardous, communications and personal protective equipment).

Key challenges and solutions

- Changing demographics (e.g. aging population) and intensification due to redevelopment could significantly change the volume and nature of emergency calls.
- Economic cycles could affect level and sourcing of funding.
- Changes in provincial and federal regulations (e.g. climate change programs) could impact cost to build and operate assets.
- Increased severity and frequency of weather events and disasters could put a strain on resource capacity.
- Changes in workforce and culture (i.e. due to retirement and generational difference) could impact level of service and implementation of identified initiatives.

Funded and unfunded capital priorities (2017-2026)

To address aging infrastructure and respond to growth, the key funded capital projects for CFD include:

- NE Industrial Emergency Response Station
- East MacLeod Emergency Response Station (Temporary)
- West MacLeod Emergency Response Station (Temporary)
- South MacLeod Emergency Response Station
- Cornerstone Emergency Response Station
- Tuscany Emergency Response Station
- Station 17 Emergency Response Station (Replacement)
- Station 7 Emergency Response Station (Replacement)
- General lifecycle of facilities, apparatus and equipment

Identified but unfunded key capital projects are:

- Station 1 Emergency Response Station (Replacement)
- Station 2 Emergency Response Station (Replacement)
- Station 12 Emergency Response Station (Replacement)
- Station 36 Emergency Response Station (Replacement)
- Keystone Hills Temporary Emergency Response Station
- Belvedere Emergency Response Station





Community Services

Calgary Parks

The mission of Calgary Parks is to “enable, contribute and sustain dynamic communities through great parks and open spaces.” As the steward of open space in Calgary, we provide a diverse range of services to Calgarians and visitors. This broad spectrum of services includes planning and development, education and front-line management of all assets that contribute to the enhancement of those spaces.

There are a variety of parks in Calgary including regional and local community parks, cultural landscapes, sport sites, environmentally sensitive areas and urban plazas. Calgary Parks manages both living and non-living assets for the long-term sustainability and enjoyment of the public.

The following is an overview of the 2016 assets Calgary Parks stewards:

- 2,600 local community parks
- 39 regional park sites
- over 8,300 hectares of parkland
- 131 joint use sites (shared with school boards)
- 10 spray parks/wading pools
- over 475 soccer fields
- over 430 ball diamonds
- over 60 tennis/pickleball courts
- 1,100 playgrounds
- four Parks public buildings
- four restaurants in parks
- 150 off-leash areas in parks
- over 465,000 public trees
- 800 kilometres of pathways/100 kilometres of unpaved trails
- five cemeteries and an indoor mausoleum

Calgary Parks maintains physical conditions on all assets as well as Citizen Level of Services (CLOS) on a regular basis. The data collection process and the analysis of data from the Parks Asset Reporting & Information System (PARIS) allow for improved lifecycle funding projections and project planning.

Land and land improvement

Calgary Parks oversees assets within geographic areas of parks and open spaces that is approximately 12 per cent of the city's footprint. This extraordinary land base is approximately 10,800 hectares and includes river valleys, ravine systems, areas of environmental reserve as well as community and regional parks. 8,300 hectares of the 10,800 is captured as official park system. Approximately 3,900 hectares (45 per cent) is managed as ornamental parks space (i.e. mowed grass, planted vegetation, recreation areas such as sport fields). The balance, 4,400 hectares is comprised of primarily natural vegetation with infrastructure such as pathway/trail system, seating and parking areas. Outside of the official parkland, Calgary Parks still manages the natural environment for public use and safety, hazardous conditions, and invasive weeds.

Buildings

Calgary Parks public buildings include facilities at Ralph Klein Park, Inglewood Bird Sanctuary, Reader Rock Garden and Devonian Gardens. Parks public buildings are utilized for programs and booked for special events, weddings, etc. Parks is landlord to four restaurants at parks sites: River Café at Prince's Island Park, Reader Café at Reader Rock Garden, Provisions at Central Memorial Park and Seasons at Bowness Park. City buildings for staff and equipment include both permanent, portable trailers, depots, garages and c-cans. There are also year-round and seasonal washroom facilities throughout various parks across the city.

The data collection process through tools like RIVA DS and RIVA CP allow for improved capital and operational lifecycle funding projections and project planning. The EAM system is utilized for daily work orders and preventative maintenance scheduling.

Machinery and equipment

Calgary Parks utilizes technology such as hand-held GPS units and smaller equipment such as tablets for use in offices and the field. Calgary Parks acquired four small aerial trucks after Snowtember to improve response and resiliency to extreme weather events and proactively prune trees to mitigate future damage from extreme events.

Culture, Parks and Recreation Infrastructure Investment Plan (CPRIIP)

Calgary Parks uses a systematic approach to identify priority projects for capital funding. The investment plan uses research and current conditions to prioritize renovations and park redevelopment. CPRIIP also outlines funding requirements to support this work.



Community Services

Calgary Recreation

Calgary Recreation provides more than registered programs. It also oversees the development, maintenance and enhancement of recreation infrastructure. Capital Development is a division within Calgary Recreation responsible for the planning, development and maintenance of public recreation infrastructure.

Our current inventory of City-owned and operated recreation facilities includes:

- 15 ice arenas
- two multi-use leisure centres
- 12 indoor pools
- two arts centres
- Glenmore reservoir facility, including a sailing school and boat patrol site
- nine outdoor pools (in collaboration with community partners)
- 12 athletic parks and associated buildings
- Calgary Soccer Centre
- Centennial Planetarium
- eight golf courses (at six locations) and associated buildings

Culture, Parks and Recreation Infrastructure Investment Plan (CPRIIP)

Calgary Recreation uses a systematic approach to identify priority projects. The Culture, Parks and Recreation Infrastructure Investment Plan (CPRIIP) uses research, current Building Condition Assessments (BCAs), and growth and maintenance requirements to prioritize needed renovations, upgrades and new developments. CPRIIP also outlines funding requirements to support this work.

Facility Development & Enhancement Study (2016)

In 2014, Calgary Recreation initiated the Facility Development & Enhancement Study (2016) to review current service levels at City-owned and operated recreation facilities. The study measures existing levels of service against current and future demand to identify any gaps or opportunities for improvement. Results reveal an urgent need to replace inadequate, deteriorating or operationally costly facilities, and address underserved areas of Calgary. Results also show that existing facilities are deficient in terms of space and amenities based on model amenity plans for optimized service delivery. This information was used to develop a 10-year capital growth requirement (see Capital Growth below).

Buildings

Building values are based on the Recreation Capital Planning Tool (ReCaPT). Note: We are currently in the process of transitioning to new capital planning software (centerRivaDS). ReCaPT Current Replacement Values (CRV) have been inflated from 2013 to 2016 values. Values for deferred maintenance are also reported. These values are derived by subtracting the capital investment requirement from maintenance requirement values for each facility between 2013 and 2016. This calculation yields the Facility Condition Index (FCI) per cent, allowing us to assess the current and future maintenance needs of our assets.

Since 2013, Calgary Recreation has added several new assets to our inventory, including New Brighton Athletic Park, the Centennial Planetarium and the Calgary Soccer Centre (formerly Subway Soccer Centre). The CRVs for the Planetarium (\$42.1 million) and Calgary Soccer Centre (\$15.9 million) were generated using PeopleSoft Asset Management (PSAM) values. These values were then appreciated and inflated at three per cent per year.

Capital maintenance

ReCaPT also allows us to project capital maintenance requirements for each facility over the next 10 years (\$351.4 million). This number does not include the approximate \$101 million savings on capital maintenance requirements due to future implementation of capital growth projects. Funding for capital maintenance is estimated by increasing annual budget allotments for the current budget cycle by three per cent annually. For facilities where a current BCA already exists, the FCI rating was taken directly from the BCA instead of being calculated.

Capital growth

Results of Calgary Recreation's Facility Development and Enhancement Study (FDES) were used to develop the 10-year capital growth requirement (\$661.7 million). Maintenance requirements for assets that would be replaced as part of capital growth have been deducted from the ReCaPT maintenance requirement value (resulting in potential capital maintenance cost savings of approximately \$101 million over 10 years).

Land improvement, machinery and equipment

Values for land improvements, machinery and equipment use PSAM values. These values are lower than in previous years due to changes in TCA reporting requirements. While the quantity of equipment owned and managed by Calgary Recreation has not decreased, the definition of what constitutes a TCA has changed.

Operation funding

Operation funding requirements (\$361.4 million) are based on averaging annual funding and inflating this by three per cent annually from 2015-2018. Based on this escalation, we assume there will be no gap in funding. We are currently undertaking a Zero-Based Review (ZBR) of our operations to identify gaps and redundancies to help improve efficiency.

Key challenges and opportunities

Calgary Recreation faces several challenges that could impact our ability to maintain current service levels:

- Aging infrastructure requires more resources to maintain.
- Aging mechanical systems are inefficient and operationally costly. They may also not be environmentally sustainable.
- Several facilities are past their useful life and require redevelopment or complete replacement. Other facilities are deficient in terms of space and amenities.
- There is a service gap in growth areas of The City.
- Rapid population growth has resulted in increased demand. Citizen dynamics, expectations and preferences are also changing.
- Changes in legislation and best practices are outpacing upgrades and investment.
- Service maintenance contract fees are escalating beyond inflation rates.
- There is a shortage of available land for expanded/new developments to meet service requirements in some of the existing community catmint areas

As Calgary continues to grow and change, so do the needs of Calgarians. Using CPRIIP, ReCaPT and FDES data, Calgary Recreation has identified several opportunities to address challenges in a strategic way. The following approaches will help maintain and improve service levels while ensuring investments are based on sound evidence of where investment will have the greatest value for citizens:

- Prioritized funding requirements submitted through the CPRIIP.
- The Facility Management Framework Project.
- Increased funding from Council for recreation lifecycle.
- The possible conversion of facilities for alternative uses.
- A comprehensive annual lifecycle plan for Calgary Recreation.
- Modernization of facilities and new asset management software to allow for better monitoring and forecasting of high priority projects.
- Possible closure or repurposing of some facilities.

Community Associations (CA) and Social Recreation Groups (SRGs)

Community Associations (CA) and Social Recreation Groups (SRGs) assets have not been reported in this report.

Partner infrastructure is being reported through “Status of Community Associations and Social Recreation Organizations on City-owned Land.” They are not included in the ISR because it is only the land that is owned by The City of Calgary. These facilities are operated and maintained by the organization or lease holder, and are governed by the lease or License of Occupation (LOC) that is in place with The City. With this unique legal agreement, all regular maintenance and lifecycle work is the responsibility of the organizations, and not The City of Calgary. While the assets are not directly owned by The City, they do represent replacement cost liabilities in the range of \$950 million. If a group does not have adequate funding for the maintenance of the building, or decides not to renew the LOC, the infrastructure would become The City’s responsibility and/or assets. The City does provide support to groups through the Capital Conservation Grant (Council Policy CSPA006), which was created to recognize the increasing challenges faced by community associations in operating and maintaining facilities.



Community Services

Calgary Housing

The Affordable Housing service line is supported through Calgary Housing (CH – Calgary Housing Business Unit) that includes services provided by the Calgary Housing Company (CHC - wholly Owned Subsidiary).

CH provides safe and affordable housing solutions to citizens of Calgary through property management of:

- 2,723 units owned by the Province of Alberta
- 2,173 units owned by The City
- 1,930 CHC-owned units

CHC also administers approximately 1,500 private landlord rent supplements.

Calgary Housing is a business unit within the Community Services Department of The City of Calgary and owns 2,146 units managed by CHC. These units reside in The City Partnership (affordable) and City-owned community housing (Social Housing) portfolios.

Calgary's City-owned Community housing portfolio (CHP) represents 1,048 affordable housing units constructed between 1969 and 1973, the majority of which are in a fair condition. Properties are on average more than 44 years old and are showing deterioration due to deferred maintenance as a result of insufficient funding for operating subsidies and underfunded capital investment. This portfolio is 100 per cent deep subsidy social housing units, therefore, Calgary Housing Company is limited in generating rent revenue because eligibility and rent calculation for the units is provincially legislated in the Social Housing Accommodation Regulation (SHAR). Operating agreement funding for maintenance of building structures and systems (90 per cent Province of Alberta, 10 per cent City) in their present form are set to expire between 2021 and 2024. These expiring operating agreements represent a risk to The City of Calgary who will then become responsible for the operations and maintenance deficit for these assets estimated to be \$3 million annually (not including required capital investments).

Calgary Housing Company and the Affordable Housing Division within the Calgary Housing Business Unit are currently in discussions regarding establishing an asset management program for City-owned properties. CHC's newly developed asset management program is being considered for City-owned units which will support City of Calgary corporate asset management compliance.

\$2.5 million of grant funding for 2017 has been received from the province to address outstanding lifecycle requirements in the CHP portfolio. CHC has identified additional capital requirements of \$27 million over the next 10 years. There is currently no lifecycle maintenance capital reserve in place for this portfolio. The City of Calgary's Partnership Portfolio represents 1,122 affordable housing units that range in age from 49 years to newly developed. The City is responsible for the maintenance costs for this portfolio which is managed through a self-funded operating model based on mixed tenant rental income. There are no operating subsidies received from other levels of government for this portfolio. Most of the units in this portfolio are either new construction or have had extensive renovations and are considered to be in good to excellent condition. Three new projects, were completed in 2017:

- Kingsland – 32 units
- Crescent Heights – 16 Units
- Bridgeland – 24 units



For the 2015 – 2018 budget cycle, Council directed the Office of Land Servicing & Housing (OLSH) to build 88 affordable housing units per year. This responsibility was later transferred to the Calgary Housing business unit. The following properties are expected to open:

- Wildwood – 48 units (2018)
- Rosedale – 16 units (2019)

The capital grant agreement that supports the construction funding to build these units contains a maximum rent restriction under a 20-year long-term agreement. This agreement limits revenue opportunities for these projects. A reserve has been established for this portfolio which is limited in compliance to CMHC guidelines. The annual maximum contribution is \$500 per unit. As of 2016, this reserve has reached the maximum of \$5.4 million as per operating agreement, and will continue to grow together with the increased number of units.

The Corporate Affordable Housing Strategy and Implementation Plan were approved by Council in July 2016. This plan identified six priority areas to grow affordable housing including the need to both develop new affordable housing units and create a long-term pipeline of prioritized projects. This 10-year plan would then be incorporated into the capital budget plan cycles for 2019-2022 and 2023-2026. A stable source of funding is required to commit to those development projects.

The six strategic areas are:

1. **Get the Calgary community building** – Support housing developers to get new homes into the ground for people in need.
2. **Leverage City land** – Provide City land to contribute to affordable housing development.
3. **Design and build new City units** – Model tenant-centered design and place making for inclusive communities.
4. **Regenerate City-owned properties** – Lead strategic reinvestment to preserve homes for the highest-need residents.

5. Strengthen intergovernmental partnerships

- Recommend solutions to the federal and provincial governments.

6. Improve the housing system

– Leverage research, programs and partnerships to transform outcomes for people.

Key challenges and solutions

The single most pressing challenge facing Calgary's affordable housing sector is inadequate housing supply. Only three per cent of households in Calgary are supported by non-market housing, as compared to six per cent of households nationwide. As population growth is far outpacing the creation of affordable housing units in Calgary, population forecasts suggest over 22,000 new non-market units could be required to house six per cent of all Calgary households in 2025.

The purpose of The City's development program is to contribute to creating non-market units towards that deficit as identified through Targets 1-3 in the Corporate Affordable Housing Strategy. It is also intended to illustrate the value and importance of providing safe and adequate affordable housing developments through community engagement, creative architecture and innovative operating models. A large focus of the program is to use municipal tools to enable the non-profit sector to increase affordable housing inventory. The development program leverages municipal, provincial and federal funding to create units in all Calgary communities. A variety of built forms are utilized. The City has made an effort to leverage other City funds (i.e. Parks, Centre City, Heritage, Integrated Civic Facilities and Transit Oriented Development) wherever feasible.

Calgary Housing Company (CHC)

CHC is a wholly-owned subsidiary of The City of Calgary. CHC owns and manages 1,930 affordable housing units the majority of which are in good condition. Capital and operating expenses for the majority of units are self-funded.

The portfolio is comprised of properties constructed between 1960 and 1994, and includes the recent acquisition of a 163-unit high-rise complex in East Village. In addition, CHC received \$3.48 million capital project grant funding in 2017 from the province to help CHC improve the condition of its properties.

A portion of the CHC properties are managed under the terms of operating agreements. One such funding agreement related to 207 CHC-owned units will expire between 2027 and 2031.

In 2016, CHC's board of directors approved the CHC Asset Management Policy. This policy establishes the foundation and direction for CHC's asset management program and sets out the guidelines for required maintenance investment identification, prioritization and planning. It is intended that the policy will guide CHC through all stages of the asset lifecycle management and support the delivery

of sustainable services, as well as consider divestiture or redevelopment once a property no longer meets sustainability criteria. In addition, CHC has completed a Strategic Asset Management Program (SAMP) and Asset Management Plan (AMP) documents which define key deliverables of the asset management program.

CHC is now focused on the building capacity asset management area. One of the critical elements is conducting building condition assessments on its properties which builds CHC's prioritized 10-year capital plan. Prioritization is based on risk and level of service criteria.

To improve CHC asset management decision support, CHC is migrating to a new integrated Enterprise Software platform which is standard within The City of Calgary by the end of 2018.



Deputy City Manager's Office

Facility Management

Facility Management (FM) strategically plans, builds and operates a portion of The City's portfolio of municipal workplaces and public spaces which includes administrative buildings, operations workplace centres, multi-service facilities and emergency response stations. As the corporate accommodation planner and property manager, FM provides comprehensive services for each phase of facility development to help deliver quality frontline services to citizens of Calgary.

The business unit totals approximately 180 employees and delivers four lines of service:

- Facility Planning
- Facility Infrastructure
- Facility Operations
- Operational Co-ordination

Facility Management applies sustainability principles to inform decision-making, design, procurement and asset management. FM co-ordinates City service needs to achieve the best possible outcome when planning, providing and maintaining buildings, offices and work depots for The Corporation. FM's objective is to support other business units' service delivery and lower future operating costs, and minimize The City's impact on the environment. The FM asset portfolio is comprised of (approximately):

- Three million square feet of building space with an estimated current replacement value of \$1 billion*. The portfolio excludes recreation centres, fire, police and Calgary Transit buildings. (*Current replacement value is the cost to replace all components of an existing building; the current replacement value is not generally equal to market replacement value.)
- 69 buildings which are erected on 368 acres of land (stand alone and OWC sites) valued at approximately \$93 million, according to Tangible Capital Assets reporting.

Within the Facility Management's portfolio, the primary focus from a lifecycle maintenance perspective is on buildings. The weighted expected life for buildings in the portfolio is 75 years with an estimated 36 years remaining based on the weighted average (multiplying the buildings remaining life by the buildings replacement value divided by the total replacement value of the portfolio. Weighted years remaining for each building summed to determine the average years remaining for the whole portfolio.)

FM's asset base continues to age, and without sufficient capital lifecycle maintenance investment, there will be a serious risk to sustainable levels of service delivery to customers and ultimately service delivery interruptions to citizens. Data from condition analysis indicates that if we do not invest in the building portfolio, by 2026 the rehabilitation of 15 buildings (22 per cent of the portfolio) will be equal to the cost to replace them.

With limited and partial funding, FM has put in place a systematic approach to identifying, evaluating and mitigating lifecycle risk at a building asset level for the portfolio in order to make stronger risk-based decisions and to prioritize capital projects. Also, FM will be implementing Stage Gating and other business improvement initiatives like myFM, Corporate Co-ordinated Operations & Maintenance, and Integrated Civic Facility Planning to reduce the demand for funding.

Facility condition assessments

Industry standard facility condition assessments were completed on the majority of FM's building portfolio in 2015 and are monitored and updated regularly. As of the end of 2016, data indicates 22 buildings in the portfolio (31 per cent of portfolio CRV) are considered to be in good to excellent condition; 29 buildings (39 per cent of portfolio CRV) are considered to be in fair condition, and 18 buildings (30 per cent of portfolio CRV) are considered to be in poor to critical condition. Based on the analysis completed for capital maintenance requirements and an assumption that the current level of funding will continue (with an inflated rate of three per cent per year), additional funding of \$224 million is required over the course of the next 10 years to bring the current condition of the portfolio to the target condition.

Project prioritization

FM continues to review buildings in the Corporate Accommodation Portfolio on an individual basis as well as portfolio level. Due to refined analysis, revisiting target conditions and the development of individual building lifecycle plans, the estimated cost from 2017-2026 to bring building conditions up to target conditions has been reduced from \$50.6 million per year to \$48.7 million per year. Using a risk-based approach in conjunction with the input from internal facility operators, asset planners and accommodation planners, FM has been able to perform a risk-based project prioritization in order to determine which facilities are required to be kept and maintained in operating condition and which can be allowed to deteriorate towards demolition. This prioritization incorporates numerous variables such as physical condition, facility use, service delivery, demand and asset substitutability. The risk-based model contains details of the changes in both the asset risk profile and the level of risk the customer will be exposed to as a result of the level of funding obtained. This analysis has resulted in a more accurate picture of capital lifecycle maintenance funding requirements and has positioned FM as an industry leader in asset management of public property.



Deputy City Manager's Office

Fleet Services

Fleet Services supplies vehicles and equipment on a lease basis to various City business units for their needs to provide services to the constituents of The City of Calgary.

Fleet provides full lifecycle management for approximately 3,000 Fleet-owned units. Services include budgeting of replacement and growth units, and purchase and commissioning into service. These activities are funded from self-supported debt.

All of Fleet's current assets are in good condition.

Fleet also provides preventative maintenance, repairs, fabrication, welding and body shop services for all Fleet-owned and non-owned units, as well as operator training.

Fleet maintains its assets in accordance with the following regulatory requirements:

- Traffic Safety Act (Provincial)
- Occupational Health and Safety Act (Provincial)
- National Safety Code (Federal)
- Canadian Motor Vehicle Safety Standards (Transport Canada)

Asset management strategy for replacement and growth requirements over the next 10 years includes:

- Maintenance: to maximize the use of the asset during its economic lifecycle Fleet will provide optimum preventative maintenance in compliance with manufacturer recommendations. Intervals of preventative maintenance and repair activities are optimized to provide maximum up-time for client operations.
- Growth is planned based on client needs and their operational budgetary constraints.
- Fleet is investing in upgrades and new system developments to support its asset management practices and decision support.



Transportation

Roads

Roads is one of four business units in the Transportation department, the others being Transit, Transportation Planning, and Transportation Infrastructure. Roads is responsible for operating, maintaining and renewing The City of Calgary's roadway infrastructure in a safe and sustainable manner in order to enable the movement of people and goods.

Roads is also impacted by the construction work done by other parties. The Transportation Infrastructure (TI) business unit delivers major projects like the addition of new interchanges and major roadway upgrades, while private developers build roadway infrastructure in new subdivisions. Roads inherits the ongoing operation, maintenance and renewal of this infrastructure.

Operational activities include snow and ice control (SNIC) and spring clean-up (SCU); street use and permitting; design and operation of electronic traffic control devices; traffic monitoring and control, including detours for roadway construction and special events; the production and sale of signs and construction materials; and pavement marking.

Maintenance and renewal activities include condition inspection, repair, replacement or rehabilitation, and minor upgrades in order to preserve and improve the safety and reliability of the roadway infrastructure. Roads also provides review, inspection and acceptance services for infrastructure constructed by developers and third-party contractors.

As of the end of 2016, the total replacement cost of all roadway assets under Roads stewardship was estimated to be \$20.48 billion (excluding land). There has been an increase of \$7.96 billion since the last report (2013 ISR). This increase in value is largely associated with the airport tunnel, Plus15 overpasses and new unit rates for pavement and concrete.



The Roads asset portfolio is described in the table below.

Asset Type	Quantity	Unit of Measure	Current Replacement Cost (\$Millions)	Average Physical Condition
Boulevards	1,012.0	Hectares	\$51.0	Fair
Bridges and Tunnels	363	Count	\$1,514.4	Good
Curbs & Gutters	6,600.0	Linear kilometres	\$2,514.1	Very Good
Facilities and Storage	n/a	Various	\$46.6	Fair
Fences / Guardrails	317.6	Linear kilometres	\$282.0	Fair
Guide Signs	276	Count	\$34.5	Good
Lanes	3,067.1	Lane kilometres	\$897.0	Fair
Machinery & Equipment	423.0	Count	\$15.3	Fair
Engineered Walkways	96.4	Linear kilometres	\$17.6	Fair
Pavement	16,254.6	Lane kilometres	\$9,935.3	Good
Plants	2	Count	\$22.3	Poor
Retaining Structures > 1 metre	35.8	Linear kilometres	\$132.3	Good
Retaining Walls < = 1 metre	16.8	Linear kilometres	\$16.5	Fair
Sidewalks	5,680.6	Linear kilometres	\$2,627.7	Good
Signs	98,994	Sign posts	\$48.0	Good
Street Furniture	1,799	Count	\$3.2	Fair
Street Lights	83,792	Streetlight stands	\$1,532.1	Fair
Timber Stairways	68	Count	\$3.0	Fair
TMC	1	Count	\$8.1	Fair
Traffic Barriers	112.1	Linear kilometres	\$60.3	Fair
Traffic Signals	1,029	Signalized intersections	\$208.3	Good
Pedestrian Passes (over 15)	90	Count	\$515.0	Good
		Total:	\$20,484.6	

The management of roadways is governed by the following legislation:

Municipal Government Act (2017)

City Transportation Act (2014)

Traffic Safety Act (2017)

Public Highways Development Act (2010)

Highways Development and Protection Act (2013)

Dangerous Goods Transportation and Handling Act (2010)

These do not articulate the standards for roadway construction, operation and maintenance, but do set out the guidelines by which transportation authorities must operate. Roads has developed internal design and construction standards, and maintenance and operation procedures based, where appropriate, on industry best practice guides.

City of Calgary policies that impact the provision of roadway services include:

TP001	Dangerous Goods Route Network Development Policy
TP002	Traffic Calming Policy
TP003	Surface Transportation Noise Policy
TP004	Snow and Ice Control Policy
TP005	Truck Route Network Development Policy
TP006	High Load Truck Route Network Development Policy
TP007	Installation of 'Out of Sequence' Traffic Signals Policy
TP008	Streetlight Standards and Sign Poles – Colour of Paint Policy
TP009	Environmental Capacity Guidelines for Roadways Policy
TP010	Pedestrian Policy

TP011	Bicycle Policy
TP012	Calgary Transportation Plan
TP013	Roadside Memorials Policy
TP014	Parking Governance Roles and Responsibilities
TP015	Calgary Parking Authority Financial Returns to The City
TP016	Roundabout Policy
TP017	Parking Policy Framework for Calgary
TP018	Residential Street Design Policy
TP019	Slope Stability Management Policy
TP020	Transportation Corridor Study Policy
TP021	Complete Streets Policy
LUP005	Visitor Parking Permit Policy

Roads performs regular and formal condition surveys for approximately 85 per cent of its asset base. The assets that are not formally assessed are primarily either supporting operational activities or replaced as failure occurs. Service levels are determined largely based on roadway classification, with high volume roads receiving increased inspection and maintenance, and being constructed to more robust specifications.

Roads services are primarily funded as follows (in 2017):

72%	Tax Support
16%	Internal Recoveries
10%	User Fees/Other Sales
2%	Grants and Invest Inc

Funding impact

Roads services are also impacted by the funding available for major capital projects delivered by Transportation Infrastructure. The Calgary Transportation projects that have been deferred as a result of this funding reduction are focused primarily on improving goods movement and accommodating traffic growth.

The deferral of these projects, along with Calgary's continued and rapid growth, is expected to generate additional traffic that will increase both congestion for roadway users and also the deterioration rate of existing roadway assets. As with many of Calgary's business units, Roads faces the challenge of maintaining current service levels while usage increases and capital funding decreases.

Roads is committed to facing this challenge in a number of ways. Two examples include the implementation of solutions to improve peak traffic flows, such as the lane reversal systems on Centre Street, Memorial Drive and Fifth Avenue S.W.; and the use of new technologies and tools that can increase staff efficiencies and reduce asset lifecycle costs.



Transportation

Calgary Transit

Calgary Transit connects people and places by providing mobility (the ability to move from place to place) and accessibility (the ability to reach a destination). Calgary Transit's mission is, "Connecting you with people and places you care about by providing safe, accessible, reliable and courteous public transportation services."

To realize this mission, Calgary Transit:

- Delivers safe, clean, reliable and well-maintained public transit.
- Provides service through community shuttle, bus, bus rapid transit (BRT) and light rail transit (LRT).
- Provides specialized transportation services for disabled or limited mobility persons (Calgary Transit Access).
- Plans future transit service and supports transit-oriented development.

The following regulatory standards have the largest impact on the management of Calgary Transit assets:

- Air quality regulations set out by the Alberta government.
- Vehicle weight restrictions as mandated by Alberta Transportation.
- Fuel storage regulations as outlined by the Petroleum Tank Management Association of Alberta.
- Alberta Building Code (Alberta Government).
- Alberta Fire Code.
- Access Design Standard 2016 – City of Calgary.

Other groups or policies that have an impact on the management of Calgary Transit assets include:

- American Public Transportation Association (APTA).
- Alberta Transportation.
- Canadian Urban Transit Association (CUTA).
- National Fire Protection Association 130.
- City of Calgary Advisory Committee on Accessibility.
- City of Calgary – Environmental Policy.

Currently, Calgary Transit assets include:

Buildings

- Anderson garage and maintenance facility for buses and LRVs.
- Spring Gardens administration building and maintenance and storage facility for buses.
- Victoria Park administration building and maintenance and storage facility for buses.
- Oliver Bowen maintenance and storage facility for LRVs.
- Haysboro garage storage facility for LRVs.
- Westbrook administration building.
- Calgary Transit Access garage.
- Canyon Meadows and 69th Street parkades.
- 45 LRT stations.

Engineered structures

- 57 major structures, bridges and tunnels.
- 44 parking lots comprised of 16,978 parking stalls.
- 45 LRT platforms.
- 48 LRT traction power substations.
- LRT signal systems including wayside ABS, crossing systems, interlocking systems and signal rooms.
- 119 kilometres of single track.
- Communications infrastructure including closed circuit television cameras, communications rooms, help phones, public announcement systems, passenger information systems, radio systems, SCADA (supervisory control and data acquisition) systems, train tracking systems and underground infrastructure.

Vehicles

- 733 40-foot standard buses.
- 93 60-foot articulated buses.
- 159 community shuttle buses.
- 200 LRVs.
- 109 light and heavy duty support vehicles.

Machinery and equipment

- 244 ticket vending machines.
- 1,036 fare boxes and other cash processing equipment.
- Other equipment including containers, radios, software, fuelling infrastructure and alerting systems.

Land and land improvements

- 144 land parcel areas.
- 80 land improvement items such as fencing, outdoor lighting, signs, bike racks and pathways.

Asset condition

Calgary Transit initiatives align with long-term Council priorities, including assessing the condition of assets. These assets have various condition ratings ranging from very good to critical. While a significant number of Calgary Transit assets are in very good or good condition, there are also assets that are in fair, poor or critical condition. As assets age and with an increased demand on the transit system, impacts on the assets are encountered in areas that include asset availability, condition and lifespan.

Various divisions in Calgary Transit ensure that transit assets remain in a state of good repair, and work in a reliable and safe manner. This is achieved through tracking asset conditions relative to life expectancy, years in service and other applicable factors. Calgary Transit also tracks the replacement costs associated with asset conditions.

Key issues and challenges

Transportation is a priority issue for Calgarians. In addition, transit has been identified as one of the Calgary Transportation Plan (CTP) policy areas that contribute most to achieving the Key Directions for Land Use and Mobility. Infrastructure-related key issues for Calgary Transit include:

- **Service provision:** The provision of sustainable transit service in a safe, efficient and cost-effective manner.
- **Asset management:** Enhanced asset management of all infrastructure and asset categories to meet defined levels of service in the most cost-effective manner for present and future transit consumers.
- **Financial requirements:** The acquisition of funding related to operating and capital budgets, including areas of growth, while also assessing the impacts of future demands on the transit system.
- **Climate change:** There is a commitment towards environmental awareness and considerations. This includes designs for new buildings that are based on meeting LEED standards, recycling, energy efficiency and the elimination of timber creosote-treated ties from the Light Rail Transit system.

The plan for the implementation of asset management practices in Calgary Transit include the following high-priority areas:

- Develop and implement processes for collecting, assessing and maintaining asset condition information for each asset category.
- Develop measures and processes for tracking asset performance for each asset category.
- Develop a 10-year capital plan and an accompanying long-term operational expenditure plan.
- Review established preventative maintenance schedules and other types of maintenance occurrences for opportunities to optimize asset reliability.
- Identify required asset management competencies and address opportunities for development.

- Develop a resource plan for capital project implementation and long-term asset stewardship.

Some of the challenges Calgary Transit faces include:

- Aging infrastructure which impacts service availability and delivery.
- The acquisition of funding to address the infrastructure gap — due to uncertainty regarding guaranteed funding, estimated funding based on an inflationary index has been provided in this report for years beyond 2018.
- Increased customer demands in terms of levels of service.
- The need to keep up with transit growth in developing or existing communities.
- Varying currency exchange rates related to asset procurement or contractor services.

Infrastructure risk

Calgary Transit is committed to identifying risks and operational changes which relate to the continual improvement of transit service and its asset management framework. These include a plan to assess and monitor risks related to the achievement of required levels of transit service provision. The following are some key areas regarding Calgary Transit infrastructure risk:

- The age of the infrastructure and rate at which assets reach specified lifecycles.
- The availability of capital and operating funds to ensure sustainable service provision.
- Climate change concerns including the increase in the number of flash floods and lightning strikes was observed. Colder and wetter weather will have an impact on all transit assets.
- The ability of the transit system to accommodate an increase in ridership and adjust to decreases in ridership.
- Supply chain requirements and the inability to procure parts or assets for upgrades, replacements or repairs.
- The availability of the required human resources for sustained service provision.

In some cases, addressing a risk in one area can affect or generate risks in other areas. In 2016, four-car trains were implemented, including the new S200 model CTrains. While this is a service improvement to ensure that Calgary Transit can transport larger numbers of people, there is an associated drain on other infrastructure components such as traction power requirements. Changes in ridership also require opportunities for service flexibility and adjustments.



Utilities & Environmental Protection

Waste & Recycling Services

Investment planning and funding

The 2015-2024 Waste & Recycling Services Infrastructure Investment Plan (WRIIP) is a strategic capital plan that supports the delivery of critical waste and recycling services. The WRIIP is structured in terms of investment drivers and programs. The four drivers common across UEP are: (i) maintaining assets (ii) regulatory and environmental protection (iii) service and (iv) growth. The three programs specific to Waste & Recycling Services (WRS) are: (i) landfill (ii) diversion and (iii) facilities and equipment. Within a program, the projects are prioritized based on their customer service and environmental objectives, affordability, and available delivery resources. The current WRIIP presents capital investments of \$626 million through the 2015-2024 planning period. The development of the next iteration of WRIIP (2019-2028) is currently underway.

Action Plan is the Council approved budget for the active four-year business cycle. The capital component of WRS's action plan is a subset of WRIIP, and is approved initially for the entire four-year term with an opportunity to amend once every year through the cycle. The operational component of the action plan is approved by Council each year as part of the annual budget process. In November 2014, Council approved \$326.0 million in capital and \$671.6 million in operational expenditures under the WRS Action Plan for the 2015-2018 business cycle.

WRS capital expenditures are met entirely through Gas Tax Fund (GTF) grant, self-supported debt, and self-funded Sustainment (Capital) Reserve capitalized from user fees and revenues. WRS capital expenditures are not funded through general municipal revenues or property taxes. As such, with regards to the terminology used in this ISR report, WRS operates under a financial model which does not identify an "infrastructure funding gap."

Portfolio overview

WRS has a waste diversion goal of diverting 70 per cent of waste generated from all sectors from City landfills by the year 2025. The approach to managing day-to-day operations and service delivery is based on the following four pillars of Customer Focused Services:

- (i) We Educate, Engage and Empower
- (ii) We Collect Waste
- (iii) We Divert Waste
- (iv) We Manage Garbage

Consistent with the corporate Asset Management Policy, assets are considered a means to provide service and value, and asset management as the practice of delivering service and value by utilizing the assets optimally. An overview of the infrastructure assets under WRS stewardship, in service as of Jan. 1, 2017, follows.

Collections infrastructure

- Blue (recycling) carts and black (garbage) carts serving over 320,000 single-family residential houses
- More than 5,900 collection bins serving businesses and organizations
- 40 community recycling depots
- Specialized and custom-developed software tools

Waste management facilities

- Three active waste management facilities (WMF) at (i) East Calgary, (ii) Spyhill and (iii) Shepard landfill sites
- Two biocells, one each at East Calgary and Shepard landfill sites
- One industrial waste facility at Shepard landfill site
- Five inactive landfill sites with closure dates between 1950 and 1994
- Significant land areas designated as future airspace at the active landfill sites

Landfill management and operations support infrastructure

- Leachate extraction systems consisting of nearly 30 kilometres of pipe network and over 250 wells and sumps with an average daily yield of 81 cubic metres of leachate.
- One leachate treatment pilot plant at East Calgary WMF (decommissioned as of Jan. 1, 2017).
- Gas extraction systems consisting of nearly 14 kilometres of pipe network and over 40 wells and monitoring points with annual yields of 7.3 million cubic metres of landfill gas and nine million cubic metres of soil vapour.
- 30 kilometres of paved and gravel roads and pads, and 45 kilometres of light trails.
- Eight stormwater retention ponds, peripheral engineered wetlands, ditch drainages and culvert structures.
- Over 1,200 environmental monitoring wells.
- 60 kilometres of litter and security fences.
- Various specialized equipment and devices for waste management and environmental control operations.

Diversion infrastructure

- At each of the three active WMF: one Throw N' Go pad (accepting general recyclables drop-off), one electronics recycling drop-off receptacle, one household hazardous waste (HHW) drop-off receptacle, one construction and demolition waste drop-off pad, and one compost pad.
- Six HHW receptacles at designated fire stations.

Buildings

Buildings provide for offices, material storage, labs, vehicle parking, vehicle washing, maintenance shops, equipment storage, trailers, transfer station, scalehouses, landfill gas control rooms and environmental control facilities. The buildings under WRS stewardship are as follows:

- 18 buildings at Spyhill WMF.
- 23 buildings at East Calgary WMF.
- 12 buildings at Shepard WMF.
- Two fully-owned and one partially-owned buildings at Shepard operational workplace centre.
- Three buildings at Springbank landfill (inactive).
- Three buildings at Nose Creek landfill (inactive).
- Two buildings at Spring Gardens operations base.

Infrastructure being acquired

The completion of the following capital projects, which are ongoing, will result in substantial additions to the WRS asset portfolio.

- **Green Carts:** to accept compostable organic waste, have been deployed to serve 320,000 single-family residential houses in 2017.
- **Composting facility:** being constructed at Shepard WMF with a capacity to process 100,000 tonnes of organics and 45,500 tonnes of biosolids annually. This is a covered (indoor processing) facility producing Category 'A' compost all year round.

Valuation and condition

The inventory, valuation and condition information of the assets is derived from the datasets developed for implementation of the Waste & Recycling Services Asset Management System (WRAMS). In contrast to the information provided in previous editions of ISR which were based on the accounting-oriented TCA (Tangible Capital Assets) records and came with broad assumptions, the current information provides a more realistic representation of the actual asset portfolio.



The valuation and condition profiles, as of Jan. 1, 2017, are summarized in the table below.
The notes that follow clarify the assumptions made in the group calculations of condition and remaining life.

Asset	Replacement Value (\$M)	Condition Profile (see Note 1)					Avg. Remain Life (Yrs.)
		Very Good	Good	Fair	Poor	Very Poor	
Buildings							
No. of buildings (Total 63)		29	8	14	11	1	
Buildings	\$56.1	47%	24%	10%	10%	9%	53
Category Sub-total	\$56.1	47%	24%	10%	10%	9%	53
Engineered Structures							
Liners	\$10.3	–	100%	–	–	–	120
Caps	\$68.4	31%	43%	26%	–	–	75
Leachate	\$41.9	21%	55%	23%	1%	–	49
Gas Collection	\$25.1	45%	35%	15%	5%	–	16
Drainage	\$21.6	10%	70%	15%	5%	–	56
Roadways	\$22.4	55%	17%	26%	2%	–	15
Diversion Infrastructure (see Note 2)	\$8.3	5%	60%	30%	5%	–	35
Category Sub-total	\$198.0	28%	48%	22%	2%	0%	54
Machinery & Equipment							
Carts (Black and Blue only (see Note 3))	\$36.8	30%	50%	15%	5%	–	11
Bins	\$17.8	10%	50%	10%	25%	5%	13
Specialized Vehicles and Portable Equipment	\$1.3	10%	55%	25%	10%	–	10
Fences (Litter)	\$0.7	10%	90%	–	–	–	12
Specialized Software	\$5.0	–	100%	–	–	–	4
Category Sub-total	\$61.5	21%	55%	12%	10%	1%	11
Vehicles (see Note 4)	–	–	–	–	–	–	–
Land Improvements							
Fences (Security)	\$3.9	59%	10%	29%	2%	0%	23
Category Sub-total	\$3.9	59%	10%	29%	2%	0%	23
Portfolio Grand Total (\$M)	\$319.5	31%	45%	18%	5%	2%	45

Notes:

1. The class-level condition profile percentages and remaining life are calculated as weighted averages of replacement value.
2. "Diversion Infrastructure" excludes the Composting Facility which was not operational on Jan. 1, 2017.
3. "Carts" excludes the 240L green carts which were not operational on Jan. 1, 2017.
4. The standard vehicles used by WRS are leased from Fleet Services and reported under their portfolio. Specialized vehicles and portable equipment are reported under WRS Machinery & Equipment.

Integrated Risk Management

By implementing the Integrated Risk Management (IRM) processes, WRS has been proactive in identifying and managing risks. In terms of the risks impacting infrastructure, the WRS business unit risk register features a dedicated risk category of “asset.”

This category covers risks that are both strategic (e.g. planning and delivering assets to meet growth demands) as well as specific to an asset class (e.g. managing landfill leachate). Key infrastructure risk themes tracked on the WRS risk register are as follows:

- Evolving regulatory environment (e.g. more stringent requirements driven by greenhouse gas emissions and climate change considerations).
- Financial challenges (e.g. state of economy and competition from commercial enterprises).
- Customer expectations (e.g. level of service and effectiveness of waste diversion initiatives).
- Asset lifecycle maintenance and renewal (e.g. better asset information and decision processes).
- Extreme weather and natural disasters (e.g. severe floods and snow events).

Integrated Infrastructure Risk Management Framework

The Integrated Infrastructure Risk Management Framework (IIRMF) is a standard for infrastructure-specific risk management.

It specifies minimum requirements and provides common definitions which enable structured evaluation and mitigation of risks at both the individual asset and infrastructure system levels.

WRS is currently undertaking a pilot exercise to implement IIRMF methods on leachate, liners and landfill gas asset systems. These groups of assets have the highest infrastructure risk for WRS. The pilot implementation basically involves applying risk-centric methodologies at various stages of infrastructure planning and management processes. The knowledge outcomes from this exercise

will inform: (i) the business unit and department level IRM analyses regarding infrastructure risks and (ii) the development and investment prioritization of the next Waste & Recycling Services Infrastructure Investment Plan (WRIIP).

Strategies

Key ongoing asset management strategies are briefly described as follows:

- The implementation of WRAMS is in progress. When completed, this system will provide WRS with an asset registry along with the ability to capture, analyze and report information at the individual asset level. An automated work order system is planned for the next phase of this initiative.
- A consulting assignment is in progress to undertake condition inspections, quantitatively profile the condition of building assets and components, and develop the lifecycle management strategy and plans. Similarly, the condition inspections and lifecycle planning of landfill roads and pads is currently underway. In-house subject matter experts are conducting analyses to develop an inspections program and collect condition data in coordination with the WRAMS implementation initiative.
- Utilizing the insights learned from the pilot implementation of IIRMF, it is expected that the application of risk-based methods will be expanded to further asset groups.
- Development of the WRS Asset Management Plan is nearing completion. The emphasis of the current iteration has been to integrate asset management planning with the business and budgeting process, including the WRIIP process.
- Development of the WRS Strategic Framework as a 10-year planning document is in progress. When complete, the framework will provide better clarity and direction for prioritizing future infrastructure investments.

Utilities & Environmental Protection

Water Resources and Water Services

The Water Utility is a part of Utilities & Environmental Protection (UEP). UEP works with the community and The Corporation to protect land, air and water. The Water Utility business units (Water Resources and Water Services) contribute to this vision by helping to protect our watersheds, providing world class water and wastewater treatment, and conserving our water resources for future generations while supporting Calgary's growth.

Asset portfolio

The Water Utility provides valued and essential water, wastewater and stormwater services through development, operation and maintenance of a significant infrastructure system.

The infrastructure includes two water treatment plants, and a distribution network of reservoirs, water pump stations, pipes and service connections to deliver safe drinking water to customers. The Water Utility also operates the Glenmore Dam, which stores raw water in the Glenmore Reservoir. The wastewater infrastructure includes three wastewater treatment plants, a network of lift stations, sanitary pipes and services to collect and treat wastewater. The stormwater system includes stormwater pipes, wet ponds, dry ponds, wetlands and lift stations.

Asset condition

The majority of assets in the Water Utility range in physical condition from fair to excellent. A few exceptions exist for each category. These components have been identified for maintenance, upgrades or replacement in the future. The water, wastewater and stormwater infrastructure is able to meet the current demand requirements of The City; however, important infrastructure investments will be required to maintain our customer levels of service and continue to meet service demand into the future.

Water infrastructure investment drivers

In order to achieve business objectives and ultimately continue to deliver a sustainable and reliable service to our customers, the Water Utility has identified four main investment drivers:

- Maintain assets.
- Regulatory and environmental protection.
- Service.
- Growth.

Maintain assets

Effective asset management requires continued long-range infrastructure planning.

The Water Utility has ongoing condition assessment and maintenance programs, which have helped identify and eliminate potential service failures that could be costly to replace on a reactionary basis. For example, the yearly watermain break count has been steadily decreasing as a direct result of such strategies, thereby reducing service disruptions placing Calgary as one of the best performing municipalities in the country.

The condition assessment and maintenance programs are vital in order to ensure the reliability of our infrastructure. This infrastructure is critical to maintaining levels of service to all areas of The City. Asset Management strategies and maintenance investments ensure that the Water Utility continues to provide a high level of service to citizens.

In future years, The Water Utility will require reinvestments across all three lines of service (water, wastewater and stormwater) as assets approach the end of their useful life. Increased investments are required in maintenance and inspection programs to proactively replace assets coming to the end of their asset lifecycle and ensure reliable service and operational efficiency.

Areas of asset and investment management that are being reviewed and improved include:

- Maintenance plans to optimize asset lifecycle costs for all asset classes.
- Stage Gating was implemented for the Water Utility in June 2016. At that time, it was planned that a review of the process would be completed within six to eight months of implementation. That review process has taken place, incorporating feedback across various stakeholders groups, to get feedback to understand how well the process is working and identify areas for improvement.
- Condition and risk assessment programs for all asset classes to ensure investments are directed to higher risk assets.
- New and innovative technologies to improve the effectiveness of condition assessment, maintenance and rehabilitation programs.

Regulatory and environmental protection

The City must comply with regulatory requirements in order to prevent risks to public health and the overall environment, and maintain its approval to operate. This requires investment in our existing infrastructure to maintain compliance and the provision of new infrastructure as more rigorous regulatory requirements are put in place.

The City is dedicated to protecting and managing our precious water resources. Through an integrated approach, the entire watershed must be considered including reducing upstream risks to our water source, reducing Calgary's impacts on the rivers (Stormwater Management Strategy) and conserving this limited resource through its responsible and efficient use (30-in-30 Water Efficiency Plan). Watershed planning initiatives are aligned to the provincial Water for Life strategy and regional watershed management plans to protect the watershed.

The City's water treatment plants produce safe and reliable drinking water that meets existing regulatory standards. Drinking Water Safety Plans (DWSP) have been prepared to meet the requirement for all Water Treatment Systems in Alberta. The Wastewater treatment plants continue to meet the approval to operate requirements.

Over the next 10-year period, The City will need to make investments to meet future regulatory requirements. Some of the anticipated future regulatory requirements include the tightening of effluent discharge limits from wastewater treatment plants.

Service

Aging infrastructure and increasing demand are challenges that drive the need for continuous investment in order to maintain service levels to citizens. Work continues to identify opportunities to enhance resilience and protect The City's infrastructure and citizens' property. The City has made significant investments in past business cycles to ensure an appropriate level of resilience for key infrastructure. An example is the investment in upgrading pre-treatment facilities at two water treatment plants. The benefits of these upgrades were clear during the flood in June 2013, as The City was able to provide safe drinking water throughout the event.

The Water Infrastructure Investment Plan includes projects and programs such as Community Drainage Improvements (CDI), Watermain replacements and Local Water Quality Improvements to ensure the highest levels of service for The City, its citizens and its regional customers.

Growth

The Water Infrastructure Investment Plan includes significant investments to upgrade the existing infrastructure and provide new infrastructure to accommodate growth in both developed and developing areas. Although lower than expected growth levels were experienced in Calgary in 2016, there continues to be a need to invest in infrastructure to address capacity constraints.

The high growth levels experienced in Calgary in the first half of the decade have had an impact on the capacity at wastewater and water treatment plants. The Bonnybrook Wastewater Treatment Plant (BBWWTP) is currently servicing a population that is nearing its installed capacity. A capacity upgrade of one of the water or wastewater treatment plants is required on average every 10 years based on the last 20 years of historical growth.

The Water Utility is focused on delivering the best value for money to meet the citizens' current and future water needs, and support stable and predictable rates and service levels. This is only possible through robust asset management plans and practices, and strategic investments.

The Water Utility will continue to provide high service levels and ensure appropriate investments are made to extend the life of its aging assets. The Water Utility will continue to ensure strategic infrastructure investments are made to support growth and comply with current and future regulatory requirements, while protecting and managing our valuable water resources.



Calgary Police Service (CPS)

The Calgary Police Service (CPS) works to maximize public safety in Calgary through a community policing strategy that focuses on education, prevention, early intervention, enforcement and investigations.

This commitment to public safety is directly supported by our organizational support bureau, which includes infrastructure. In addition, public trust and confidence is central to the CPS's work on public safety.

The CPS infrastructure division aligns directly with the Council priority of a well-run city and continues to find efficiencies through increased use of smart technology and more efficient infrastructure.

Key issues and challenges

The key challenge for the CPS is to acquire, maintain and fully utilize infrastructure assets to deliver on its goals and commitments to the citizens of Calgary. That is accomplished by utilizing best practices in management of existing assets, as well as forecasting and identifying short, medium and long-term infrastructure priorities.

As part of the community policing approach, the CPS continues to increase its partnerships with other agencies to provide services focused on the needs of citizens. These partnerships have infrastructure implications with a number of community groups utilizing CPS facilities for meetings and events. As well, CPS staff and equipment are co-located with other service providers to form multi-agency collaborations, such as the Sheldon Kennedy Child Advocacy Centre (SKCAC) and the Safe Communities Opportunity and Resource Centre (SORCe).

Factors that may affect the management of infrastructure include:

- Community changes, such as population and demographic structure, socio-economic trends and traffic volume.
- Market changes, such as economic situation, industry standards and real estate volatility.
- Federal and provincial legislations.
- Operational changes, such as growth in staffing, volume and complexity of crime and social disorder, emergence of organized crime, and policy changes.
- Environmental standards, such as Leadership in Energy and Environmental Design (LEED) certification and The City's Triple Bottom Line commitments, modern waste management principles including composting, and right sizing of the fleet with energy efficient vehicles.

Assets

The assets which the CPS manages include:

Buildings

- 29 buildings which are owned by The City or leased from third parties. These include but are not limited to the Westwinds Campus, eight district offices (multi-service and leased facilities), stable, canine training centre and indoor shooting range.

Vehicles, machinery and equipment

- Approximately 1,270 vehicles.
- Two helicopters.
- Approximately 3,540 personal computers, laptops and printers.
- 521 vehicle-mobile workstations.
- 2,603 mobile or portable radio and other telecommunication systems.
- Various traffic equipment, robots and breathalyzer equipment.
- Digital traffic cameras and related infrastructure.
- Automated Fingerprint Identification System (AFIS).

Funded capital priorities

- Arrest Processing facility.
- North Deerfoot Campus facility improvement.

Unfunded capital priorities for the next 10 years

- Replacement of two district offices due to aging (more than 35 years old).
- Renovation and improvement of two district offices.
- Westwinds Campus expansion to include special purpose facilities.



Related Authority and Civic Partners

Calgary Parking Authority

Overview

The mandate of the Calgary Parking Authority (CPA) is set out in CPA Bylaw No. 28M2002. The Authority's operations are governed by this bylaw. We fulfil the mandate by planning, developing and operating public parking services, parking enforcement services and municipal impound lot, parking advisory services, residential parking permit services and management services for parking facilities.

Public parking services: Our public parking facilities help fulfil Council's vision for the overall land use direction of The City and its transportation system. The Downtown Parking Strategy was updated and the new Integrated Downtown-TOD Parking Strategy (TT2016-0204) was approved by City Council on June 20, 2016. Other applicable policies include the Calgary Parking Policies (TT2017-0512) and Commercial On-Street Parking Policy (TT2013-0795).

Parking enforcement services and municipal impound lot: Our parking enforcement services enhance public safety, improve traffic flow and mobility, and encourage compliance with municipal and provincial parking regulations.

Parking advisory services: We advise stakeholders and our peers in the municipal and provincial governments and in business and community organizations on parking issues, policy and regulations.

Residential parking permit services: The residential parking program is governed by Bylaw 25M2017. We verify qualifications of applicants, and issue residential and visitor permits in this program designed to protect zone residents from the impact of non-local parking.

Management services for parking facilities: Our parking management program and expertise make our services valuable to municipal and third-party clients who wish to have their parking managed by specialists.

CPA projects and initiatives

CPA's new impound facility was completed in July 2016. This new facility includes 14,000 square feet of floor space and is LEED (Leadership in Energy and Environmental Design) gold certified. This facility houses CPA's enforcement support and enforcement staff, and provides frontline service to customers who have had their vehicles impounded.

CPA's first third-party joint venture project was completed in October 2016. This project is located in Kensington at the former Lido Café site. The new development includes a 34-space parkade that is owned by The City and operated by the CPA. This project also includes a residential tower, a residential parkade and at-grade retail.

On May 9, 2017, City Council approved amendments to the Calgary Traffic Bylaw, allowing the Residential Parking Permit (RPP) program to start using online permits in place of passes and hang tags for resident and visitor parking. The benefits of the updated program include a quick online permit application/renewal process for residents and a two-year permit versus the previous one-year permit. Additionally, permits will now be linked to licence plates which will allow for more effective and efficient enforcement practices in residential parking zones. The system will transition all residential parking zones to the new system over the course of a year beginning on Aug. 1, 2017.

CPA and the Calgary Municipal Land Corporation (CMLC) are partnering to develop the Ninth Avenue Parkade (9AP). The new parkade will service the East Village and area developments. The parkade will be located at 363-407 Ninth Ave. S.E. (Lot 62) and include over 500 parking stalls. The expected completion date is 2020.

Preventive maintenance program

The maintenance of our facilities is currently managed through an extensive database, which highlights all work required by our Facilities division. In addition to this, an in-house software program links our preventive maintenance program, parts inventory and work orders into one database.

Facility management

On an annual basis, all facilities are monitored by a structural engineer, HVAC, mechanical and electrical consultants. In each facility, critical areas identified as unique are examined and logged. Regular monitoring allows for long-term expenditure forecasting for structure maintenance. Monitoring includes reviewing roof condition, mechanical system operations, membrane wear and slab structural integrity. In addition, we continue to monitor our facilities in real time, using our Building Management System. This system has over 21,000 points of monitoring. In 2009, CPA completed a facility-wide energy audit and implemented upgrades where applicable. As a management strategy CPA is trying to ensure mechanical and structural compliance through best practices thereby extending the current lifecycle of these assets.

Funding plan

The CPA continues to monitor and fund initiatives for lifecycle review and asset management strategies. In the next four-year budget cycle (pending approval), the CPA will fund activities necessary for infrastructure lifecycle maintenance and energy and efficiency upgrades.

Key issues and challenges

Surface membranes

All of CPA's indoor parking structures have a protective membrane installed which protects the concrete and rebar in the floor slabs from wear and corrosive materials. As our infrastructure ages, the membranes wear off, particularly in the drive lanes, entry lanes and corners. Our continuous maintenance of these membranes is vital in preserving the structural integrity of the facility. This process continues to be vital in our structural maintenance program. Our preventive maintenance system identifies the need for consistent re-coating of the wear areas to maintain the protection of the structural slabs. As these systems reach the end of their expected life, extensive re-coating will be required.



Surface lots

Most surface lots require a regular repair and maintenance program. Several of our surface lots will require extensive surface and drainage upgrades. CPA aligns with The City's Triple Bottom Line policy, Crime Prevention Through Environmental Design (CPTED) and LEED. To support these programs, the CPA reviews surface lot lighting and evaluates the feasible use of permeable asphalt and recharge of the aquifer.

Structural preventive maintenance

Four of our parking structures have significant structural risk that is mitigated by ongoing inspection and repair programs. The most significant are City Centre, McDougall, City Hall and James Short parkades.

City Centre Parkade

This parkade is our oldest parking structure and the only open-air designed structure in our inventory. This structure requires major maintenance over the next few years. Exposure to the elements, specifically snow and road salt brought into the parkade by vehicles, has contributed to membrane failure and waterproofing issues. Built in the late 1970s, the major structural elements are the slabs, beams and columns. The underside of each slab is not protected with a membrane coating, therefore without consistent annual maintenance and a lifecycle program at five-year intervals, cracking and concrete delaminating will lead to corrosion and eventual failure. This facility has very aggressive turn patterns, specifically on the centre ramp, and an ongoing maintenance program is required to ensure that the membrane does not wear to the point that the structural slab integrity is compromised. This lifecycle program is currently scheduled at three-year intervals. Ongoing inspections and repair programs will mitigate concerns. Within the next five years a major rehabilitation of all structural elements will have to be undertaken on this facility.

McDougall Parkade

This underground parking structure was built in the early 1980s. This unique parking structure, built beneath the McDougall School heritage site, was constructed using a structural element of unbonded post-tensioned cables. This structure is typically below the water table during spring run-off and as such the concrete walls leak extensively every spring. The combination of leaking walls and the unbonded post tension cables could be disastrous if extensive corrosion of the cables were to occur. To ensure the structural integrity of this facility, a program of ongoing inspection, delamination repair and wall-crack repair has been developed. It has been determined that this facility is experiencing a higher than normal trend of structural failures, due to the abovementioned conditions. A monitoring program has been developed in consultation with expert engineers to provide remedial advice on a rehabilitation and preventative repair plan.

City Hall Parkade

This underground parking structure was built in the early 1980s. Due to the June 21, 2013 flood, the entire seven-floor parkade was submerged underwater for two weeks. The entire infrastructure (electrical, mechanical, venting, elevators, etc.) has been replaced and design measures have been put in place to mitigate the impact of potential future floods.

James Short Parkade

This underground parking structure was built in the late 1980s. Similar to the McDougall Parkade, this below-grade structure is situated under a City park. This facility is regularly monitored for possible geo-technical rebound or other structural movement issues, and a structural program to repair failing expansion joints is scheduled for 2017.

Mechanical upgrades

All mechanical upgrades have been completed with the exception of the James Short boiler replacement, which is anticipated to be complete by the end of Q4 2017. A heavy financial burden will arise when some of these facilities reach the replacement stage. CPA's three oldest parkades (City Centre Parkade built in 1978, McDougall Parkade built in 1983; and City Hall Parkade built in 1985) are nearing their 50-year lifecycle. The Parkade Structure Replacement Fund was established in 1999 for annual contributions of \$2 million plus interest, which would provide for partial capital replacement funding. At the end of 2016, this fund had \$88 million. Additionally, the land acquisition fund, which has a balance of \$40 million, can be used for the replacement of existing cash-in-lieu stalls which are located within the subject facilities.

Vehicles

CPA's facilities department utilizes a fleet of vehicles and heavy-duty equipment to maintain parkades and surface lots. These vehicles experience increased maintenance due to operating primarily downtown. Furthermore, snow removal causes excess wear and tear. Facilities are aligned with The City of Calgary Fleet Asset Management Plan for vehicle replacement. Currently, half of the facilities vehicles are due for replacement, based on Fleet Management's lifecycle standards. A replacement strategy, averaging three vehicles per year over the next five years, will bring the vehicle inventory up to standard. Our fleet of vehicles for the enforcement and enforcement support officers sustains high mileage due to the area they cover. In order to minimize breakdowns associated with high mileage, the vehicles are turned over, on average, every three to four years.

Revenue control equipment

The Calgary Parking Authority utilizes the ParkPlus System™ which allows the option of paying at the pay machines or through various web options. The purchase of additional pay machines will be required to extend the payment system to new development areas, as well as into new areas of The City as parking demand requires.

Information technologies

Allowance must be made for funding the replacement of data storage, data network, server, desktop computer, uninterruptible power and other disaster recovery infrastructure systems to provide uninterrupted services for the various operations within the CPA. Costs associated with software development of both currently deployed and future software, that will provide enhancements and new services to make the business processes more efficient, must also be taken into consideration.

Systems such as the ParkPlus System™, payment of tickets online (PTO) and BITS are only a few of the current in-house software packages that require ongoing maintenance both on hardware and software levels. Security video, access and cellular wireless repeater control systems are integral parts in the support and maintenance of the corporate infrastructure. These systems are being supported by the IT department and are comprised of computer and data storage components which require regular upgrading and repairs.

All of the above information shows that both hardware and software funds are required to support these critical business systems on an ongoing basis.

What do we own/manage?**Parking spaces off-street**

- 10 parking structures (5,694 parking spaces).
- 33 surface lots (6,249 parking spaces).
- Impound lot land (1,040 spaces for impounded vehicles).

Machinery and equipment

- 559 on-street ParkPlus System™ pay machines controlling payment for 6,689 parking spaces.
- 60 off-street (surface lots) ParkPlus System™ pay machines controlling payment for 4,991 parking spaces.
- 48 ParkPlus System™ pay machines in parkades as controlling payment for 6,249 parking spaces.
- 71 vehicles (six enforcement support, 43 enforcement, four technical services, 18 facilities).
- One utility trailer.
- Eight heavy machinery items (tenant sweepers and skid steers).

Buildings and land

- CPA administration office located on street level of the Centennial Parkade.
- Impound Lot building located at 400 39th Ave. S.E.
- Building on 615 Third Ave. S.W. (Veritas Building).
- Land on 830 Ninth Ave. S.W. (Knoxville's).

Systems

- ParkPlus System™.
- BITS (Bylaw Infraction Tracking System).
- Impound Lot Vehicle Tracking System.
- Computer Aided Dispatch (CAD) System.
- Pay Tickets Online (PTO) via web services linked to BITS.
- Mobile Citation Application.
- Access to the Internet through the CPA Corporate Connection complete with associated hardware and systems.
- Web services for external and internal users.
- Security video, access and cellular wireless repeater control systems for parkades and office areas.
- Corporate servers, data storage and data networking systems that support the collection and retrieval of information for The Corporation.
- Intranet.
- Smartphone ParkPlus System application.
- ParkOnline System (providing access for Calgary Zoo, Heritage Park, Telus SPARK and contract parking access).
- Residential Parking Permit System.

Related Authority and Civic Partners

Calgary Public Library

The Calgary Public Library's (CPL) asset portfolio consists of the following categories: materials, buildings, IT infrastructure and equipment, furniture and equipment, and vehicles. CPL does not own buildings or land, but is the steward of the buildings it occupies. Any land improvements are associated with a building and are included as a subset of those assets.

All asset conditions are good except for the following buildings:

Buildings	Asset Category	Condition
Central Library	Buildings	Poor
Memorial Park	Buildings	Fair
Village Square	Buildings	Fair

The Calgary Public Library Board currently conducts required lifecycle maintenance and replacement from the Library Lifecycle Grant that is provided annually by The City of Calgary. The asset management program is entirely dependent on this lifecycle grant as virtually CPL's entire operating grant is used to fund open hours at library locations, an extensive outreach effort to communities more distant from established locations, and to purchase items for borrowing purposes. The Library Lifecycle Grant is critical because without this support there would be no funds to repair or replace the assets on which this service delivery depends, and eventually the service delivery would be detrimentally affected.

Growth and major maintenance projects are dependent on funding from outside sources, which historically have been provided by The City of Calgary and the Province of Alberta.





Related Authority and Civic Partners

Other civic partners

Since 2015, The City has been working with seven civic partners (and Calgary Public Library) to support partner-specific asset studies and tools. The tools include building condition assessments, asset management plans, underground utility assessments, asset management software and additional studies as required, e.g. lighting audit, hazardous materials assessment, aquatics audits, dock assessment and/or flood resiliency study.

In keeping with The City of Calgary's Corporate Energy Plan, the studies also identify opportunities to improve the energy efficiency to help reduce energy consumption and environmental impacts and lower operating costs. The suite of tools help civic partners make consistent, effective and informed infrastructure decisions; create standardized approaches to asset management; demonstrate responsible stewardship of assets; and identify the funding required to optimize the maintenance and longevity of the assets.

The organizations that The City has been working with to date include: Arts Commons, Calgary TELUS Convention Centre, The Calgary Zoological Society, Fort Calgary Preservation Society, Heritage Park Society, Lindsay Park Sports Society, and Calgary Science Centre Society. Two of the other civic partners (Arts Commons and Fort Calgary Preservation Society) have completed asset management plans. Work for the other civic partners is underway and will be complete for inclusion in the next report.



Appendix 6

Acronyms and abbreviations

AMP	Asset Management Plan	CWMS	Computerized Work Management System
APTA	American Transportation Association	DCMO	Deputy City Manager's Office
BBWWTP	Bonnybrook Wastewater Treatment Plant	ERIIP	Emergency Response Infrastructure Investment Plan
BITS	Ticket Tracking System utilized by Calgary Parking Authority	ESRD	Environment & Sustainable Resource Development
BRT	Bus Rapid Transit	FCI	Facility Condition Index
BU	Business Unit	FDES	Facility Development & Enhancement Study
CAD	Computer Aided Dispatch	FM	Facility Management
CAMP	Corporate Asset Management Plan	GTF	Gas Tax Fund
CBS	Capital Budget System	HVAC	Heating, Ventilation and Air Conditioning
CDI	Community Drainage Improvements	IIP	Infrastructure Investment Plan
CCTV	Closed Circuit Television	IIRMF	Integrated Infrastructure Risk Management Framework
CFD	Calgary Fire Department	IRM	Integrated Risk Management
CFO	Chief Financial Officer	ISR	Infrastructure Status Report
CHC	Calgary Housing Company	IT	Information Technology
CHP	Community Housing Portfolio	LEED	Leadership in Energy and Environmental Design
CLOS	Customer/Citizen Level of Service	LOS	Levels of Service
CMHC	Canada Mortgage and Housing Corporation	LRT	Light Rail Transit
CMLC	Calgary Municipal Land Corporation	LRV	Light Rail Vehicle
CPA	Calgary Parking Authority	M&E	Machinery & Equipment
CPL	Calgary Public Library	NFPA	National Fire Protection Association
CPRIIP	Culture, Parks, Recreation Infrastructure Investment Plan	OLSH	Office of Land Servicing & Housing
CPS	Calgary Police Service	OWC	Operations Workplace Centre
CPTED	Crime Prevention Through Environmental Design	PARIS	Parks Asset Reporting and Information System
CRV	Current Replacement Value	PAYG	Pay-As-You-Go
CS	Community Services	PCI	Payment Card Industry
CTC	Corporate Technology Committee	PSAB 3150	Public Sector Accounting Board, Standard 3150
CUTA	Canadian Urban Transit Association		

PSAM	PeopleSoft Asset Management	WRAMS	Waste & Recycling Services Asset Management System
PTO	Payment of Tickets Online		
ReCaPT	Recreation Capital Planning Tool	WRS	Waste & Recycling Services
RPP	Residential Parking Permit	WRIIP	Waste & Recycling Services Infrastructure Investment Plan
SAMP	Strategic Asset Management Program		
SCU	Spring Clean-up	ZBR	Zero-Based Review
SGCI	Strategic Growth and Capital Investment	9AP	Ninth Avenue Parkade
SHAR	Social Housing Accommodation Regulation		
SNIC	Snow and Ice Control		
TBL	Triple Bottom Line		
TCA	Tangible Capital Assets		
TOD	Transit Oriented Development		
TI	Transportation Infrastructure		
TMC	Traffic Management Centre		
UEP	Utilities & Environmental Protection		
WMF	Waste Management Facility		





17-00758747



2017 Infrastructure Status Report

Committee: Utilities &
Corporate Services
Presenter: Steve Wyton
Date: March 14, 2018

The 2017 Infrastructure Status Report



Asset Value \$84.70 Billion*

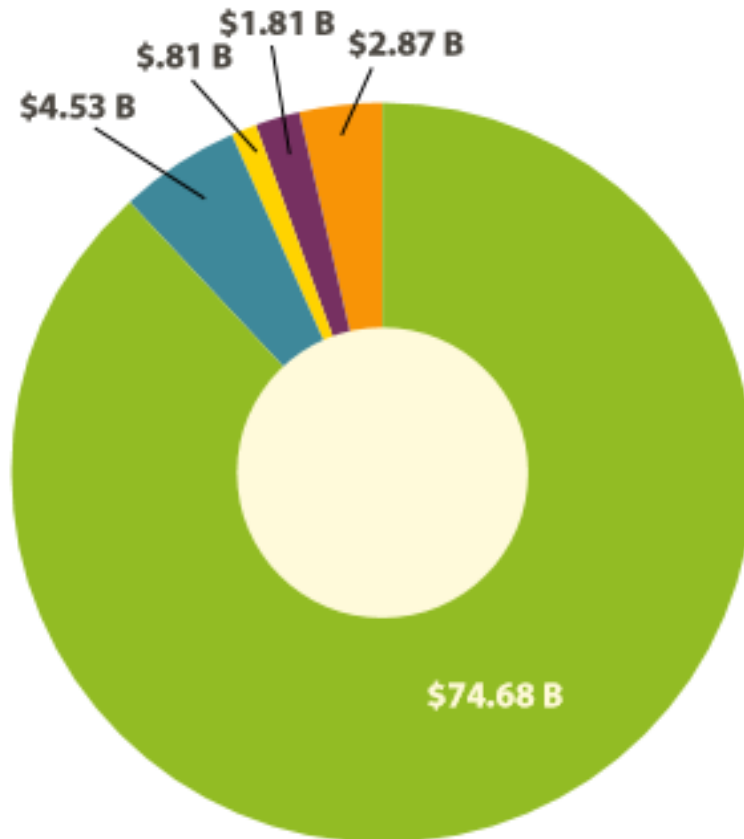
\$74.68 B
Engineered Structures

\$4.53 B
Buildings

\$.81 B
M&E

\$1.81 B
Vehicles

\$2.87 B
Land Improvements



* Does not include \$4.22 billion land holdings owned by The City. Land does not depreciate like other assets and does not require the same level of maintenance.



**Overall Physical Condition
(Based on Business Unit Averages)**

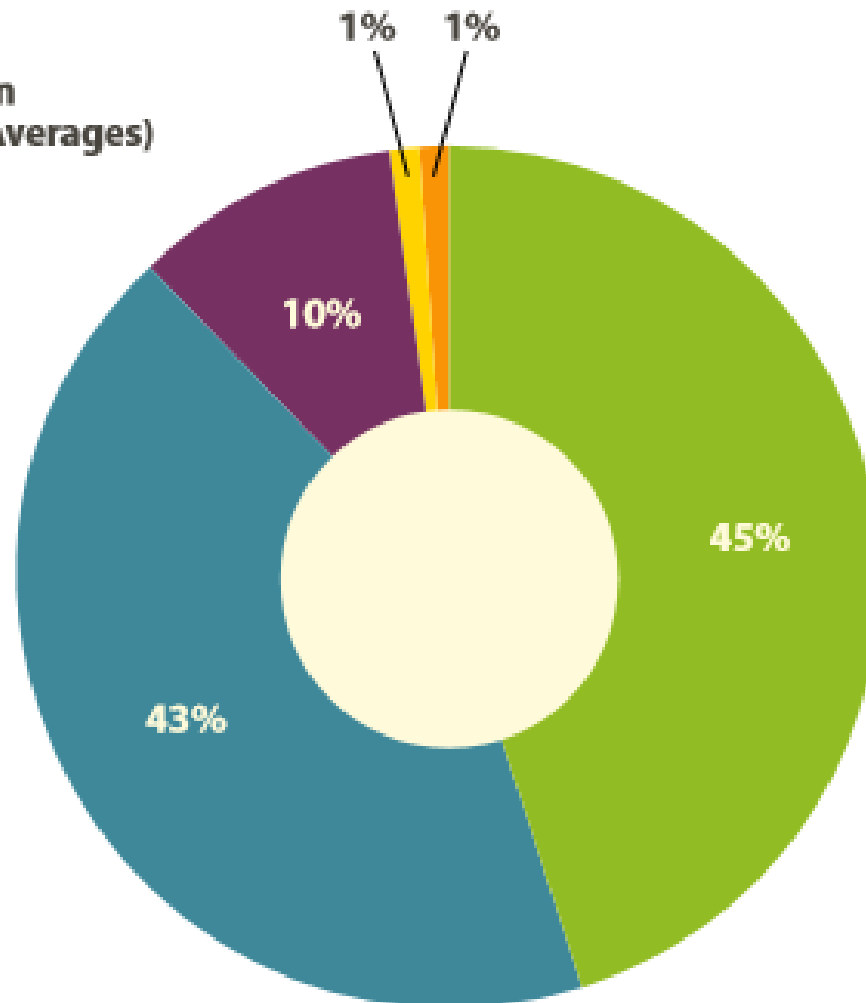
45%
Very Good

43%
Good

10%
Fair

1%
Poor

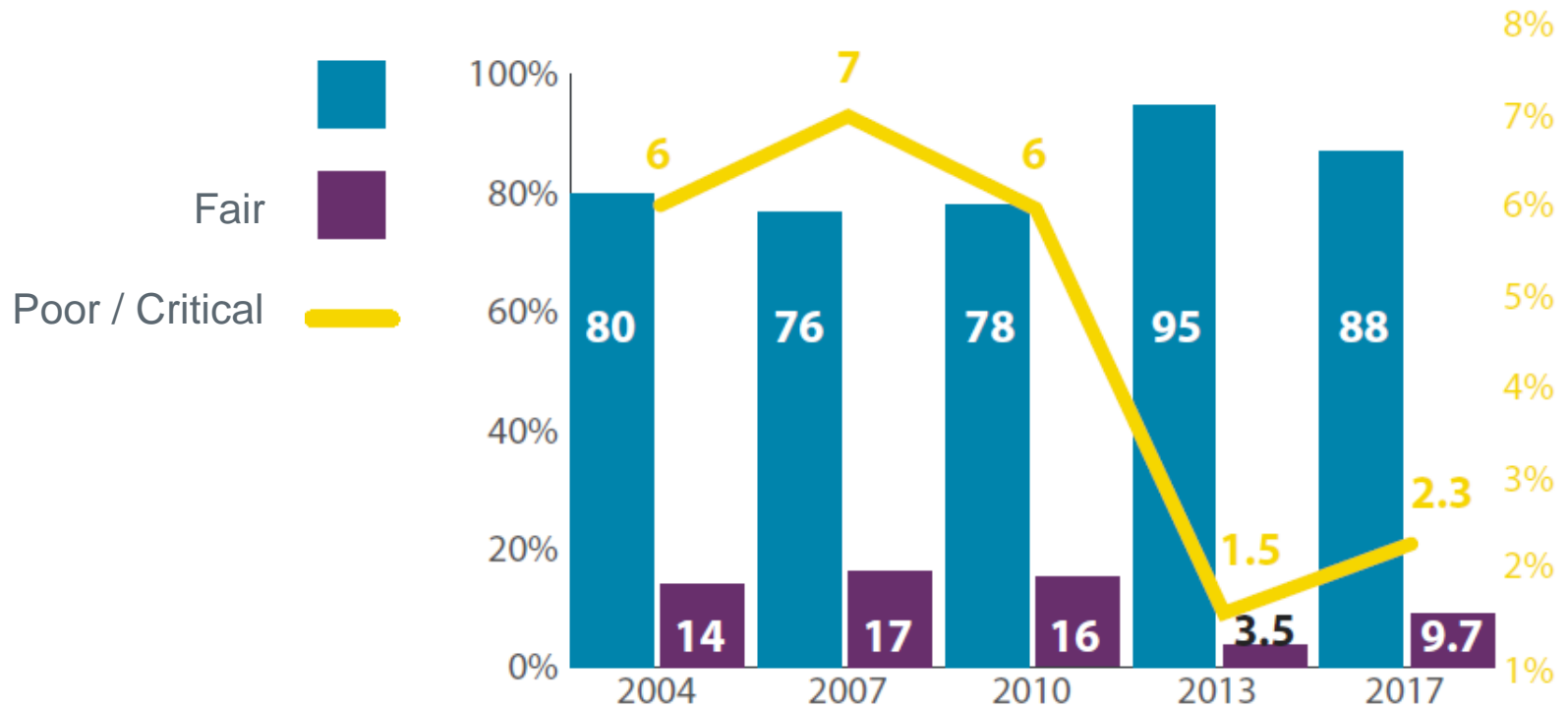
1%
Critical



* Percentages have been rounded.



Asset Physical Condition



* Very Good, Good and Fair percentage reflected on the left axis and Poor and Critical on the right axis.

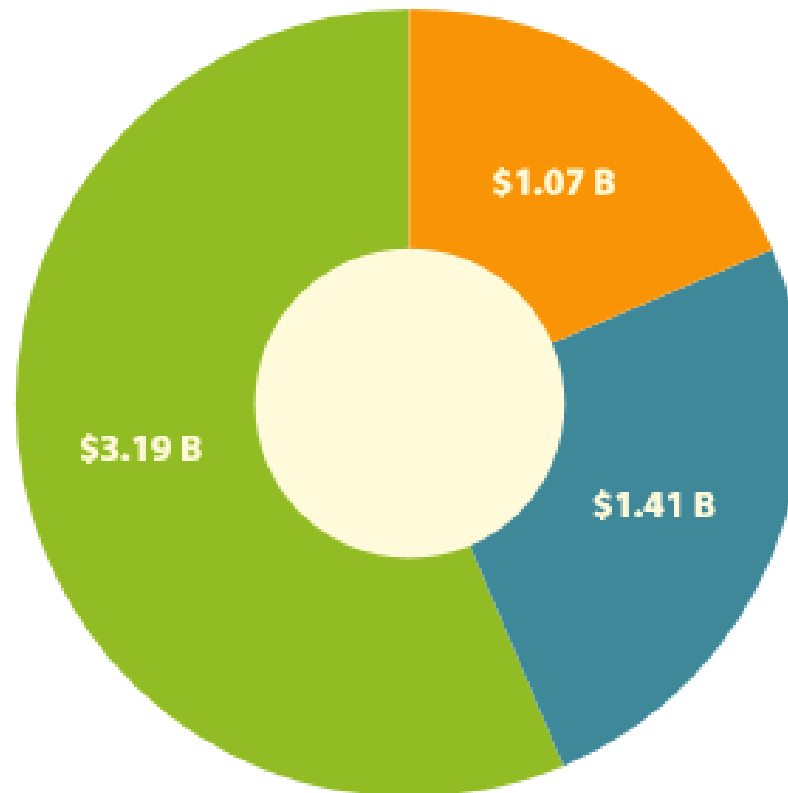


Infrastructure Gap \$5.67
(\$ Billions)

\$1.07 B
Total Operating Gap

\$1.41 B
Total Maintenance Gap

\$3.19 B
Total Growth Gap



* Does not include Transit projects from RouteAhead including Green Line, as well as projects beyond the 10-year horizon.

Administration's Recommendations



Calgary



Questions?

Council Policy

Policy Title: Governance and Appointments of Boards, Commissions and Committees
Policy Number: CP2016-03
Report Number: LGT2016-0244
Adopted by/Date: Council/2016 April 25
Effective Date: 2016 April 25
Last Amended: 2017 April 24
Policy Owner: City Clerk's Office

1. POLICY STATEMENT

- 1.1 The City of Calgary (The City) is committed to open, inclusive and equitable management of the Boards, Commissions and Committees (BCCs) recruitment and appointments process. The resulting decisions and work of the BCCs supports good governance and a well-run City inclusive of citizen leadership in governance.
- 1.2 The appointment of Public Members to serve on BCCs is important to The City in order to:
- a) Bring specific skills and expertise that contribute to good governance;
 - b) Represent stakeholder groups;
 - c) Represent specific groups of service users; and
 - d) Provide a variety of perspectives, reflecting the diversity of the community.
- 1.3 The appointment of Members of Council and Administration to serve on BCCs promotes collaboration and collective decision-making with Public Members, ensuring that citizens, communities and customers of The City are better served.
- 1.4 BCCs are created with a clear purpose and are provided the support and resources required to fulfill their mandate.

2. PURPOSE

- 2.1 The purpose of this Council policy is to establish guidelines respecting:
- 2.1.1 The establishment, mandate and disbandment of City BCCs and duties of City Chairs;
 - 2.1.2 The process for appointing Council Members and Administration Members to BCCs; and
 - 2.1.3 The process for appointing Public Members to BCCs.

3. **DEFINITIONS**

3.1 In this Council policy:

- a. "Administrative Tribunal" means an independent quasi-judicial body that conducts hearings on individual cases, issues written decisions, is governed by the rules of administrative law and whose Members are appointed by Council.
- b. "Administration Member" means a City of Calgary employee who has been appointed by Council to a BCC or their designate. An Administration Member may or may not be a voting Member.
- c. "Administration Resource" means a City of Calgary employee who is assigned as a subject-matter expert or administrative support to a BCC. An Administrative Resource is not a voting Member of a BCC.
- d. "Boards, Commissions and Committees" ("BCCs") means a City or External Board, Commission or Committee to which Council makes one or more appointments.
- e. "Business Revitalization Zone" means a Business Revitalization Zone established under the *Municipal Government Act*, RSA 2000, c M-26.
- f. "Chair" means the Chair of a City Board, Commission or Committee, excluding a Council Committee.
- g. "City Board, Commission and Committee" means a BCC or other body established by The City of Calgary Council under the *Municipal Government Act*, RSA 2000, c M-26, or as required or allowed by other statutes. This does not include a Business Improvement Area or City of Calgary Wholly-Owned Subsidiary.
- h. "Code of Conduct" means Council's *Code of Conduct for Citizen Members Appointed to Council Established Boards, Commissions and Committees* Policy (#CC045).
- i. "Council Committee" means a Standing Policy Committee, Standing Specialized Committee and the Priorities and Finance Committee.
- j. "Elector" means a person that is eligible to vote in a General Election as legislated by the *Local Authorities Election Act* RSA 2000 c L-21.
- k. "Eligibility" means minimum requirements that an applicant must meet to be appointed to a BCC.
- l. "External Board, Commission or Committee" means a BCC or other body not established by The City of Calgary Council but whose membership includes a Council appointee;

- m. "General Election" means an election held for all Members of Council to fill vacancies caused by the passage of time, in accordance with the *Local Authorities Election Act* RSA 2000 c L-21.
- n. "Governance Document" means a document that outlines a BCC's structure and includes items such as eligibility criteria, composition, mandate, and term lengths. A Governance Document may include legislation, a bylaw, a policy, a ministerial order or a terms of reference.
- o. "*Indemnification of Council Citizen Appointments*" means Council's *Indemnification of Council Citizen Appointments to Council Established Municipal Boards, Commissions, Authorities and Committees Policy* (#CC040).
- p. "Member" means any individual appointed to a BCC by Council, including Members of Council, Public Members and Administration Members.
- q. "Non-Binding Nomination" means a Public Member nomination submitted to Council by a specific group as outlined in a BCC's Governance Document(s). Council may or may not appoint the nominee.
- r. "Organizational Meeting" means the annual organizational meeting of Council as defined in *The Procedure Bylaw*.
- s. "Public Member" means an individual who has been appointed to a BCC by Council who is not a Member of Council or City of Calgary Administration representative.
- t. "Qualifications" means the specific skills and experience desired in Public Members to meet the needs of individual BCCs.
- u. "Reserve List" means a list of applicants adopted by Council that may be used to fill a vacancy that occurs as a result of a Public Member not finishing a term.
- v. "Resident" means an individual who lives within the boundary of the city of Calgary.
- w. "Standing Policy Committee" ("SPC") means a Committee of Council as established under *The Procedure Bylaw*.
- x. "Sub-Committee" means a body established by Council or a Council Committee to deal with a specific sub-set of issues.
- y. "*The Procedure Bylaw*" means The City of Calgary Procedure Bylaw -35M2017.
- z. "Two-Thirds Vote" means a vote as defined in *The Procedure Bylaw*.
- aa. "Wholly-Owned Subsidiary" means a corporation of which The City of Calgary is the sole shareholder.

4. APPLICABILITY

4.1 This Council policy does not supersede or replace legislation, ministerial orders or bylaws. This Council policy does not take precedence in the circumstance where Council has approved Governance Document(s) specific to a particular City BCC.

4.2 This Council policy applies to all BCCs other than a:

- a) Business Improvement Area; or
- b) City of Calgary Wholly-Owned Subsidiary.

5. PROCEDURE:

Part A: Establishment, Mandate and Disbandment of City BCCs, and Duties of City Chairs

5.1 Establishment of City BCCs

- 5.1.1 City BCCs are established by Council as permitted or required in the *Municipal Government Act*, RSA 2000, c M-26 and other legislation.
- 5.1.2 City BCCs will be created to provide advice, make decisions and recommendations to Council or adjudicate upon particular City matters.
- 5.1.3 Upon the establishment of a new City BCC, Council shall approve the City BCC's Governance Document(s) that includes:
 - a) Mandate;
 - b) Composition;
 - c) Term lengths and limits of Members;
 - d) Eligibility of Public Members;
 - e) Qualifications of Public Members;
 - f) Classification of the BCC (Schedule A);
 - g) Any specific recruitment or appointment requirements, including a source of funding, if applicable;
 - h) Reporting requirements; and
 - i) Sunset clause, if applicable.
- 5.1.4 Qualifications for Public Members as addressed in section 5.1.3(e) must describe the skills specific to each City BCC. Public Members are to collectively cover the range of required Qualifications, with individual Public Members bringing a variety of perspectives, interests, or skills. Public Members are not expected to have the same knowledge as Administration.
- 5.1.5 A new BCC's Governance Document(s) must be adopted by Council before any Member is recruited and appointed to the City BCC.
- 5.1.6 Where a City BCC is established by Council, or where an existing City BCC's Governance Document(s) were amended by Council, following the initiation of

the recruitment campaign, resulting vacancies requiring filling in accordance with section 5.11 may not be filled at that year's Organizational Meeting.

5.2 Mandate of City BCCs

5.2.1 City BCCs are required to:

- a) Meet regularly in accordance with their annual schedule;
- b) Act within their mandate as directed by Council;
- c) Set position descriptions for Public Members;
- d) Participate in performance management of Public Members;
- e) Comply with the sections that pertain to Committees in *The Procedure Bylaw* unless other procedures have been adopted by the City BCC;
- f) Report to SPCs and Council as required; and
- g) Participate in any other activities as directed by Council.

5.3 Disbandment of City BCCs

5.3.1 A review of the mandate, composition and resourcing of a City BCC classified as "Advisory", "Interest Group", or "Review" (Schedule A) will be brought forward to Council by the City Clerk's Office through the Priorities and Finance Committee every two years, with the first review occurring in 2018. The review will be done in collaboration between the City BCC's Members, the City Clerk's Office, Administration Resources, and other members of City Administration, as required.

5.3.2 Despite section 5.3.1, Council may at any time direct that a review be conducted.

5.3.3 A City BCC is disbanded by resolution of Council or repeal of its enabling bylaw.

5.4 Duties of City Chairs

5.4.1 Chairs of City BCCs are required to:

- a) Chair meetings in accordance with *The Procedure Bylaw* or other adopted procedures as permitted in Section 2 of *The Procedure Bylaw*;
- b) Participate in the City BCC recruitment and appointment process;
- c) Participate in succession planning;
- d) Manage performance evaluation of Public Members;
- e) Speak on behalf of a City BCC when required by Council;
- f) Coordinate with Administration for orientation and training of Members;
- g) Notify the City Clerk's Office in writing as soon as the Chair is made aware of a mid-term vacancy;
- h) Act in accordance with the *Indemnification of Council Citizen Appointments* and *Code of Conduct* policies and any other subsequent Council policies or bylaws that govern City BCCs; and

- i) Any other duties as directed by Council.

5.4.2 The Chair of a City BCC may delegate their responsibilities to their Vice-Chair(s).

5.5 City Clerk's Office Staffing

5.5.1 The City Clerk's Office will provide legislative services to City BCCs in accordance with the criteria outlined in Schedule C.

Part B: Appointment of Council Members and Administration Members to BCCs

5.6 Appointment of Council Members

5.6.1 Council Members shall be appointed to BCCs at the annual Organizational Meeting of Council, and at other times the BCC requires.

5.6.2 The appointment term for Council Members shall:

- a) Be until the next annual Organizational Meeting of Council, unless otherwise specified by a resolution of Council or a BCC's Governance Document(s); and
- b) Terminate immediately upon leaving office.

5.6.3 Each year Councillors will provide a listing of their BCC appointment preferences to the City Clerk's Office. These preferences will be summarized and presented for Council's consideration for appointment at the annual Organizational Meeting of Council.

5.6.4 In the case of a mid-term Council Member vacancy, the City Clerk's Office will canvass all Councillors for interest in the applicable BCC and bring a report forward for Council make an appointment.

5.7 Appointment of Administration Members

5.7.1 Council shall appoint Administration Members to BCCs as applicable. The City Manager shall provide Council with recommendations for appointments.

5.7.2 Administration Members shall be appointed to BCCs at the annual Organizational Meeting of Council, and at other times the BCC requires.

5.7.3 The appointment term for Administration Members shall:

- a) Be until the next annual Organizational Meeting of Council, unless otherwise specified by a resolution of Council or a BCC's Governance Document(s); and
- b) Terminate immediately upon leaving the employment of The City of Calgary.

5.7.4 In the case of a mid-term Administration Member vacancy, the City Clerk's Office will contact the applicable General Manager for a nomination and bring a report forward for Council make an appointment.

Part C: Appointment of Public Members to BCCs

5.8 Timing of Public Member Appointments

- 5.8.1 Public Members shall be appointed to BCCs at the annual Organizational Meeting of Council, and at other times the BCC requires.

5.9 Eligibility of Public Members

- 5.9.1 Applicants must satisfy Eligibility requirements in order to be selected for appointment.
- 5.9.2 Unless otherwise outlined in a BCC's Governance Document(s), Public Members must be:
 - a) Residents of Calgary; and
 - b) At least 18 years of age.
- 5.9.3 A BCC's Governance Document(s) may outline Eligibility requirements for Public Members that are in addition to the Eligibility requirements outlined in section 5.9.2.
- 5.9.4 Unless required by a BCC's Governance Document(s), Public Members are not required to be an Elector.
- 5.9.5 If the *Code of Conduct* is applicable to a Public Member, the Public Member must abide by that policy.
- 5.9.6 A Public Member must act in good faith in the performance of their duties, as outlined in Council's *Indemnification of Council Citizen Appointments* policy.
- 5.9.7 Public Members must maintain Eligibility status throughout their term.

5.10 Terms for Public Members

- 5.10.1 A Public Member's term will be:
 - a) As outlined in a BCC's Governance Document(s);
 - b) If terms are not outlined in a Governance Document(s), for a one or two year term to allow for staggering; or
 - c) For completion of a term, unless otherwise outlined on a BCC's Governance Document(s).
- 5.10.2 A Public Member ceases to be a Public Member at the end of their term.
- 5.10.3 A Public Member may serve up to a maximum of six consecutive years on a City BCC, unless otherwise outlined in a City BCC's Governance Document(s). The years served on a City BCC prior to the coming into force of this Council policy on 2016 April 25 are to be counted in the calculation of the Public Member's length of service.
- 5.10.4 Despite sections 5.10.1 to 5.10.3, a Public Member serves on a City BCC until their successor is appointed. The service of a Public Member beyond the

appointed term shall not count toward the calculation of the limit on length of service as set out in section 5.10.3 if that extension is less than half the length of a term.

5.10.5 When an appointment is made to fill a vacancy during the last half of a term, the balance of the term shall not count toward the maximum length of service on the City BCC for the Public Member. However, any partial service longer than half of the appointment term will be counted as a full term toward the maximum length of service.

5.10.6 Despite section 5.10.3, a Public Member may serve on a City BCC more than six consecutive years by a Two-Thirds Vote of Council.

5.10.7 Appointments should be staggered where possible in order to maintain a BCC's organizational memory and continuity.

5.11 Recruitment of Public Members and Advertising

5.11.1 The City Clerk's Office shall conduct an annual recruitment and advertising campaign seeking applicants interested in being appointed to BCCs with Public Member vacancies.

5.11.2 The City Clerk's Office will facilitate all duties in relation to recruitment, advertising, preparation and distribution of applications, unless a BCC is exempt under section 5.12. Administration Resources may also support these processes.

5.11.3 Applications will be accepted for four weeks. The application deadline will be established by the City Clerk's Office.

5.11.4 Late applications will be submitted to Council at the Organizational Meeting of Council and may be accepted for consideration by a Two-Thirds Vote of Council.

5.11.5 The City's website and social media accounts will be used to advertise all vacancies. The BCC's website may also be used.

5.11.6 Vacancies may be advertised through a variety of multimedia sources including newspapers, trade bulletins, websites or newsletters of professional organizations, and community newsletters and networks. Advertising may vary depending on the BCC. Advertising shall specify:

- a) The BCCs with vacancies;
- b) The Public Member roles that are vacant;
- c) The process for submitting applications;
- d) The date, time and location of any information sessions; and
- e) The deadline date for receipt of applications.

5.11.7 Advertising shall direct potential applicants to the City's website for more detailed information on the BCC appointment opportunity and process.

- 5.11.8 If a BCC's Governance Document(s) outlines that Public Member vacancies are to be appointed through Non-Binding Nominations, these vacancies are not required to be advertised.
- 5.11.9 Qualifications that are in addition to those found in a BCC's Governance Document(s) that are needed to support a BCC's most current work plan, as identified by a BCC Chair, may be used in the recruitment and appointment of applicants.
- 5.11.10 The City will recruit and advertise through processes that attract a diverse pool of applicants. The City may cooperate with community agencies that recruit and train individuals from under-represented constituencies to improve diversity of the applicant pool.
- 5.11.11 The City may conduct advertised public information sessions as part of the advertised recruitment process. Applicant attendance at an information session is not mandatory.
- 5.11.12 Members of Council, Administration and Public Members may encourage qualified applicants to submit applications to enrich the applicant pool.
- 5.11.13 Council may by resolution approve the services of a search consultant with any advertised recruitment process to enhance the applicant pool and assist with the application intake, screening and short-listing process. In its approval, Council will approve funding to cover the costs of the search consultant's services.
- 5.11.14 Upon Council's adoption of a new City BCC's Governance Document(s), or amendment to an existing City BCC's Governance Document(s), Council shall direct whether or not an immediate recruitment and advertising campaign for the City BCC will be undertaken by the City Clerk's Office or if it is to be included in the next annual recruitment and advertising campaign.
- 5.11.15 When Council directs the City Clerk's Office to undertake an immediate recruitment and advertisement campaign, outside of the City Clerk's annual recruitment and advertising campaign, Council shall identify a source of funding for the City Clerk's Office.

5.12 BCCs Outside of the Annual City Clerk's Office Recruitment and Advertising Campaign

- 5.12.1 BCCs may be exempt from the annual City Clerk's Office recruitment and advertising campaign by resolution of Council. BCCs shall request an exemption in sufficient time for a Council decision in May of each year.
- 5.12.2 An exempt BCC is responsible for:
 - a) The costs of conducting recruitment and advertising activities outside of the annual City Clerk's Office recruitment and advertising campaign;
 - b) Receiving and processing applications;
 - c) Submitting a report to the City Clerk's Office with recommendations for appointments;

- d) Submitting the names and contact information of all applicants to the City Clerk's Office for the purpose of notification in accordance with section 5.17; and
- e) Submitting the required information in sections (c) and (d) within the timeframe established by the City Clerk's Office for items to be submitted to the annual Organizational Meeting of Council.

5.12.3 The City Clerk's Office is responsible for notifying all applicants of their status as outlined in section 5.17.

5.13 Application Process for Public Members

- 5.13.1 Applicants are encouraged to apply through the electronic application form on The City's website. Hardcopy application forms will be available on The City's website or at the City Clerk's Office. A hardcopy application may be submitted by email, mail, or in person.
- 5.13.2 Applicants may apply for up to two BCCs, using a single application form.
- 5.13.3 Public Members who are eligible to be reappointed for another term on a BCC must reapply through the application process as outlined in section 5.13.
- 5.13.4 To encourage a broad degree of citizen participation, no Public Member shall serve concurrently on more than one BCC unless Council determines there is a need.
- 5.13.5 Personal information collected during the application process is collected pursuant to the *Freedom of Information and Protection of Privacy Act* and will be used by Council, respective BCCs and Administration in conducting the appointment process and, in the case of an individual's appointment, in carrying out BCC business.

5.14 Nominations Committee

- 5.14.1 A Nominations Committee will be established by Council.
- 5.14.2 The Nominations Committee is responsible for nominating applicants to Council for appointment. Council shall make all appointments to BCCs.
- 5.14.3 In a year of a General Election, the Nominations Committee will not meet in the months of September and October. All applications and BCC short lists will be submitted directly to the Organizational Meeting of Council for consideration and appointment.
- 5.14.4 The terms of reference for the Nominations Committee are as outlined in Schedule B.
- 5.14.5 The Nominations Committee may sit in smaller panels to finalize interview questions and/or conduct interviews. The smaller panels may recommend nominations to Council.
- 5.14.6 The Nominations Committee may consider an applicant for appointment to a BCC to which the applicant did not apply if the applicant meets the Eligibility and Qualifications requirements.

- 5.14.7 The Nominations Committee may determine that recruitment has not resulted in sufficient or suitable applications and request additional advertising and recruitment. The Nominations Committee will recommend to Council that funding be approved for additional advertising and recruitment.
- 5.14.8 In the year of a General Election, when the Nominations Committee will not hold Meetings in the months of September and October, the responsibilities assigned to the Nominations Committee in section 5.14-5.16 shall be conducted by Council.

5.15 Appointment of Public Members to Advisory, Review and Interest Group BCCs

- 5.15.1 Section 5.15 applies to BCCs classified as “Advisory” or “Review” (Schedule A).
- 5.15.2 Section 5.15 applies to BCCs classified as “Interest Group” (Schedule A) for the appointment of any Public Members not filled by a Non-Binding Nomination.
- 5.15.3 Despite sections 5.15.1 and 5.15.2, any Non-Binding Nominations received by the City Clerk’s Office will be forwarded directly to Council for appointment.
- 5.15.4 Applications that are received under section 5.13 by the City Clerk’s Office will be provided to the BCC Chairs. The Chair, Vice-Chair(s) and Administration Resources will use the BCC Qualifications and Eligibility requirements to short list two applications for each vacancy. Interviews may be conducted.
- 5.15.5 The Chair will submit the applicant short list to the City Clerk’s Office in accordance with the timeframe established by the City Clerk’s Office. The City Clerk’s Office will provide a report to the Nominations Committee with each BCC’s applicant short list.
- 5.15.6 The Nominations Committee will consider the applicant short lists and make recommendations to Council on which applicants should be appointed. The Nominations Committee may or may not recommend the applicants short listed by the BCC and may refer back to the complete pool of applications. A Chair may be asked to attend a Nominations Committee meeting to provide advice on their applicant short list. If the Nominations Committee, or Council, refers back to the complete pool of applicants, then:
- a) the Nominations Committee must interview the applicant(s) in the case that the BCC’s short listing selection process included an interview component prior to appointment; or
 - b) the selected applicant(s) must be referred to the BCC Chair, or to a Selection Committee consisting of Members of Council, for completion of an interview in the case that the BCCs short listing selection process included an interview component. The BCC Chair will submit a recommendation to the City Clerk’s Office for presentation to Council.
- 5.15.7 The Nominations Committee shall recommend a Reserve List for each BCC to Council, if a sufficient number of applications was received. The number of applicants on the Reserve List shall be at the discretion of the Nominations Committee. An applicant may be on more than one Reserve List but will be

removed from all Reserve Lists if the applicant is appointed to a BCC to fill a mid-term vacancy.

5.15.8 A BCC that is exempt from the annual City Clerk's Office recruitment and advertising campaign under section 5.12 is exempt from sections 5.15.1-5.15.7.

5.15.9 A BCC that is exempt under section 5.12 is responsible for submitting a report to the City Clerk's Office with recommendations for appointments. The BCC shall recommend two applicants for each vacancy. The BCC's report shall be submitted in accordance with the format and timeframe set by the City Clerk's Office to ensure readiness for the annual Organizational Meeting of Council.

5.16 Appointment of Public Members to External, Oversight/Regulatory, Partner, Ad Hoc and Working Group/ Task Force BCCs

5.16.1 Section 5.16 applies to BCCs classified as "External", "Oversight/ Regulatory" or "Partner" (Schedule A).

5.16.2 Section 5.16 applies to BCCs classified as "Ad Hoc" or "Working Group/ Task Force" (Schedule A) if the BCC is a part of the annual City Clerk's Office recruitment and advertising campaign.

5.16.3 Despite sections 5.16.1 and 5.16.2, any Non-Binding Nominations received by the City Clerk's Office will be forwarded directly to Council for appointment.

5.16.4 Applications that are received under section 5.13 by the City Clerk's Office will be provided to the Nominations Committee. The Nominations Committee will use the BCC Qualifications and Eligibility requirements to recommend to Council which applicants should be appointed. Interviews may be conducted.

5.16.5 A Chair may be asked to attend a Nominations Committee meeting to provide advice on the applications.

5.16.6 The Nominations Committee shall recommend a Reserve List for each BCC to Council, if a sufficient number of applications was received. The number of applicants on the Reserve List shall be at the discretion of the Nominations Committee. An applicant may be on more than one Reserve List but will be removed from all Reserve Lists if the applicant is appointed to a BCC to fill a mid-term vacancy.

5.16.7 The City Clerk's Office will prepare a report with the Nominations Committee's appointment and Reserve List recommendations which will be considered by Council at its annual Organizational Meeting.

5.16.8 A BCC that is exempt from the annual City Clerk's Office recruitment and advertising campaign under section 5.12 is exempt from sections 5.16.1-5.16.7.

5.16.9 A BCC that is exempt under 5.12 is responsible for submitting a report to the City Clerk's Office with recommendations for appointments. The BCC shall recommend two applicants for each vacancy. The BCC's report shall be submitted in accordance with the format and timeframe set by the City Clerk's Office to ensure readiness for the annual Organizational Meeting of Council.

5.17 Notification of Appointed, Reserve List and Unsuccessful Applicants, and Retiring Public Members

- 5.17.1 Appointed Public Member and Reserve List applicants will be notified by the City Clerk's Office and by an official letter from the Mayor.
- 5.17.2 Unsuccessful applicants will receive an official letter from the Mayor thanking them for their interest.
- 5.17.3 Public Members who are not reappointed will be notified by the BCC Administration Resource, and will receive an official letter from the Mayor thanking them for their service.
- 5.17.4 Public Members who retire will receive an official letter from the Mayor thanking them for their service.
- 5.17.5 Applicants who submitted late applications will be notified by the City Clerk's Office on whether or not their applications were considered by Council as outlined in section 5.11.4.

5.18 Mid-term Vacancies

- 5.18.1 A mid-term vacancy on a BCC is created when a Public Member resigns or vacates the position before the end of a term, effective the earliest of:
 - a) The date of resignation, submitted in writing to the Chair;
 - b) The date the Public Member ceases to be eligible;
 - c) The date the Public Member is removed by Council; or
 - d) The date of death or other incapacitation.
- 5.18.2 As soon as a Chair is made aware of a mid-term vacancy, they shall notify the City Clerk's Office in writing as outlined in section 5.4.1(g).
- 5.18.3 Upon notification of a vacancy, the City Clerk's Office shall contact the Reserve List applicants to determine if the applicants are still interested and available to serve as a Public Member. The resulting Reserve List will be submitted to Council and may be used to fill the vacancy.
- 5.18.4 If no Reserve List exists or the Reserve List applicants are unavailable to fill a vacancy, the City Clerk's Office shall submit a vacancy report to the Nominations Committee.
- 5.18.5 The Nominations Committee shall determine if the vacancy is to be filled for the balance of the term. The Nominations Committee will recommend to Council which applicants to appoint. If there are no eligible applicants remaining from the previous City Clerk's recruitment campaign, the Nominations Committee may recommend to Council that a new recruitment and advertising campaign be conducted to fill the vacancy. The Nominations Committee will recommend to Council that funding be approved for additional advertising and recruiting. If a vacancy is to be filled, it shall be filled within 60 days from the date the Nominations Committee is notified that the vacancy has occurred.

5.18.6 The Nominations Committee may conduct interviews and/or consult with a BCC Chair when considering a mid-term vacancy.

5.18.7 In the year of a General Election, when the Nominations Committee will not hold Meetings in the months of September and October, the responsibilities assigned to the Nominations Committee in section 5.18 shall be conducted by Council.

6. **SCHEDULES**

6.1 Schedule A: Classification and Criteria of Boards, Commissions and Committees

6.2 Schedule B: Nominations Committee - Terms of Reference

6.3 Schedule C: City Clerk's Office Staffing

7. **AMENDMENT(S)**

Date of Council Decision	Report / Bylaw	Description
2017 July 31	PFC2017-0433 Bylaw 35M2017	Bylaw 44M2006 is repealed and replaced with Procedure Bylaw 35M2017.
2017 April 24	PFC2017-0260	Council adopted amendments with respect to the application process, Reserve List, and Nomination Committee. Minor amendments adopted to bring greater clarity and bridge implementation gaps.

8. **REVIEW(S)**

Date of Policy Owner's Review	Description
2016 April 11	Disbandment – remove from Schedule A: Selection Committee for the Integrity Commissioner
2016 June 20	Adoption of a new Task Force – add to Schedule A: Community Representation Framework Task Force (CPS2016-0393)
2016 July 25	Disbandment – remove from Schedule A: eGovernment Strategy Advisory Committee (PFC2016-0148)
2016 September 26	Disbandment – remove from Schedule A: Prince's Island Park Management Advisory Committee (CPS2016-0748)
2016 September 26	Name change – update Schedule A: From 'Taxi Limousine Advisory Committee' to 'Livery Transport Advisory Committee'.

	<i>(CPS2016-0633)</i>
2016 October 12	Update on status and removal from Boards, Commissions and Committees – remove from Schedule A: Local Authorities Pension Plan Board of Trustees
2016 October 24	Remove from Schedule A: NextCITY Advisory Committee <i>(N2016-0657, Acknowledged as an Administration Committee)</i>
2016 November 07	Name change – update Schedule A: From 'Chinatown District Business Revitalization Zone' to 'Chinatown District Business Improvement Area' <i>(C2016-0854 and Bylaw 49M2016)</i>
2016 November 28	Name change – update Schedule A: From 'Montgomery Business Revitalization Zone' to 'Montgomery on the Bow Business Improvement Area' <i>(CPS2016-0826 and Bylaw 54M2016)</i>
2016 November 28	Name change – update Schedule A: From 'Bowness Business Revitalization Zone' to 'Mainstreet Bowness Business Improvement Area' <i>(CPS2016-0826 and Bylaw 55M2016)</i>
2016 November 28	Name change – update Schedule A: From 'Kensington/Louise Crossing Business Revitalization Zone' to 'Kensington Business Revitalization Zone' <i>(CPS2016-0826 and bylaw 56M2016)</i>
2016 November 28	Name change – update Schedule A: From 'Victoria Park Business Revitalization Zone' to 'Victoria Park Business Improvement Area' <i>(CPS2016-0826 and Bylaw 57M2016)</i>
2016 November 28	Name change – update Schedule A: From 'Fourth Street South West Business Revitalization Zone' to '4 th Street South West Business Improvement Area' <i>(CPS2016-0826 and Bylaw 59M2016)</i>
2016 December 31	Disbandment – remove from Schedule A: <ul style="list-style-type: none"> - Legacy Parks Fund Steering Committee - Land and Asset Strategy Committee - Legislative Governance Task Force <i>(2016 July 25, LGT2016-0585)</i> <i>(2016 September 12, Bylaw Tabulation 36M2016)</i>
2017 February 22	Additions to Schedule A as the below Boards, Commissions and Committees predate the adoption of this Council policy: <ul style="list-style-type: none"> - Calgary Emergency Management Agency (CEMA) - Co-ordinating Committee of the Councillors' Office - Mall Programming Fund Management Committee

Schedule A**Classification and Criteria of Boards, Commissions and Committees**

When a City Board, Commission or Committee (BCC) is created it will be classified in accordance with the descriptions outlined in this schedule.

Determination of which classification a BCC belongs in should be based on the **primary** function of the BCC, recognizing that the body may also have work related to one or more of the other categories.

BCC Classification	BCC Description	Applicable BCCs (*indicates BCCs with Public Members appointed by Council)	Applicable Public Member Appointments Policy Section
Ad Hoc	<ul style="list-style-type: none"> Established to provide oversight or provide recommendations to Council on matters that occur or require attention from time to time. Meets on an ad hoc basis. Members of Council, Public Members and/or Administration may be appointed. Reports to Council directly or through an SPC. 	<ol style="list-style-type: none"> Corporate Pension Governance Committee Local Emergency Committee Nominations Committee Co-ordinating Committee of the Councillor's Office 	5.16 - for Public Member vacancies that are a part of the annual City Clerk's Office recruitment and advertising campaign.
Administration Committee	<ul style="list-style-type: none"> Established by Administration. Establishment and terms of reference are not adopted by Council. Council makes no appointees. Membership shall not include Members of Council. Members of Council may attend meetings but may not vote on decisions. 	Example: <ol style="list-style-type: none"> Corporate Technology Committee 	Not applicable.
Administrative Tribunal	<ul style="list-style-type: none"> Established to decide appeals as a quasi-judicial body under legislation. Authority is delegated by bylaw. Decision-making is governed by the rules of administrative law including the duty of fairness and impartiality. Decisions may be appealed to a higher jurisdiction. 	<ol style="list-style-type: none"> Assessment Review Boards* Licence and Community Standards Appeal Board* Subdivision and Development Appeal Board* 	Not applicable.

PFC2018-0197
ATTACHMENT 3

BCC Classification	BCC Description	Applicable BCCs (*indicates BCCs with Public Members appointed by Council)	Applicable Public Member Appointments Policy Section
	<ul style="list-style-type: none"> Public Members and Council Members may be appointed but not Administration Members. Membership shall consist primarily of Public Members. 		
Advisory	<ul style="list-style-type: none"> Established to provide public or expert input and advice to Council on varying issues. As an Advisory BCC's role is to give advice from the public to Council, Members of Council shall not be appointed. Administration Members may be appointed. Reports to Council directly or through an SPC. 	<ol style="list-style-type: none"> 1) Advisory Committee on Accessibility* 2) BiodiverCity Advisory Committee* 3) Calgary Aboriginal Urban Affairs Committee* 4) Calgary Heritage Authority* 5) Public Art Board* 	5.15
Business Revitalization Zone (BRZ) Business Improvement Area (BIA)	<ul style="list-style-type: none"> Established under the <i>Municipal Government Act</i>, RSA 2000, c M-26. Enabled by bylaw. Public Members are elected at the BRZ's annual general meeting and appointed by Council. 	<ol style="list-style-type: none"> 1) 17th Avenue Retail & Entertainment District BRZ* 2) 4th Street South West BIA* 3) Mainstreet Bowness BIA* 4) The Calgary Downtown Association BRZ* 5) Chinatown District BIA* 6) Inglewood BRZ* 7) International Avenue BRZ* 8) Kensington-BRZ* 9) Marda Loop BRZ* 10) Montgomery on the Bow BIA* 11) Victoria Park BIA* 	Not applicable.

PFC2018-0197
ATTACHMENT 3

BCC Classification	BCC Description	Applicable BCCs (*indicates BCCs with Public Members appointed by Council)	Applicable Public Member Appointments Policy Section
External	<ul style="list-style-type: none"> • Not established by The City of Calgary but membership includes a Council appointee. • Members of Council, Public Members and/or Administration may be appointed. 	<ol style="list-style-type: none"> 1) Alberta Urban Municipalities Association 2) Bow River Basin Council 3) Calgary Airport Authority* 4) Calgary Homeless Foundation 5) Calgary Regional Partnership 6) Calgary Safety Council 7) The City of Calgary/City of Chestermere Inter-Municipal Committee 8) East Paskapoo Slopes Joint Advisory Committee 9) Family and Community Support Services Association of Alberta 10) Federation of Canadian Municipalities 11) Inter-Municipal Committee - Foothills 12) Inter-Municipal Committee – Rocky View 13) Calgary International Airport Development Appeal Body* 14) The Provincial Utilities Consumer Advocate Governance Board* 15) Regional Transportation Steering Committee 16) Urban Municipalities Task Force 	5.16

Interest Group	<ul style="list-style-type: none"> Established when advice or delegated work is desired from specific professional, industry or community groups. The majority of membership is composed of Non-Binding Nominations submitted to Council from specific organizations, industries, community groups and/or other BCCs. Members of the general public and Administration may also be appointed but not Members of Council. 	<ol style="list-style-type: none"> 1) Livery Transport Advisory Committee* 2) Urban Design Review Panel* 3) Mall Programming Fund Management Committee 	5.15 - for appointments that are not filled by Non-Binding Nomination
Oversight/Regulatory	<ul style="list-style-type: none"> Established to perform oversight, regulatory or operational functions as required by legislation and/or bylaw. These bodies may be used where Council wishes to have particular decisions made and functions performed at arm's-length from the political process or Administration. Does not include quasi-judicial bodies established to decide appeals (see Administrative Tribunal). Members of Council, Public Members and/or Administration may be appointed. 	<ol style="list-style-type: none"> 1) Audit Committee* 2) Calgary Parking Authority* 3) Calgary Planning Commission* 4) Calgary Police Commission* 5) Combative Sports Commission* 6) Emergency Management Committee 7) Calgary Emergency Management Agency (CEMA) 	5.16
Partner	<ul style="list-style-type: none"> Established as an organization operating independently from The City. Resources of The City are invested in and managed by the body, including operational and capital funding, land, buildings, artefacts and liaison support. May be a body supported by Community Services through Civic Partners. Members of Council, Public Members and/or Administration may be appointed. 	<ol style="list-style-type: none"> 1) Convention Centre Authority* 2) Public Library Board* 3) Calgary Stampede Board 4) Calgary Technologies Inc.* 5) Lindsay Park Sports Society 6) McMahon Stadium Society 7) Parks Foundation Calgary 8) Saddledome Foundation* 9) Silvera for Seniors* 10) Tourism Calgary* 11) Winsport 	5.16

Review	<ul style="list-style-type: none"> Established to review specific matters that occur from time to time. Review decisions and investigations of Administration to determine if established processes were followed. May make recommendations for follow-up or change Administration's decisions. As these bodies are established to conduct an arm's-length review of Administration decisions and investigations, appointees should only include Public Members. Non-voting Administration Members may be appointed to provide expertise advice. 	<ol style="list-style-type: none"> 1) Calgary Transit Access Eligibility Appeal Board* 2) Protective Services Citizen Oversight Committee* 	5.15
Standing Specialized Committees	<ul style="list-style-type: none"> Established as Special under <i>The Procedure Bylaw</i>. Recommends action to Council on a special set of Council issues. Reports directly to Council. Membership is primarily Members of Council but may include Public Members and/or Administration Members. Reports directly to Council. 	<ol style="list-style-type: none"> 1) Gas, Power and Telecommunications Committee 2) Intergovernmental Affairs Committee 	Not applicable.
Standing Policy Committee (SPC)	<ul style="list-style-type: none"> Established as an SPC under <i>The Procedure Bylaw</i>. Responsible for policy formulation for Council and decision-making within existing Council policy. Membership includes Members of Council only. Reports directly to Council. 	<ol style="list-style-type: none"> 1) SPC on Community and Protective services 2) SPC on Planning and Urban Development 3) SPC on Transportation and Transit 4) SPC on Utilities and Corporate Services 5) Priorities and Finance Committee (not officially an SPC but its primary function falls within this classification) 	Not applicable.

Sub-Committee	<ul style="list-style-type: none"> Established by Council or a Council Committee to deal with a specific sub-set of issues. Membership includes Members of Council and may include Administration Members. Reports directly to Council or through an SPC. 	<p>Example:</p> <ol style="list-style-type: none"> Personnel Sub-Committee 	Not applicable.
Wholly-Owned Subsidiary	<ul style="list-style-type: none"> Established as a corporation of which The City of Calgary is the sole shareholder. Directors are appointed in accordance with the corporation's Governance Documents. 	<ol style="list-style-type: none"> Attainable Homes Calgary Corporation Calgary Arts Development Agency Calgary Economic Development Limited Calgary Housing Company Calgary Municipal Land Corporation Enmax Corporation 	Not applicable.
Working Group/ Task Force	<ul style="list-style-type: none"> Established to oversee a short-term project or develop/review a policy for Council consideration. Terms of reference will include timelines for when the body is to be disbanded. Members of Council, Public Members and/or Administration may be appointed. 	<ol style="list-style-type: none"> Council Compensation Review Committee* RouteAhead Steering Committee Community Representation Framework Task Force 	5.16

Schedule B

Nominations Committee Terms of Reference

1. Mandate

The responsibilities of the Nominations Committee include considering and recommending to Council applicants to appoint to Boards, Commissions and Committees (BCCs). The Nominations Committee shall act in accordance with the *Governance and Appointments of Boards, Commissions and Committees* Policy. The Nominations Committee shall meet from time to time with the frequency required to carry out its duties.

2. Establishment

The Nominations Committee was established by City Council on 2016 May 16 (C2016-0381).

3. Composition

The Nominations Committee consists of up to seven Members of Council, including the Mayor or the Mayor's designate as Chair.

4. Terms

Councillors are appointed to the Nominations Committee at the annual Organizational Meeting of Council, or at other times required by the Nominations Committee, for a one year term expiring on the day of the Organizational Meeting.

5. Reporting

The Nominations Committee reports directly to Council.

6. Meeting Support

The City Clerk's Office will provide legislative services for the Nominations Committee.

7. Meetings

The Nominations Committee will meet as required to carry out its mandate. Meetings of the Nominations Committee will be called or cancelled at the call of the Chair. Notice of Meetings will occur in accordance with The City of Calgary Procedure Bylaw -35M2017, -.

In a year of a General Election, the Nominations Committee will not meet in the months of September and October. All applications and BCC short lists will be submitted directly to the Organizational Meeting of Council for consideration and appointment.

Schedule C

City Clerk's Office Staffing

Criteria for the City Clerk's Office to Provide Legislative Services for a Board, Commission or Committee

1. The City Clerk is responsible for maintenance of the Council record for The City. When the City Clerk records for a City Board, Commission or Committee (BCC), all resulting documentation becomes a part of this Council record.
2. The City Clerk's Office provides legislative services for all meetings of Council and Council Committees in accordance with *The Procedure Bylaw*.
3. The criteria for the City Clerk's Office providing legislative services for City BCCs other than a Council Committee are that the BCC must:
 - a) Be formed by Council under the *Municipal Government Act* RSA 2000 c M-26;
 - b) Have all Members appointed by Council;
 - c) Have at least one Member of Council appointed as a voting Member;
 - d) The City BCC must not be a local government body in its own right as defined in the definitions section of the *Freedom and Information and Protection of Privacy Act* RSA 2000 F-25;
 - e) Not be subject to the *Personal Information Protection and Electronic Documents Act* or equivalent Alberta legislation;
 - f) Have in its mandate the ability to decide, advise or recommend policy to Council or its committees, or make decisions involving City budget funds; and
 - g) Not be self-funded.
4. Despite sections 1 and 3, the City Clerk's Office shall not provide legislative services for the Calgary Planning Commission, Calgary Parking Authority or Co-ordinating Committee of the Councillors' Office.